

47<sup>th</sup>

# ANNUAL REPORT & STATEMENT OF ACCOUNTS 2016-2017



YOUR LOCAL CLUB, SUPPORTING OUR LOCAL COMMUNITY

# BOARD OF DIRECTORS 2016-2017



**WILLIAM DRURY**  
*President*



**ANNETTE STEEL**  
*Vice President*



**SIMON LAW**  
*Vice President*



**BRIAN WILKINS**  
*Director*



**EDWIN WILD**  
*Director*



**PAUL WARREN**  
*Director*



**TONY IRELAND**  
*Director*



**DARRYL BOZICEVIC**  
*Secretary Manager*

## **CURRENT LIFE MEMBERS:**

Joe Hughes, Shelley Payten and Jeanie Walsh

## **PAST LIFE MEMBERS:**

M Bolin, J Gittens, E McMahon, J Lyall, F Pascoe, H Warren, M Gittens,  
B Barkl, F Duncan, R Coster, J Donkin

## **CURRENT PATRONS:**

Norm Ralston, Dawn Rash and Mick Timmings



*The Board extends sincere sympathy to the families of members who have passed away in the last year; these will be read out at the AGM.*

# THE MILTON ULLADULLA EXSERVOS CLUB LIMITED

ABN 90 000 858 364

Notice is hereby given that the 47th ANNUAL GENERAL MEETING of the MILTON ULLADULLA EXSERVOS CLUB LIMITED is to be held on **Sunday 12th November 2017** commencing at **9.30am** in the Club lounge, 212-222 Princes Highway, Ulladulla, New South Wales.

William Drury  
President

## AGENDA

1. Welcome
2. Introduction
3. Reception of Apologies
4. One minute's silence for deceased members
5. Returning Officer Report on Elections
6. Ratification of Tony Ireland's appointment to the Board after filling the casual vacancy left by Mark Richardson
7. 7. Confirmation of Minutes of the 46th Annual General Meeting held on Sunday 6th November 2016
8. To receive and consider the President's Report
9. To receive and consider the Secretary Manager's Report
10. To receive and consider the Trading Account, Profit and Loss Statement, Balance Sheet and Auditor's Report for the year ended 30 June 2017
11. Notices of Resolutions – Ordinary
12. Club Property Report
13. Life Member nominations
  - Greg Brumby
  - Tony Ingold
  - Mark Richardson
14. General Business

The full annual report can be viewed or downloaded from the  
Milton Ulladulla ExServos [www.ulladullaexservos.com.au](http://www.ulladullaexservos.com.au)  
or obtained at the Club in person or by calling 02 4455 1444

## PRESIDENT'S ANNUAL REPORT 2017

It is my pleasure to present my President's report and our Club's 47th Annual Financial Report. It has been a solid year for our Club which has seen us achieve a net profit of \$469,986. Although this is a decrease on the previous year, it is still a pleasing result given the very competitive hospitality market we are operating in.

Community support continues to be a key focus for us, with many local sporting clubs, community groups and other organisations sharing combined community contributions of \$210,000 for the past year. It gives me great pride to see young and old taking part in their chosen endeavours with the assistance of The Milton Ulladulla ExServos Club. The more these groups and the community support our Club, the more we can ensure continued support to all deserving organisations.

The past year saw the retirement from the Board of Directors Mark "Richo" Richardson, who served on our Board for 17 years and played a pivotal role in taking our Club from the Old Club to the market leading building we have today. The Board and I thank you Richo for your dedication, passion and vision that has played a major role in our Club being on such a firm footing.

We have continued with our Strategic Planning process that has been in place for the last 7 years and which continues to act as the backbone of our decision-making. Part of this plan is Club renovations that has seen the commencement of stage one of the Master Plan and will continue to lay a foundation for the Clubs' future.

This year has seen the Milton Ulladulla ExServos Club and Shoalhaven City Council sign an agreement for our Club to provide management of the Civic Centre, which involves the operation of the centre including Functions and the Café. We are committed to promoting the Civic Centre to increase usage for the benefit of the whole community.

I am disappointed at the number of people that have been requested to front the Board due to inappropriate behaviour within our Club building and grounds. The Board has, and will continue to issue long suspensions. I will make no apologies for this, as the safety of all Staff, Members and Guests is something that the Board will not compromise on.

On a more positive note, to our Welfare Officers Maggie Warren and Annie Alexander, our Board, Staff and Members thank you for the continued outstanding service you provide.

Our membership level reached almost 17,000 in the last financial year. A big thank you to all of you for your continued support of our Club. We will continue to provide a market leading venue that has the best to offer. As mentioned above, the Board has a Master Plan to ensure we have a venue that is modern and run by passionate people from the Board level down.

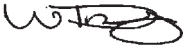
To Darryl Bozicevic, our CEO; your work ethic, passion and commitment is second to none that I have seen in our industry. The work load that you have undertaken in the past year with a variety of different projects coming to a head at the same time has been extreme at times. The Board and I thank you for continued efforts.

The management team of Matt, Alison, Belinda, Pia, Paul, Marlee, Kirstyn and Michelle is a credit to our Club. Our appreciation is with the entire team for another strong year. To all of the Staff and Supervisors, thank you for your efforts. It is a pleasure to walk in at any time and see happy, committed, confident people representing the ExServos brand with pride.

To all the Directors of the Board; Annie Steel, Simon Law, Brain Wilkins, Ted Wild, Paul Warren, Tony Ireland and Mark Richardson (retired). Thank you for your ongoing commitment to the roles you have taken on. The role of Director is one that is continually growing in terms of the governance requirements, with extensive training now required to be undertaken. Again, thank you for the time you have spent around the Board table, attending training, functions and other Club commitments.

Thank you to all involved in our Club from Members to Staff. I look forward to seeing you regularly in our great Club.

Regards,

A handwritten signature in black ink, appearing to read 'W Drury', with a stylized flourish at the end.

**William Drury**  
PRESIDENT

## SECRETARY MANAGER'S REPORT 2017

On behalf of the Board of Directors and I, it is with pleasure that I present to you our Club's 47th Annual Financial Report for the year ended 30 June 2017 as Secretary Manager.

The Club's financial performance over the year has allowed your Club to achieve a net profit of \$469,986, which is a 20.8% decrease of \$123,337 against last year's result of \$593,323. The revenue from ordinary activities increased by \$394,136 which is an increase of 4.3%.

We have seen our expenses increase this year by \$517,473. This is due to number of reasons and the major increases are as follows. Firstly we increased the number of and value of promotional activities throughout the Club with an increased spend of \$276,633, a 12.3% increase on last year. We are continuing to update our plant and equipment; this, combined with the commencement of stage one of the Master Plan has meant an increase in depreciation of \$53,177, which is an increase of 7% on the previous year. As many of you will be aware, we also commenced production of the "Local Express", which has resulted in an additional spend for the year of \$140,631. There are also constant rises in the cost of goods from our suppliers and last year saw the cost of goods increase by \$67,886; a 5.19% increase on the prior year.

Our membership hit another all-time high of 16,900. We believe our membership continues to grow due our Real Rewards program. I would like to thank members for using your Real Rewards cards; we continue to listen to your feedback, which helps us improve our service, products and the program. It's great to see members enjoying the program and taking advantage of the benefits on offer.

The balance sheet has seen a revaluation of assets; as you will be aware we have knocked down the two houses that were on the property next to the Club. One lot is now being used for parking and the other one will be for more parking as part of the Master Plan. This has resulted in the Club requiring a formal revaluation and as a result the land value has increased by \$1,461,136 and the building value has increased by \$797,635. Our overall Net Asset position as at June 30 2017 is an increase of \$2,728,757.

The Club continues to be a big part of the community and we are strengthening our relationships with a lot of community and sporting groups by committing to longer term arrangements. We encourage all of the sporting clubs and community groups/associations to visit the Club and support the Club that supports them. We support many events and sporting groups as they also bring visitors to our great town and Club. The Club continues to support many local community groups and education initiatives and is a big supporter of fundraisers. This year the Club has contributed back into the community \$210,000.

This year we have continued our relationships within the community and are proud of the Club's continued relationship with the RSL Sub-branch. We made some enhancements to our memorial area and held another very successful Anzac Day dawn service; thank you to everyone who attended. The RSL Day Club continues to be a great success and again this year, we are sending three high school students from Ulladulla High on the Kokoda trek; what an exciting trip and experience this will be for them. I am looking forward to hearing about their experience.

Last year's report mentioned the Board's Strategic Planning session. This year the Master Plan was submitted and finally approved by Council and the commencement of stage one began in August 2017. The Board has continued to focus on debt reduction to ensure the Club can implement the Master Plan construction work and expansion of the Club. This year we have achieved a reduction

in our interest bearing liabilities of \$569,406, leaving our BankWest commitment at \$2,271,196. Next year we will see this increase due to the construction of stage one of the Master Plan, by approximately \$2,500,000.

This year Shoalhaven City Council and the Club signed off on a three year agreement for the Civic Centre Management, Café and providing food and beverage services to the functions that are held there. Michelle Babington, our new Civic Centre Manager is doing a great job and is settling in extremely well.

We look forward to working with the community and growing the occupancy of this great facility. This community asset has seen increased usage throughout the year and I believe Council are pleased with the work we have put in. More importantly, the majority of feedback from the community has been positive. Thank you to everyone involved for your support and thank you to Council staff and Councillors for their support and assistance in making this joint initiative successful.

To the Board of Directors: A huge thank you to Mark “Richo” Richardson who stepped down this year. Mark gave 17 years’ service to the Board and Club and has been the “go to” man for “Mr Fix it” jobs! His contribution, knowledge and input into the building of the “new Club” was instrumental in its completion and success.

To the rest of the Board: President William Drury, Vice Presidents Annie Steel and Simon Law, Directors Brian Wilkins, Ted Wild, Paul Warren and Tony Ireland (our new Director who has replaced Mark Richardson); I would like to thank you all for your support in what has been an extremely busy year. The Board’s vision and commitment to the Strategic Plan and enhancing the Club for the future is to be admired by all Members. The Management and Staff thank you for your time, passion and commitment. Sometimes we can forget that your time is voluntary, which makes it even more appreciated. The direction and support you provide to me and the team is outstanding. Thank You!

To all our staff; thank you for your continued commitment to the ExServos Club. We are building a united team that is focused on delivering great products and services with a friendly smile. I encourage you to continue to look for improvements in our service standards. It takes a team to make a Club successful and everyone has a role to play. Let’s keep striving to be the best!

To the management team of Matt, Alison, Belinda, Pia, Paul, Marlee, Kirstyn and Michelle; wow, what a year we have had and where has it gone? Congratulations and thank you all for your contribution this last year. Your support of me and your commitment to the Club is greatly appreciated. We look forward to what is shaping up to be another exciting year with some big goals and plans coming to fruition. Thank you again! To those that have, or are departing us; Steve, Eliza and Pia, thank you so much for all you’ve done and we wish you all the best for the future.

To our other key staff: Judy, in Accounts, Rod, Trevor and Michael in the Cellar/Maintenance; thanks for your efforts. To our Club Supervisors, Cecilia, Robert and George, thank you. To our Co-ordinators, Gabe and Cara, thank you also for your efforts this year.

To the Club’s Caterer Sally Stewart and all the Stewarts Catering team; thank you all for your efforts and commitment to Club. To Sally in particular, a special thank you. Together we continue to look at ways to improve and whilst we have some robust discussions at times, I thank you for your passion, honesty and commitment to making this a better Club each year. We continue to strive to build a cohesive team environment with great food and customer service offerings.



To our members; "Your Local Club, Supporting our Local Community" is such a great tag line and one that I am very proud of. Our Club has grown so much in such a short period of time. Consolidation, planning for the future and looking for further growth opportunities is a balancing act, but I can assure you that the Board, Management and Staff are always striving for continued improvements to cement our future. Even though we reached almost 17,000 members this year, we still pride ourselves on a personable approach with our members and hope that you continue to support what we have built and are continuing to build for the future. On behalf of the Board of Directors, Management and Staff I would like to thank you for your support and continued commitment and loyalty to the ExServos Club.

To repeat myself from last year; our Members and Staff are what make this Club the warm and friendly Club it is today. We look forward to the future and the continued support of you, our Members. We will continue to strive to provide you with the best facilities, products and services that we can and most importantly, our friendly smiles will always be here waiting to greet you!

The Club's best asset, which cannot be shown on a profit and loss statement or balance sheet, is our Members and Staff. I cannot thank you all enough and look forward to the future and particularly the next 12 months.

With the festive season nearly here again we ask that you remain safe and be festive! I wish you all the best for the coming year. My sincere regards and best wishes to your family and friends.

I look forward to seeing you, your family and friends in our Club again soon.

A handwritten signature in black ink, appearing to read 'Darryl Bozicevic', with a long horizontal line extending to the right.

Darryl Bozicevic  
Secretary Manager



## NOTICE OF ORDINARY RESOLUTIONS

Members will be asked to consider and if thought fit pass the following resolutions, which are proposed as Ordinary Resolutions:

### *First Ordinary Resolution*

#### **That pursuant to the Registered Clubs Act:**

- a) The members hereby approve and agree to expenditure by the Club in the sum not exceeding \$10,000 until the next Annual General Meeting of the Club Ltd. For the following expenses, subject to approval by the Board of Directors of the Club:
  - (i) The reasonable cost of a meal and beverage for each Director immediately before or immediately after a Board or Committee meeting.
  - (ii) Reasonable expenses incurred by Directors within the Club or elsewhere in relation to such other duties including entertainment of special guests to the Club and other promotional activities approved by the Board, on production of documentary evidence of such expenditure.
  - (iii) Reasonable expenses for the members of the Board of Directors and their partners to attend an end of year dinner.
  - (iv) Reasonable expenditure on food and refreshments for Directors and Senior Management in entertaining members and guests of the Club.
  - (v) The Club providing each Director with a uniform of a blazer, trousers or skirt, shirt or blouse, and a jumper.
- b) The members acknowledge that the benefits in a) above are not available to members generally but only for those who are Directors of the Club and those members directly involved in the above activities.

## ***Second Ordinary Resolution***

### **That pursuant to the Registered Clubs Act:**

- a) The members hereby approve and agree to expenditure by the Club in the sum not exceeding \$20,000 for the professional development and education of Directors until the next Annual General Meeting and being:
  - (i) The reasonable cost of Directors attending the ClubsNSW Annual General Meeting.
  - (ii) The reasonable cost of Directors attending legislated training, seminars, lectures, trade displays, organised study tours, fact finding tours and other similar events as may be determined by the Board from time to time.
  - (iii) Attendance at Functions with spouses where appropriate and required to represent the Club.
- b) The members acknowledge that the benefits in (a) above are not available to members generally but only for those who are Directors of the Club.

Dated at Ulladulla this 1st day of September 2017.

By Direction of the Board



**Darryl Bozicevic**  
SECRETARY MANAGER

### **EXPLANATORY NOTES FOR ORDINARY RESOLUTIONS:**

These notes are to be read in conjunction with the proposed resolution.

1. The First Ordinary Resolution is to have the members in General Meetings approve an amount no greater than \$10,000 for expenses incurred by Directors in the performance of their duties.
2. The Second Ordinary Resolution is to have the members in General Meetings approve an amount no greater than \$20,000 for the expenditure by the Club for Directors to attend legislated training, seminars, lectures, trade displays and other similar events including the ClubsNSW Annual General Meeting. Also, to enable the Club's governing body to be kept abreast of current trends and developments, which may have a significant bearing on the nature and the way in which the Club conducts its business. Included in the above would be the attendances at functions with spouses where appropriate and required to represent the Club.
3. Each of the resolutions must be passed as a whole and cannot be amended from motions from the floor of the meeting or divided into two or more separate resolutions.
4. To be passed each ordinary resolution must receive votes in its favour from not less than a simple majority of those members, who being entitled to do so, vote in person at the meeting.

**CLUB PROPERTY REPORT**  
**MILTON ULLADULLA EX SERVOS CLUB LIMITED**

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 30 June, 2017:

- a) the following properties are core property of the Club:
  - (i) licensed premises at 212-222 Princes Highway, Ulladulla (being Lot 16 of deposited plan 747884);
  - (ii) car park facilities at 212-222 Princes Highway, Ulladulla (being Lot 16 of deposited plan 747884);
  
- b) the following properties are non-core property of the Club:
  - (i) land located at 206 Princes Highway, Ulladulla (being Lot 206 of deposited plan 236164);
  - (ii) land located at 208 Princes Highway, Ulladulla (being Lot 208 of deposited plan 236164); and
  - (iii) land located at 210 Princes Highway, Ulladulla (being Lot 210 of deposited plan 236164).

## Notes to Members

1. Section 41J(2) of the Registered Clubs Act requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.
2. Core property is any real property owned or occupied by the Club that comprises:
  - a) the defined premises of the Club; or
  - b) any facility provided by the Club for use of its members and their guests; or
  - c) any other property declared by a resolution passed by a majority of the members present at a general meeting of Ordinary members of the Club to be core property of the Club.
3. Non-core property is any other property (other than that referred to above as core property) and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.
4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
  - a) the property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and
  - b) the disposal has been approved at a general meeting of the Ordinary members of the Club at which the majority of the votes cast support the approval;
  - c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.
5. These disposal provisions and what constitutes a disposal for the purposes of section 41J are to some extent modified by regulations made under the Registered Clubs Act and by Section 41J itself. For example, the requirements in paragraph 4 above, amongst other things, do not apply to:
  - Core property that is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation by a registered valuer; or
  - Core property that is leased or licensed to a telecommunications provider for the purposes of a telecommunication tower.
6. Non-core property is not subject to the limitations referred to in paragraph 4 and 5 above and can be disposed of without the Club having to following the procedure referred to in paragraph 4 above.

## **DIRECTORS' REPORT**

The Directors present their report together with the financial report of the Milton Ulladulla ExServos Club Limited for the year ended 30 June 2017 and the auditor's report thereon.

### **Directors**

The Directors of the Company at any time during or since the end of the financial year are:

<b>Name</b>	<b>Experience and Special Responsibilities</b>
Mr William Ernest Drury <i>President</i>	Mr Drury has been a Director since September 2011. He is the owner of Ulladulla Printing Service, President of South Coast Group 7 Referees' Association, President of NSW Country Rugby League Referees' Association and has been a member of the ExServos Club for over 25 years. He is also a long serving member of Mollymook Surf Lifesaving Club. Mr Drury is actively involved in many local community events, groups and sporting associations such as Milton Ulladulla Junior Rugby League Football Association. Mr Drury is committed to his position as President of the Club and aims to ensure that the Club continues to flourish, prosper and grow stronger in the community for the benefit of members and their invited guests.
Mrs Annette Irene Steel <i>Vice President</i>	Mrs Steel has been a Director since June 2006. She has been the IMB Ulladulla Bank Manager since 2002 and has been actively involved in all commercial and residential aspects of finance for over 30 years. Her community responsibilities include being an active Justice of the Peace since 1996. Mrs Steel is committed to her position as a Director of the Club and is dedicated to promoting the Club and ensuring it is always successful and in a sound financial position.
Mr Simon Thomas Law <i>Vice President</i>	Mr Law has been a Director since May 2013. He has owned Milton Ulladulla Funeral Services since 2004 and has worked as a Funeral Director since 1993. Mr Law was a Board member of the Milton Ulladulla Football Club (Soccer) for 15 years, is past President of the NSW/ACT Division of the Australian Funeral Directors Association and has been a member of the Ulladulla unit of the State Emergency Service since 2001, a Scout leader as well as being an Authorised Marriage Celebrant since 2010. Mr Law is committed to the development & growth of the Club for the benefit of its members, guests and the community as a whole.
Mr Brian Burleton Wilkins	Mr Wilkins has been a Director since 2000. He is a taxi proprietor, the current President of the NSW Taxi Association and the Australian Taxi Association and held managerial positions for over 30 years. Since joining the Board he has been part of a team that has overseen the steady growth of the Club, resulting in membership tripling and the Club's financial position increasing. He was President of the Club from 2010 until 2015. Mr Wilkins is committed to his position as a Director of the Club and is dedicated to the Club which was created for the benefit of members and their invited guests and the local community as a whole.
Mr Mark William Richardson Director until January 2017	Mr Richardson was a Director from 2000. Now retired, he was an Engineer, self-employed for 30 years. He is a past President of the Ulladulla Water Ski Club and has supported and been actively involved with the local Bulldogs Snr Rugby League for 18 years. Until his retirement from the Board, Mr Richardson was committed to his position as a Director of the Club; actively involved in steering the Club into the future and maintaining its status in the local community.
Mr Edwin Robert Wild	Mr Wild has been a Director since August 2006 and has been the Managing Director of Ulladulla Printing Services Pty Ltd for 36 years. A printing proprietor for 51 years, he is a past President and Paul Harris Fellow of Rotary, a member of the Mollymook Surf Lifesaving Club, an active sponsor of sporting and other local organisations and won business person of the year in 2002. Committed to his position as a Director of the Club Mr Wild is dedicated to the process of delivering to members a bigger and better Club for their comfort and enjoyment.

## **DIRECTORS' REPORT**

Mr Paul Anthony James Warren

Mr Warren has been a Director since September 2011. He retired from the Royal Australian Navy as a Chief Petty Officer after 20 years of service, and was also a Duty Manager at Coles Ulladulla for 9 years. Mr Warren has been the President of the Milton Ulladulla RSL Sub-Branch for the last 6 years, was Vice President/Pensions Officer for several years prior, and is a current Chairman of the Milton Ulladulla War Memorial Trust. Mr Warren has lived in Burrill Lake since 1985 and has been an active member of the Club for 36 years. Mr Warren is committed to his position as a Director of the Club and helping to guide the Club forward for the benefit of members and guests.

Mr Anthony James Ireland  
Director from January 2017

Mr Ireland has been a Director since January 2017. He is an Optometrist, completing undergraduate studies in 1998, and Master of Optometry degree in 2008. Mr Ireland has been working in the Shoalhaven since 1999, and started his first practice in Ulladulla in 2003. Mr Ireland also has practices in Batemans Bay and Merimbula, and is a founding member of EyeQ Optometrists. Mr Ireland is a very active member of Mollymook Surf Life Saving Club, and has been involved in surf lifesaving for over 25 years. He coaches Nippers as well as the senior swim board and ski team, and has won state and national medals as a competitor. Mr Ireland is excited to be steering the Club into the future, for the benefit of members and the local community.

### **Director's Meetings**

The number of Directors' meetings (including special meetings) and number of meetings attended by each of the Directors of the company during the financial year are:

Director	Directors' Meetings		Special Meetings	
	A	B	A	B
W E Drury	12	12	5	5
A I Steel	8	12	5	5
S T Law	10	12	5	5
B B Wilkins	8	12	4	5
M W Richardson	4	7	3	4
E R Wild	4	12	1	5
P A J Warren	11	12	4	5
A J Ireland	6	7	1	1

**Note:** All Directors are not required to be in attendance at all special meetings called.

A - Number of meetings attended.

B - Number of meetings held during the time the Director held office during the year.

### **Principal activities**

The principal activities of the Company during the year were:

\*Conduct of a Registered Club.

There were no significant changes in the nature of the Company's principal activities during the financial year.

The operating profit was \$469,986 (2016 \$593,323) after charging income tax of \$40,516 (2016 \$46,795).

# MILTON ULLADULLA EXSERVOS CLUB LIMITED

ABN 90 000 858 364

## DIRECTORS' REPORT

### Dividends

As the company is precluded from paying a dividend to its members, no dividend has been paid or recommended.

### State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial report.

### Events Subsequent to Balance Date

In the interval between the end of the financial year and the date of this report, the club has committed to a major upgrade and extension to the building at an approximate cost of \$2,500,000.

### Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: The Directors of the Milton Ulladulla Ex-Servos Club Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2017 there have been:

\* no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

\* no contraventions of any applicable code of professional conduct in relation to the audit.



.....  
**BSP Advisory Group**



.....  
**M D BURCHER**

Dated at Ulladulla this 21st day of August 2017



# MILTON ULLADULLA EXSERVOS CLUB LIMITED

ABN 90 000 858 364

## DIRECTORS' REPORT

### **Directors' Indemnity and Insurance Premiums**

Directors' and Officers indemnity premiums amounting to \$1,635 (2016 \$1,583) have been paid by the Company during the year for Directors' and Officers' liability insurance. The insurance is in respect of legal liability for damages and legal costs to a maximum of \$5,000,000 arising from claims made by reason of any omission or act (other than dishonesty) by them whilst acting in their individual or collective capacity as Directors or Officers of the Company. The Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings.

### **Directors' Benefits**

Since the end of the previous financial year no Director of the company has received or become entitled to receive any benefit by reason of a contract made by the company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than in respect of Mr B B Wilkins, Director of a Taxi Company \$1,751, Mr W E Drury, Director of Ulladulla Printing Service Pty Ltd \$149,940, and Mrs A I Steel, Manager of IMB the Club's Financial Institution.

Dated at Ulladulla this 1st day of September 2017.

Signed in accordance with a resolution of the Directors.



.....  
**W E DRURY: Director  
PRESIDENT**



.....  
**A I STEEL: Director  
VICE PRESIDENT**

**MILTON ULLADULLA EXSERVOS CLUB LIMITED**  
ABN 90 000 858 364

**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2017**

	NOTE	2017 \$	2016 \$
Revenues from Ordinary Activities	2	9,470,550	9,076,414
Cost of Sales		(1,375,768)	1,307,882
Bar, Function and Bottle Shop Expenses		(719,236)	(656,982)
Poker Machine Expenses		(1,911,990)	(1,705,294)
TAB and Keno Expenses		(266,879)	(273,869)
Civic Centre Expenses		(240,767)	(288,634)
Local Express Expenses		(140,631)	-
Entertainment Expenses		(607,883)	(537,946)
Occupancy Expenses		(651,496)	(652,492)
Administration Expenses		(1,065,819)	(1,041,467)
Amortisation		(34,858)	(34,858)
Depreciation Expense	3	(810,906)	(757,729)
Borrowing Costs Expense	3	(134,556)	(165,309)
Other Expenses from Ordinary Activities		(999,259)	(1,013,834)
<b>Profit from Ordinary Activities before Income Tax Expense</b>		<u>510,502</u>	<u>640,118</u>
Income Tax Expense Relating to Ordinary Activities	5a	(40,516)	(46,795)
<b>Profit from Ordinary Activities after related Income Tax Expense</b>		<u>469,986</u>	<u>593,323</u>

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
<b>Profit from Ordinary Activities before Income Tax Expense</b>	<u>469,986</u>	<u>593,323</u>
Other Comprehensive Income <i>Items that will not be reclassified to profit and loss</i>		
Revaluation of non current assets	2,258,771	-
<b>Other Comprehensive Income Net of Income Tax</b>	<u>2,258,771</u>	<u>-</u>
<b>Total Comprehensive Income</b>	<u>2,728,757</u>	<u>593,323</u>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Retained Earnings \$	Asset Revaluation Reserve \$	Total Equity \$
<b>2017</b>			
<b>Balance at 1 July 2016</b>	9,406,258	-	9,406,258
Net profit after tax for the year	469,986	-	69,986
Other Comprehensive Income	-	2,258,771	2,258,771
<b>Balance at 30 June 2017</b>	<u>9,876,244</u>	<u>2,258,771</u>	<u>12,135,015</u>
<b>2016</b>			
<b>Balance at 1 July 2015</b>			
Net profit after tax for the year	8,812,935	-	8,812,935
Other Comprehensive Income	593,323	-	593,323
<b>Balance at 30 June 2016</b>	<u>9,406,258</u>	<u>-</u>	<u>9,406,258</u>

The Statement of Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 9 to 19.

**MILTON ULLADULLA EXSERVOS CLUB LIMITED**  
ABN 90 000 858 364

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017**

	NOTE	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash Assets	6	229,218	855,277
Receivables	7	82,244	101,167
Inventories	8	166,954	184,707
Other	9	122,002	82,297
<b>TOTAL CURRENT ASSETS</b>		<b>600,418</b>	<b>1,223,448</b>
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	10	14,283,694	11,725,605
Intangible Assets	11	636,962	671,820
Deferred Tax Assets	5c	22,510	22,560
<b>TOTAL NON CURRENT ASSETS</b>		<b>14,943,166</b>	<b>12,419,985</b>
<b>TOTAL ASSETS</b>		<b>15,543,584</b>	<b>13,643,433</b>
<b>CURRENT LIABILITIES</b>			
Payables	12	517,320	668,937
Interest Bearing Liabilities	13	78,000	174,417
Current Tax Liabilities	5b	4,976	14,517
Provisions	14	527,816	474,054
Other	15	21,959	176,960
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,150,071</b>	<b>1,508,885</b>
<b>NON CURRENT LIABILITIES</b>			
Interest Bearing Liabilities	13	2,193,196	2,666,185
Provisions	14	65,302	62,105
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>2,258,498</b>	<b>2,728,290</b>
<b>TOTAL LIABILITIES</b>		<b>3,408,569</b>	<b>4,237,175</b>
<b>NET ASSETS</b>		<b>12,135,015</b>	<b>9,406,258</b>
<b>ACCUMULATED FUNDS</b>			
Accumulated Profits		9,876,244	9,406,258
Asset Revaluation Reserve		2,258,771	-
<b>TOTAL ACCUMULATED FUNDS</b>		<b>12,135,015</b>	<b>9,406,258</b>

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements set out on pages 9 to 19.

**MILTON ULLADULLA EXSERVOS CLUB LIMITED**  
ABN 90 000 858 364

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	NOTE	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Receipts in the Course of Operations		9,417,007	9,034,852
Cash Payments in the Course of Operations		(8,158,428)	(7,504,187)
Income Taxes Paid		(50,007)	(44,828)
<b>Net Cash Provided by Operating Activities</b>	17b	1,208,572	1,485,837
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Property, Plant and Equipment		-	14,607
Proceeds/Expense from Insurance Claim on Property, Plant and Equipment		(155,001)	(47,707)
Payments for Property, Plant and Equipment		(1,110,224)	(796,445)
Payments for Intangible Assets		-	-
<b>Net Cash Used in Investing Activities</b>		(1,265,225)	(829,545)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Borrowings Repaid - Hire Purchase		-	(5,061)
Proceeds from Borrowings - Hire Purchase		-	-
Borrowings Repaid - Bank Loan		(569,406)	(738,983)
<b>Net (Cash Used in)/Cash From Financing Activities</b>		(569,406)	(744,044)
<b>Net Increase/(Decrease) in Cash Held</b>		(626,059)	(87,752)
<b>Cash at the Beginning of the Financial Year</b>	17a	855,277	943,029
<b>Cash at the End of the Financial Year</b>	17a	229,218	855,277

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 9 to 19.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

### **1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The significant policies which have been adopted in the preparation of this financial report are:

#### **a i) Basis of Preparation**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and the requirements of the Corporations Act 2001.

It has been prepared on the basis of historical costs and does not take into account changing money values or current valuations of non-current assets.

#### **ii) Statement of Compliance**

The financial report complies with Australian Accounting Standards, which include Australian equivalent to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reports Standards (IFRS).

- The Financial Statements were approved by The Board of Directors.

#### **b Property, Plant and Equipment - Note 10**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of property, plant and equipment excluding freehold land, roadwork and carpark are depreciated over their estimated useful lives.

Depreciation is calculated on poker machines and buildings by the straight line method at depreciation rates of 20% and 2% respectively. Depreciation is calculated on other assets by the reducing balance and straight line methods at depreciation rates of 7.5% to 60%.

#### **c Recoverable amount of non current assets valued on cost basis**

The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is expensed in the reporting period in which it occurs. Current valuations for land and buildings are carried out every three years.

Where a group of assets working together supports the generation of cash inflows, recoverable amount is assessed in relation to that group of assets.

In assessing recoverable amounts of non-current assets the relevant cash flows have not been discounted to their present value.

#### **d Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a net basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**e Taxation - Note 5**

*Income Tax*

The Company adopts the liability method of tax effect accounting. Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes is carried forward in the balance sheet as a future income tax benefit.

**f Provision for Employee Benefits - Note 14**

*Annual Leave*

Liabilities for employee benefits for annual leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage rates that the company expects to pay as at reporting date including related on

*Long Service Leave*

Long service leave is provided in respect of all employees with five or more years of service based on current remuneration rates.

**g Superannuation**

The company contributes to an employee superannuation fund on the basis of the relevant legislation. Such company contributions are charged against income.

**h Inventories - Note 8**

Inventories are carried at cost.

**i Payables - Note 12**

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 60 days.

**j Interest Bearing Liabilities - Note 13**

The Bank Loan has a term of twenty years.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
<b>2 REVENUE</b>		
<b>Operating Activities</b>		
Sale of Goods	2,925,197	2,853,865
Poker Machine Receipts	5,761,868	5,521,596
Commissions	300,952	344,686
Interest Received - Other Parties	3,995	11,286
Members Subscriptions	62,920	57,697
Entertainment Income	201,716	159,877
Rental Revenue	136,645	127,910
Advertising Revenue	72,466	-
Sundry Income	4,791	2,534
Insurance Recovery	-	200
Sale of Non Current Asset	-	(3,237)
<b>Total Revenue From Ordinary Activities</b>	<u>9,470,550</u>	<u>9,076,414</u>

### 3 PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE

Profit from ordinary activities before income tax expense has been determined after:

	2017 \$	2016 \$
Borrowing Costs - Other Persons		
Hire Purchase Charges	-	289
Interest Expense	134,556	165,020
	<u>134,556</u>	<u>165,309</u>
Depreciation of Non Current Assets		
Buildings	254,865	228,600
Poker Machines	238,669	210,666
Plant and Equipment	317,372	318,463
Total Depreciation	<u>810,906</u>	<u>757,729</u>
Loss on Disposal of Fixed Assets	-	3,237
Net Expense from Movements in Provision for Employee Benefits	<u>(691)</u>	<u>(5,351)</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
<b>4 AUDITOR'S REMUNERATION</b>		
Audit Services	16,795	17,262
<b>5 INCOME TAX</b>		
<b>a Income Tax Expense</b>		

The Income Tax Assessment Act, provides that under the concept of mutuality clubs are only assessed for income tax on the proportion of income derived from non members. In view of this special circumstance it is not appropriate to compare income tax payable with the operating profit as disclosed in the statement of financial performance.

Income Tax Expense attributable to operating profit is made up of:

	2017 \$	2016 \$
Current Income Tax Provision	40,466	46,395
Future Income Tax Benefit	50	400
	<u>40,516</u>	<u>46,795</u>

**b Current Tax Liabilities**  
**Provision for Current Income Tax**

Current Year's Income Tax Expense on Operating Profit	40,466	46,395
Adjustment from Prior Year	-	-
Income Tax Paid	(35,490)	(31,878)
	<u>4,976</u>	<u>14,517</u>

**c Deferred Tax Asset**  
**Future Income Tax Benefit**

Future income tax benefit comprises the estimated future benefit at the applicable rate of 27.5% on:

Provisions for Employee Benefits not currently deductible	<u>22,510</u>	<u>22,560</u>
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**6 CASH ASSETS**

Cash on Hand	390,041	384,223
Cash at Bank	(160,862)	107,877
Cash at Bank at Call Investment	39	363,177
	<u>229,218</u>	<u>855,277</u>

The At Call Investment pay interest at the end of each month at average 2.6% (2.5% 2016).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
<b>7 RECEIVABLES</b>		
Sundry Debtors	82,244	101,167
	<hr/>	<hr/>
<b>8 INVENTORIES</b>		
Trading Stock - at Cost	121,606	139,359
Stores - at Cost	45,348	45,348
	<hr/>	<hr/>
	166,954	184,707
	<hr/>	<hr/>
<b>9 OTHER CURRENT ASSETS</b>		
Prepayments	121,920	70,700
Insurance Claim Receivable	82	11,597
	<hr/>	<hr/>
	122,002	82,297
	<hr/>	<hr/>
<b>10 PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Land - at Fair Value / Cost</b>		
Freehold Land	320,160	320,160
Roadworks, Carpark and Improvements	1,018,704	820,354
Market Value Movement	1,461,136	-
	<hr/>	<hr/>
	2,800,000	1,140,514
	<hr/>	<hr/>
<b>Buildings - at Fair Value / Cost</b>		
Current Club Premises	9,334,861	9,265,072
Original Club Premises	1,872,153	1,872,153
Residential Properties	126,985	126,985
Market Value Movement	797,635	-
	<hr/>	<hr/>
	12,131,634	11,264,210
Accumulated Depreciation	(2,431,634)	(2,176,767)
	<hr/>	<hr/>
	9,700,000	9,087,443
	<hr/>	<hr/>
<b>Poker Machines - at Cost</b>	2,135,922	1,657,511
Accumulated Depreciation	(1,283,483)	(1,044,841)
	<hr/>	<hr/>
	852,439	612,670
	<hr/>	<hr/>
<b>Plant, Furniture and Motor Vehicle - at Cost</b>	2,821,234	2,457,585
Accumulated Depreciation	(1,889,979)	(1,572,607)
	<hr/>	<hr/>
	931,255	884,978
	<hr/>	<hr/>
<b>Total Property, Plant and Equipment</b>		
<b>Net Book Value</b>	14,283,694	11,725,605
	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

The independent valuation of the Company's freehold land and buildings carried out on 9th August 2017 on the basis of fair value resulted in a valuation of buildings of \$9,700,000 and a valuation of land of \$2,800,000. This valuation has been brought to account in the current financial year.

In the current market conditions, the Directors believe the property, plant & equipment has been recorded at fair value, with no revaluation and no impairment of property, plant and equipment has been or required to be recorded.

### Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

	2017 \$	2016 \$
<b>Land, Roadworks and Carpark</b>		
Carrying amount at beginning and end of year	1,140,514	1,040,884
Additions	198,350	99,630
Market Value Movement	1,461,136	-
	<hr/> 2,800,000	<hr/> 1,140,514
<b>Buildings</b>		
Carrying amount at beginning of year	9,087,443	9,209,806
(Cost Recovery)/Additions	69,787	106,237
Market Value Movement	797,635	-
Depreciation	(254,865)	(228,600)
	<hr/> 9,700,000	<hr/> 9,087,443
<b>Poker Machines</b>		
Carrying amount at beginning of year	612,670	423,413
Additions	478,438	399,923
Depreciation	(238,669)	(210,666)
	<hr/> 852,439	<hr/> 612,670
<b>Plant, Furniture and Motor Vehicles</b>		
Carrying amount at beginning of year	884,978	1,027,393
Additions	363,649	190,655
Disposal	-	(14,607)
Depreciation	(317,372)	(318,463)
	<hr/> 931,255	<hr/> 884,978

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
<b>11 INTANGIBLE ASSETS</b>		
Poker Machine Entitlements	599,199	599,199
Loyalty Program Development	37,763	72,621
	<u>636,962</u>	<u>671,820</u>

### Reconciliations

Reconciliations of the carrying amounts of intangible assets

### Loyalty Program Development

Carrying amount at beginning of year	72,621	107,480
Amortisation	(34,858)	(34,859)
	<u>37,763</u>	<u>72,621</u>
Carrying amount at end of year		

### 12 PAYABLES

#### Current

Trade Creditors	274,401	293,644
Other Creditors and Accruals	242,919	375,293
	<u>517,320</u>	<u>668,937</u>

### 13 INTEREST-BEARING LIABILITIES

#### Current

Bank Loan	<u>78,000</u>	<u>174,417</u>
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#### Non Current

Bank Loan	<u>2,193,196</u>	<u>2,666,185</u>
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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
<b>14 PROVISIONS</b>		
<b>Current</b>		
Employee Benefits	203,340	207,228
Link Jackpot	324,476	266,826
	<hr/> 527,816	<hr/> 474,054
<b>Non Current</b>		
Employee Benefits	65,302	62,105
<b>15 OTHER</b>		
Insurance Proceeds	21,959	176,960

The Insurance Provision is comprised of proceeds received in relation to initial engineering work on the main club building. The directors are of the view that the amount received is reasonable and fair.

### 16 COMMITMENTS

There were no financial commitments at 30 June 2017.

### 17 NOTES TO THE STATEMENT OF CASH FLOWS

#### a Reconciliation of Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand, at bank and short term deposits. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to related items in the statement of financial position as follows:

Cash on Hand	390,041	384,223
Cash at Bank	(160,862)	107,877
Cash at Bank at Call Investment	39	363,177
	<hr/> 229,218	<hr/> 855,277

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
<b>17 NOTES TO THE STATEMENT OF CASH FLOWS (CONT)</b>		
<b>b Net Cash Provided by Operating Activities</b>		
<b>Profit from Ordinary Activities After Income Tax</b>	469,986	593,323
Items Classified as Investing/Financing Activities:		
(Profit)/Loss from Sale of Plant and Equipment	-	-
Non Cash Items		
Decrease Deferred Tax Asset	50	400
Amortisation	34,858	34,858
Depreciation	810,906	757,729
Hire Purchase Charges	-	289
<b>Net Cash Provided by Operating Activities Before Change in Assets and Liabilities</b>	<u>1,315,800</u>	<u>1,386,599</u>

### Change in Assets and Liabilities During the Financial Year

(Increase)/Decrease in Receivables	18,923	(41,562)
(Decrease)/Increase in Leave Provisions	(691)	(5,351)
Increase/(Decrease) in Income Tax Payable	(9,541)	1,567
(Increase)/Decrease in Inventory	17,753	(28,806)
(Increase)/Decrease in Other Current Assets	(39,705)	11,477
Increase/(Decrease) in Creditors and Accruals	(93,967)	161,913
<b>Net Cash Provided by Operating Activities</b>	<u>1,208,572</u>	<u>1,485,837</u>

### 18 DIRECTORS REMUNERATION

Indemnity Insurance Paid on Behalf of Directors	1,635	1,583
Directors Meeting Expenses	6,171	6,183
Directors Training	1,948	3,845
	<u>9,754</u>	<u>11,611</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 19 FINANCIAL INSTRUMENTS

#### a Interest Rate Risk

The Company's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

	Note	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Rate		Non Interest Bearing	Total
				1 Year or Less	1 to 5 Years		
<b>2017</b>							
<i>Financial Assests</i>							
Cash Assets	6	2.60%	(160,823)	-	-	390,041	229,218
Receivables	7	0.00%	-	-	-	82,244	82,244
<b>Total Financial Assets</b>			(160,823)	-	-	472,285	311,462
<i>Financial Liabilities</i>							
Payables	12	0.00%	-	-	-	517,320	517,320
Bank Loan	13	5.30%	78,000	-	2,193,196	-	2,271,196
<b>Total Financial Liabilities</b>			78,000	-	2,193,196	517,320	2,788,516
<b>2016</b>							
<i>Financial Assests</i>							
Cash Assets	6	2.50%	471,054	-	-	384,223	855,277
Receivables	7	0.00%	-	-	-	101,167	101,167
<b>Total Financial Assets</b>			471,054	-	-	485,390	956,444
<i>Financial Liabilities</i>							
Payables	12	0.00%	-	-	-	668,937	668,937
Bank Loan	13	5.10%	174,417	-	2,666,185	-	2,840,602
<b>Total Financial Liabilities</b>			174,417	-	2,666,185	668,937	3,509,539

#### b Credit Risk

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount, as disclosed in the statement of financial position and notes to and forming part of the financial statements.

The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**19 FINANCIAL INSTRUMENTS (CONT)**

**c Net Fair Values**

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1 to the financial statements. No financial assets or financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and the financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

**20 SUBSEQUENT EVENTS**

In the interval between the end of the financial year and the date of this report, the club has committed to a major upgrade and extension to the building at an approximate cost of \$2,500,000.

**21 RELATED PARTY TRANSACTIONS**

Since the end of the previous financial year no Director of the company has received or become entitled to receive any benefit by reason of a contract made by the company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than in respect of Mr B B Wilkins, Director of a Taxi Company \$1,751, Mr W E Drury, Director of Ulladulla Printing Service Pty Ltd \$149,940, and Mrs A I Steel, Manager of IMB the Club's Financial Institution.

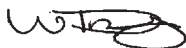
**DIRECTORS' DECLARATION**

In the opinion of the Directors of the Company:

- 1 The financial statements and notes set out on pages 6 to 19 are in accordance with the Corporations Act 2001, including:
  - a) giving a true and fair view of the financial position of the Company as at 30 June 2017 and performance as represented by the results of operations and cash flows, for the year ended on that date; and
  - b) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
  - c) the financial report also complies with the International Financial Reporting Standards as disclosed in note 1a).
- 2 There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Ulladulla this 1st day of September 2017.

Signed in accordance with a resolution of the Directors.



**W E DRURY: Director  
PRESIDENT**



**A I STEEL: Director  
VICE PRESIDENT**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

### **Opinion**

We have audited the financial report of the Milton Ulladulla Ex-Servos Club Limited (the Entity), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report presents fairly, in all material respects, (or gives a true and fair view of) the financial position of the Entity as at 30 June 2017, and (of) its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

Those charged with governance are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

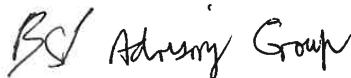
In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

Dated at Ulladulla this 21st day of August 2017.



.....  
**BSP Advisory Group CHARTERED ACCOUNTANTS**



.....  
**M D BURCHER**

## REGISTERED CLUB ACT

### IMPORTANT INFORMATION FOR CLUB MEMBERS

This Club is by law required to keep a register containing information that relates to the management and financial administration of the Club including:

1. A list of disclosures, declarations and returns made by the governing body and employees of the Club.
2. The salary bands of the Club's top executives.
3. Details of the overseas travel made by the governing body and employees of the Club.
4. Details of loans given by the Club to employees.
5. Details of certain contracts executed by the Club.
6. Salary details of Club employees who are close relatives of a member of the Club's governing body or a top executive.
7. Details of the payments made by the Club for consultant services.
8. Details of legal settlements made by the Club with a member of the governing body or an employee of the Club.
9. Details of legal fees paid by the Club for a member of the governing body or an employee of the Club.
10. The Club's annual gaming machine profit.
11. The amount applied by the Club to community development and support.

AND

The Club must prepare quarterly financial statements for the governing body that incorporate:

1. The Club's profit and loss accounts and trading accounts for the quarter, and
2. A balance sheet as at the end of the quarter.

**Members may view the register or the financial statements  
by written request to the Club.**

The Club's financial statements  
may also be viewed on the Club's website  
[www.ulladullaexservos.com.au](http://www.ulladullaexservos.com.au)