



Forster Tuncurry Memorial Services Club Limited

ANNUAL GENERAL MEETING

Sunday 26th October 2014

NOTICE TO MEMBERS

Notice is hereby given that the
Annual General Meeting
of the
Forster Tuncurry Memorial Services Club Limited
will be held on club premises
at Club Forster at 10am
on Sunday 26th October 2014.

All Members are invited to attend.

Doors will open at 9.15am and no admittance
will be permitted after
the commencement of the meeting.

Current membership cards
must be shown to gain admittance.

Refreshments and first class entertainment
will follow the meeting.



CARLOTTA

Life's Still a Drag



Carlotta's new one-woman show - 'Life's Still a Drag', exposes the private dramas of iconic Australian entertainer Carlotta. A unique look into her life at Les Girls during the Golden Mile era of Kings Cross to appearances on hit Australian TV shows.

Her story is both an outrageously funny journey and a brutally honest look at the ruthless entertainment industry, the trappings of success and the ultimate vulnerability of the first Queen of Les Girls.

NOTICE OF 2014 ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Forster Tuncurry Memorial Services Club Limited will be held on the club premises at 10.00 a.m. on Sunday 26th October, 2014 for the following purposes:

1. Apologies
2. Confirmation of the Minutes of the Annual General Meeting held 27th October, 2013
3. To receive and adopt the 2014 Annual Report including the Financial Statements for the year ended 30th June, 2014
4. Notice of Ordinary Resolution:
To consider, and, if thought fit, to pass the following resolution with such amendment, if any, as shall be determined at the meeting, as an Ordinary Resolution:

Ordinary Resolution 1

That pursuant to the Registered Clubs Act 1976:

1. The members hereby approve and agree to reasonable expenditure by the Club until the next Annual General Meeting of the Club for the following activities of Directors:
 - (a) The reasonable cost of a meal and beverage for each Director immediately before or immediately after a Board or Committee Meeting on the day of that Meeting where the Meeting corresponds with a normal meal time;
 - (b) (i) Reasonable expenses incurred by Directors in relation to such other activities including entertainment of special guests to the Club;
(ii) Expenses involved in attendance at Intra-Club activities, sponsorship of sporting events deemed by the Directors to be of benefit to the Club and/or the community and other promotional activities performed by Directors;
(iii) Reasonable costs of Directors attending all functions and activities at the Club deemed by the Directors to be of benefit to the Club;
(iv) Reasonable costs for attendance at functions with spouses where appropriate, and required, to represent the Club; with the expenses of any of the aforementioned activities to be approved by the Board before payment is made on the production of receipts, invoices or other proper documentary evidence of such expenditure;
 - (c) Reasonable expenses for the provision of a Chairpersons Dinner once a year and on such other occasions as the Board might approve with the persons in attendance to comprise the Directors and their partners and persons chosen by the Chairperson who have supported the club during the relevant year and thereby promoted the success of the club;
 - (d) The payment of Directors and Officers insurance cover premiums;
 - (e) The Club to provide a uniform for Directors consisting of blazer, tie, trousers/skirt, shirt/blouse, sports jacket and cleaning expense of same;
 - (f) That each Director be entitled to a specified parking space in the car park;
 - (g) That each Director be entitled to be provided with external access to the internet.



- The members acknowledge that the benefits in paragraph (1) are not available to the members generally but only to those who are Directors of the Club and those members directly involved in the above activities.

Explanatory Note

Pursuant to the requirements of the Registered Clubs Act 1976, the Club is required at each Annual General Meeting to have members approve reasonable expenditure by the Club in relation to duties performed by the Directors.

To be passed, Ordinary Resolution 1 must receive a simple majority of votes in its favour from those members present at the meeting who are eligible to vote.

The Board recommends Ordinary Resolution 1 to the meeting.

5. Notice of Ordinary Resolution:

To consider, and, if thought fit, to pass the following resolution with such amendment, if any, as shall be determined at the meeting, as an Ordinary Resolution:

Ordinary Resolution 2

That pursuant to the Registered Clubs Act 1976:

- The members hereby approve and agree to reasonable expenditure by the Club for professional development and education of Directors until the next Annual General Meeting and being:
 - The reasonable cost of directors attending the Club's NSW Annual General Meeting;
 - The reasonable costs of Directors attending 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;
 - The reasonable costs of Directors attending other clubs or similar types of business for the purpose of observing their facilities and methods of operation;
 - Attendance at functions with spouses where appropriate, and required, to represent the Club.
- The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only to those who are Directors of the Club and those members directly involved in the above activities.

Explanatory Note

Pursuant to the requirements of the Registered Clubs Act 1976, the Club is required at each Annual General Meeting to have members approve reasonable expenditure by the Club for Directors to attend seminars, lectures, trade displays and other similar events including Clubs NSW Annual General Meeting and to visit other clubs to enable the Club's governing body to keep abreast of current trends and developments which may have a significant bearing on the nature and way in which the Club conducts its business.

To be passed, Ordinary Resolution 2 must receive a simple majority of votes in its favour from those members present at the meeting who are eligible to vote.

The Board recommends Ordinary Resolution 2 to the meeting.

6. Notice of Ordinary Resolution:

To consider, and, if thought fit, to pass the following resolution with such amendment, if any, as shall be determined at the meeting, as an Ordinary Resolution:



Ordinary Resolution 3

Approval of Honoraria for Directors for the year 2013/2014

Ordinary Resolution 3

That pursuant to the Registered Clubs Acts 1976: as amended, the members hereby approve and agree to the members of the Board during the period preceding the next Annual General Meeting receiving Honoraria for the positions named and for the sums referred to below in respect of services rendered to the Club and the members further acknowledge that the Honoraria are not available to members equally but only those members elected to the Board of Directors of the Club:

- i. \$10,000 to the President;
- ii. \$5,000 to the Vice Presidents;
- iii. \$4,000 to each Director.

Explanatory Note

Pursuant to the requirements of the Registered Clubs Act, 1976 the Club is required to have the Honoraria for Directors approved by the members at the Annual General Meeting. The purpose of this resolution is to comply with the requirements of the Registered Clubs Act. The level of Honoraria is very similar to that paid last year.

To be passed, Ordinary Resolution 3 must receive a simple majority of votes in its favour from those members present at the meeting who are eligible to vote.

The Board recommends Ordinary Resolution 3 to the meeting.

7. Notice of Special Resolution

To consider and if thought fit, pass the following resolution which is proposed as a Special Resolution:

Special Resolution 1

That the Constitution of Forster Tuncurry Memorial Services Club Limited be amended by:

(a) deleting from Clause 3(l) of the Memorandum of Association the words "certificate of registration,".

(b) deleting Clause 3(s) of the Memorandum of Association and in lieu thereof inserting the following new Clause 3(s):

"(s) To sell, convey, transfer, assign, mortgage, charge, give in exchange, dispose of, let, manage or otherwise deal with all or any of the property, real or personal, of the Club, subject to the requirements of the Liquor Act and the Registered Clubs Act."

(c) deleting from Rule 1(a) the definition of "the Act" and in lieu thereof inserting the following new definitions:

"Act" means the Corporations Act 2001 and any regulation made under the Corporations Act 2001. Any reference to a provision of the Corporations Act includes a reference to the same or similar provision in any legislation replacing, amending or modifying the Corporations Act however that provision may be amended in that legislation.

"Australian Defence Force" has the meaning given by the Registered Clubs Act.

"Liquor Act" means the Liquor Act 2007 and any regulation made under the Liquor Act 2007. Any reference to a provision of the Liquor Act includes a reference to the same or similar provision in any legislation replacing, amending or modifying the Liquor Act however that provision may be amended in that legislation.

"Gaming Machines Act" means the Gaming Machines Act 2001 and any regulation made under the Gaming Machines Act 2001. Any reference to a provision of the Gaming Machines Act includes a reference to the same or similar provision in any legislation replacing, amending or modifying the Gaming Machines Act however that provision may be amended in that legislation.

"Registered Clubs Act" means the Registered Clubs Act 1976 and any regulation made under the Registered Clubs Act 1976. Any reference to a provision of the Registered Clubs Act includes a reference to the same or similar provision in any



legislation replacing, amending or modifying the Registered Clubs Act however that provision may be amended in that legislation.

"Section" means any section that pursuant to a resolution of the Board is or has been established by the Club."

(d) deleting from Rule 6(b) the words "10(6)A" and in lieu thereof inserting the following new words "10(6A)".

(e) deleting from Rule 6(c) the words "certificate of Registration under Part II of the Registered Clubs Act" and in lieu thereof inserting the words "club licence under the Liquor Act".

(f) deleting from Rule 6(c) the words "such a certificate" and in lieu thereof inserting the words "such a licence".

(g) inserting the following new Rules 8(d) and (e):

"(d) Subject to section 73(2)(b) of the Gaming Machines Act, the Club shall not share any receipts arising from the operation of an approved gaming machine kept by the Club and shall not make any payment or part payment by way of commission or an allowance from or on any such receipts.

(e) Subject to section 74(2) of the Gaming Machines Act, the Club shall not grant any interest in an approved gaming machine kept by the Club to any other person."

(h) deleting from Rule 11 the words "at all times exceed the number of Full members who do not have the right to vote in the election of the Board" and in lieu thereof inserting the words "not be less than such minimum prescribed by the Registered Clubs Act."

(i) inserting the following new Rule 15(a)(iii):

"(iii) any person who produces evidence that he or she is a current or former member of the Australian Defence Force."

(j) deleting from Rule 15(b) the words "Honorary members shall be entitled to only the facilities and amenities of the Club and" and in lieu thereof inserting the words "Honorary members who are Full members of the Club shall be entitled to the rights and privileges of the category of membership of which they are a Full member. Honorary members who are not Full members of the Club shall be entitled to such playing and social privileges of the Club as the Board may determine from time to time and to introduce guests into the Club but".

(k) deleting Rule 15(c) and in lieu thereof inserting the following new Rule 15(c):
"(c) A register of persons who are Honorary members (other than those persons admitted to Honorary membership pursuant to Rule 15(a)(iii)) shall be kept in accordance with Section 31(1)(b) of the Registered Clubs Act. This register shall set forth in respect of each of those members:

(i) the name in full or the surname and initials; and

(ii) the address."

(l) inserting at the end of Rule 17(d) the words "unless that person is a member of another registered club and satisfies the requirements of Rule 16(c)."

(m) deleting Rule 17(e) and in lieu thereof inserting the following new Rule 17(e):
"(e) Temporary members are entitled to such playing and social privileges of the Club as the Board may determine from time to time and subject to Rule 33A, to introduce guests into the Club."

(n) inserting into Rule 17(f)(i) the words "or surname and initials" after the words "the name in full".

(o) inserting into Rule 20 the words "to introduce guests into the Club if the Provisional member is an applicant for class of membership which is permitted to do so but" after the words "amenities of the Club and".

(p) deleting Rules 30(c) to (e) inclusive and in lieu thereof inserting the following new Rules 30(c) to (g) inclusive:

"(c) In addition to any powers under Section 77 of the Liquor Act, the Secretary or an employee of the Club may refuse to admit to the Club and may turn out, or cause to be turned out, of the premises of the Club any person including any member:

(i) who is at the time intoxicated, violent, quarrelsome or disorderly; or



- (ii) who, for the purposes of prostitution, engages or uses any part of the premises of the Club;
 - (iii) whose presence on the premises of the Club renders the Club or the Secretary liable to a penalty under the Registered Clubs Act or the Liquor Act;
 - (iv) who hawks, peddles or sells any goods on the premises of the Club;
 - (v) who, within the meaning of the Smoke-free Environment Act, smokes while on any part of the premises that is a smoke-free area within the meaning of the Smoke-free Environment Act.
 - (vi) who uses, or has in his or her possession, while on the premises of the Club any substance that the Secretary or employee suspects of being a prohibited drug or prohibited plant.
 - (vii) whom the Club, under the conditions of its club licence, or a term of a liquor accord, is authorised or required to refuse access to the Club.
- (d) If pursuant to Rule 30(c) a person (including a member) has been refused admission to, or has been turned out of, the premises of the Club, the Secretary of the Club or (subject to Rule 30(g)) an employee of the Club, may at any subsequent time, refuse to admit that person into the premises of the Club or may turn the person out, or cause the person to be turned out of the premises of the Club.
- (e) Without limiting Rule 30(d), if a person has been refused admission to or turned out of the Club in accordance with Rule 30(c)(i), the person must not re-enter or attempt to re-enter the Club within twenty four (24) hours of being refused admission or being turned out.
- (f) Without limiting Rule 30(d), if a person has been refused admission to or turned out of the Club in accordance with Rule 30(c)(i), the person must not:
- (i) remain in the vicinity of the Club; or
 - (ii) re-enter the vicinity of the Club within six (6) hours of being refused admission or being turned out."
- (g) inserting at the end of Rule 31A(a)(iii) the words "of the Club or section" and inserting at the end of Rules 31A(a) (v) and (vii) the words "or Section".
- (h) inserting at the end of Rule 31A(a)(iv) and (vi) the words "or any committee of a Section".
- (i) inserting the following new Rule 31A(a)(viii):
"(viii) the right to participate in any recreational, social or sporting activities of the Club or any Section without the permission of the Board"
- (j) deleting from Rule 33(a) the words "All members other than temporary members" and in lieu thereof inserting the words "Subject to Rule 33A, all members".
- (k) inserting into Rule 33(b) the words "or is then refused admission to or being turned out of the Club" after the words "suspended from the Club".
- (l) inserting the following new Rule 33(h):
"(h) The Secretary or senior employee then on duty may refuse a guest of a member admission to the Club or require a guest of a member to leave the premises of the Club (or any part thereof) without giving any reason."
- (m) deleting Rule 33B and in lieu thereof inserting the following new Rule 33B:
"33B For the purposes of Rule 33A, "responsible adult" means an adult who is:
- (a) a parent, step-parent or guardian of the minor; or
 - (b) the minor's spouse or de facto partner;
 - (c) for the time being, standing in as the parent of the minor."
- (n) inserting the following new Rules 34(c) and (d):
"(c) A member who is:
- (i) an employee; or
 - (ii) currently under suspension;
 - (iii) not a Financial member,
- shall not be eligible to stand for or be elected or appointed to the Board.
- (d) Any person who is elected or appointed to the Board, must, unless exempted, complete such mandatory training requirements for directors as required by the



Regulations made under the Registered Clubs Act.”

(y) deleting Rule 38(k) and in lieu thereof inserting the following new Rule 38(k) and (k1):

“(k) subject to paragraph (k1) of this Rule, sell, lease, exchange or otherwise dispose of any furniture, fittings, equipment, plant, goods or other rights (property or otherwise).

(k1) sell, lease, exchange or otherwise dispose of any land belonging to the Club provided that the power of the Board to dispose of any land shall be subject to the requirements of the Liquor Act and the Registered Clubs Act.”

(z) inserting the following new Rule 45A:

“45A A meeting of the Board may be called or held using any technology consented to by all the directors. The consent may be a standing one. A director may only withdraw his or her consent within a reasonable period before the meeting.”

(aa) deleting Rules 46 to 48 inclusive and in lieu thereof inserting the following new headings and Rules 46 to 48 inclusive:

“DECLARATIONS OF INTERESTS BY DIRECTORS

“46 (a) Any director who has a material personal interest in a matter that relates to the affairs of the Club must, as soon as practicable after the relevant facts have come to the director’s knowledge and in accordance with Section 41C of the Registered Clubs Act:

(a) declare the nature of the interest at a meeting of the Board; and

(b) comply with Rule 46(f).

(b) Any director who has or acquires a financial interest in respect of a hotel must in accordance with Section 41D of the Registered Clubs Act give a written declaration of that interest to the Secretary of the Club within fourteen (14) days.

(c) A director must, in accordance with Section 41E of the Registered Clubs Act, declare any gift or remuneration received from an affiliated body (as defined in the Registered Clubs Act) if the value of the gift or the amount of the remuneration exceeds such amount as may be prescribed by the Registered Clubs Act.

(d) A director must, in accordance with Section 41F of the Registered Clubs Act, submit a written return in each year to the Club declaring any gift or remuneration received by that director from a person or organisation that is party to a contract or commercial arrangement with the Club if the value of the gift or the amount of the remuneration exceeds such amount as may be prescribed by the Registered Clubs Act.

(e) Rules 46(a) to (d) inclusive do not limit the provisions of the Registered Clubs Act referred to in those Rules.

PROHIBITION ON DIRECTORS WITH MATERIAL INTEREST FROM VOTING

(f) Subject to Section 195 of the Act, a director who has a material personal interest in a matter that is being considered at a meeting of the Board, or of the Directors of the Club:

(a) must not vote on the matter; and

(b) must not be present while the matter is being considered at the meeting.

CONTRACTS WITH DIRECTORS

47 (a) In accordance with Section 41K of the Registered Clubs Act, the Club must not enter into a commercial arrangement or a contract with a director or with a company or other body in which a director has a pecuniary interest, unless the proposed commercial arrangement or contract is first approved by the Board.

(b) A “pecuniary interest” in a company for the purposes of Rule 47(a) does not include any interest exempted by the Registered Clubs Act.

CONTRACTS WITH SECRETARY

48 (a) Subject to Rule 48(b), the Club must not enter into a commercial arrangement or contract for the provision of goods or services with:

(a) the Secretary; or

(b) any close relative (as defined in the Registered Clubs Act) of the Secretary;

(c) any company or other body in which the Secretary or a close relative of the



Secretary has a controlling interest (as defined in the Registered Clubs Act).

(b) Rule 48(a) does not prevent the Club entering into a contract with any of the above persons which is:

(a) a contract of employment; or

(b) otherwise permitted by the Registered Clubs Act.”

(bb) deleting from Rule 49 the figure “227” and in lieu thereof inserting the figure “203D”.

(cc) deleting Rule 50(a) and in lieu thereof inserting the following new Rule 50(a):

“(a) If he or she is disqualified for any reason referred to in Section 206B of the Act.”

(dd) deleting from Rule 50(e) the words “made under the Act” and in lieu thereof inserting the words “or declaration made under the Act, Liquor Act or the Registered Clubs Act.”

(ee) inserting the following new Rule 50(i):

“(i) If he or she fails to complete the mandatory training requirements for directors referred to in Rule 34(d) within the prescribed period (unless exempted).”

(ff) deleting Rule 71 and in lieu thereof inserting the following new Rules 71 and 71A:

“71 The Board shall, not less than twenty one (21) days before each Annual General Meeting and in any event within four (4) months of the end of the financial year of the Club, report to members in accordance with Division 4 of Part 2M.3 of the Act.

71A In accordance with Section 317 of the Act, the Board shall lay before the Annual General Meeting in respect of the financial year ending on the last day of June immediately prior to the Annual General Meeting:

(a) the financial report of the Club; and

(b) the directors’ report;

(c) the auditors’ report on the financial report.”

(gg) Deleting Rule 75 and the heading “Seal” and in lieu thereof inserting the following new Rule 75 and heading:

“EXECUTION OF DOCUMENTS

75. (a) If the Club has a Seal, the Club may execute a document (including a deed) with the Seal by fixing the Seal to the document and having the fixing of the Seal witnessed by:

(i) two members of the Board; or

(ii) one member of the Board and the Secretary.

(b) The Club may execute a document (including a deed) without a Seal if that document is signed by:

(i) two members of the Board; or

(ii) one member of the Board and the Secretary.

(hh) inserting at the end of Rule 76 the words “or by sending it to the electronic address (if any) nominated by the member.”

(ii) inserting the following new Rule 77A:

“77A Where a notice is sent by electronic means, the notice is taken to have been given on the day following that on which it was sent.”

(jj) deleting Rule 78 and in lieu thereof inserting the following new Rules 78 and 78A:

“78 Every officer (as defined in Section 9 of the Act) and former officer of the Club shall be indemnified to the full extent permitted by the Act out of the property of the Club against any liability incurred by him in his capacity as officer in defending any proceedings whether civil or criminal.

78A The Club may pay a premium for a contract insuring a person who is an officer or a former officer of the Club against a liability incurred by that person as an officer of the Club provided that the liability is not one in respect of which a premium cannot be paid under the Act or a liability which contravenes Section 199A or Section 199B of the Act.”



Explanatory Note

1. The First Special Resolution proposes a series of amendments to the Club's Constitution which seek to bring the Club's Constitution into line with best practice and the requirements of the Registered Clubs Act, Liquor Act, Corporations Act and Gaming Machines Act.
2. Paragraphs (a), (e) and (f) delete references to the certificate of registration which previously held by the Club and inserts reference to the club licence which is now held by the Club.
3. Paragraphs (b) and (y) clarify that the Board's power to dispose of Club property is subject to the requirements of the Liquor Act and the Registered Clubs Act.
4. Paragraph (c) inserts appropriate definitions of the Australian Defence Force, Corporations Act, Gaming Machines Act, Liquor Act, Registered Clubs Act and Section.
5. Paragraph (d) amends a cross reference to the Registered Clubs Act.
6. Paragraph (g) inserts new provisions relating to gaming which reflect the requirements of the Gaming Machines Act.
7. Paragraph (h) clarifies that the number of Full members having the right to vote in the election of the Board shall not be less than such minimum prescribed by the Registered Clubs Act.
8. Paragraphs (i) to (k) inclusive amend existing provisions relating to Honorary membership to bring the Constitution into line with the Registered Clubs Act.
9. Paragraphs (l) to (n) inclusive amend existing provisions relating to Temporary membership to bring the Constitution into line with the Registered Clubs Act.
10. Paragraph (o) clarifies that a Provisional member may introduce a guest into the Club if the Provisional member is an applicant for a class of membership which is permitted to do so.
11. Paragraph (p) amends existing provisions relating to the removal of persons from the Club to bring the Constitution into line with the Liquor Act.
12. Paragraphs (q) to (s) inclusive clarify that members under suspension cease to be entitled to all rights and privileges of membership, including participation in any sections (sub clubs) of the Club.
13. Paragraphs (t) to (w) inclusive amend existing provisions relating to guests of members to bring those provisions into line with the Registered Clubs Act.
14. Paragraph (x) clarifies that employees of the Club, members under suspension and non-financial members are not eligible to stand for or be elected or appointed to the Board. This paragraph also clarifies that any person who is elected or appointed to the Board must undertake the mandatory training requirements for directors as prescribed by the Registered Clubs Act (unless exempted from doing so).
15. Paragraph (z) clarifies that a meeting of the Board may be called or held using any technology consented to by all the directors. This reflects the Corporations Act.
16. Paragraph (aa) amends existing provisions relating to corporate governance to bring the Constitution into line with the Corporations Act and the Registered Clubs Act.
17. Paragraph (bb) amends a cross reference to the Corporations Act.
18. Paragraphs (cc) to (ee) inclusive amend existing provisions relating to vacancies on the Board to bring those provisions into line with the Corporations Act, Liquor Act and the Registered Clubs Act.
19. Paragraph (ff) amends existing provisions relating to reporting to members to bring the Constitution into line with the Corporations Act.
20. Paragraph (gg) amends existing provisions relating to the execution of documents by the Club to bring the Constitution into line with the Corporations Act.
21. Paragraphs (hh) and (ii) clarify that the Club may send notices to members electronically if an electronic address is nominated by that member.
22. Paragraph (jj) amends existing provisions relating to indemnities for directors to bring the Constitution into line with the Corporations Act.
23. It is hoped that this Explanatory Note will provide members with sufficient



background and information to enable them to make an informed decision in relation to the proposed Special Resolution 1 to adopt the amended rules. However, there may be matters not covered by this Explanatory Note, about which members may have questions. In those circumstances, they are invited to raise their question with either the President or the General Manager of the club who if necessary will obtain advice from the Club's lawyers to pass back to the member.

24. To be passed, that the Special Resolution 1 must receive votes from not less than three quarter of those members who being eligible to do so vote in person on the Special Resolution at the meeting.

25. Amendments to the Special Resolution (other than minor typographical corrections which do not change the substance or effect of the Special Resolution) will not be permitted from the floor of the meeting.

26. The Board recommends Special Resolution 1 to the meeting.

8. Notice of Special Resolution

To consider and if thought fit, pass the following resolution which is proposed as a Special Resolution:

Special Resolution 2

That the Constitution of Forster Tuncurry Memorial Services Club Limited be amended by:

(a) inserting the following new sentence at the end of Rule 34(a) "Members shall elect nine (9) directors only. As soon as reasonably practicable after the Biennial General Meeting, the directors shall elect the President and two (2) Vice Presidents from amongst their number. The directors elected to the positions of President and Vice President shall, subject to this Constitution, hold those offices until the conclusion of the next Biennial General Meeting."

(b) deleting from Rule 35(b) the words "Board of Directors" and in lieu thereof inserting the words "nine (9) directors".

Explanatory Note

1. The Second Special Resolution proposes to amend the procedure for electing the President and two (2) Vice Presidents of the Club.

2. At present, members directly elect the President and two (2) Vice Presidents of the Club.

3. Historically, members elected nine (9) directors only and those directors (not the members) then subsequently elected the President and Vice Presidents from amongst their number.

4. The Second Special Resolution proposes to reintroduce the historical practice of the Club.

5. If the Second Special Resolution is passed members will elect nine (9) directors only and those directors will elect the President and two (2) Vice Presidents from amongst their number.

6. For the avoidance of doubt, the Second Special Resolution will not affect the election of the Board conducted for the purposes of the 2014 Annual General Meeting. If the Second Special Resolution is passed the first election of directors that will be affected by the amendment will be the election of directors conducted for the purposes of the 2016 Annual General Meeting.

7. To be passed, that the Special Resolution 2 must receive votes from not less than three quarter of those members who being eligible to do so vote in person on the Special Resolution at the meeting.

8. Amendments to the Special Resolution (other than minor typographical corrections which do not change the substance or effect of the Special Resolution) will not be permitted from the floor of the meeting.

9. The Board recommends Special Resolution 2 to the meeting.



9. Notice of Special Resolution

To consider and if thought fit, pass the following resolution which is proposed as a Special Resolution:

Special Resolution 3

That Honorary Membership for his Lifetime be conferred on Graeme Paul Kernick, Badge No. 125. Moved James Cavanagh, Badge No. 10804 seconded by Ken Jackson, Badge No. 15871.

To be passed, that the Special Resolution 3 must receive votes from not less than three quarter of those members who being eligible to do so vote in person on the Special Resolution at the meeting.

The Board recommends Special Resolution 3 to the meeting.

10. Declaration of Ballot for Board of Directors

11. Any other business of which due notice has been given

12. Close

Election of Board of Directors for the Term 2014 - 2016

In accordance with clause 34 (a) (b), 35 (a) (b) of the Clubs Constitution the business and affairs of the Club shall be managed by a Board of nine (9) Directors consisting of a President, two (2) Vice Presidents and six (6) Ordinary Directors, all of whom shall be Ordinary Members and Honorary Life Members of the Club.

Eligibility to Vote

Financial members as at 23rd September, 2014 and Honorary Life Members who must produce their current membership card in order to receive a ballot paper. Suspended members and club employee's are not entitled to vote.

Roll of Electors

The roll of members entitled to vote in this election will close on Tuesday 23rd September, 2014.

Method of Voting and Counting

The election will be conducted under the procedures of the NSW Electoral Commission. The ballot will be determined by a simple majority of "first-past-the-post" system, with the amendments shown below.

Voters must vote by placing a number, in the squares against the candidates of their choice. Please carefully follow the voting instructions on the ballot papers. Where a ballot paper shows a preference for a candidate who has been elected to a higher position (President, Vice President) that preference will be disregarded and the vote will be allocated to the candidate with the next preference in the sequence.

When all votes have been allocated the votes will be tallied for each candidate remaining in the ballot and in the case of a ballot for the 6 Directors, the 6 candidates with the highest number of votes will be deemed elected.

This process ensures that votes cast for candidates that become ineligible for election in a ballot for Vice-President and Directors as a result of being elected as President or Vice-President are not exhausted.

If you have any questions in relation to the above instructions please feel free to discuss the matter with the Returning Officer or Assistant Returning Officer.

Ballot

If a ballot is necessary a draw will be conducted to determine the order of candidates' names on the ballot paper at Club Forster at 6.00 p.m. Monday 25th August, 2014. Candidates or their representatives are invited to witness the draw. The ballot count will be conducted each night at 6.00pm in Club Forster's Boardroom commencing from Saturday 18th October and concluding on Friday 24th October, 2014. Duly appointed scrutineers are eligible to attend nightly ballot counts.

Voting Times

The Ballot for the Board of Directors of the Forster Tuncurry Memorial



Services Club Ltd for the year 2014 - 2016 will take place as follows:

Ballot papers for voting for the Board will be available in the foyer of Club Forster, 19 Strand Street, Forster from 12 noon to 6.00 p.m. daily on Saturday 18th October, Monday 20th October, Tuesday 21st October and Friday 24th October, 2014. Also at the Sports Club, 65 Beach Street, Tuncurry from 10.00 a.m. to 6.00 p.m. on Wednesday 22nd October and Thursday 23rd October, 2014. Ballot papers are to be lodged in the ballot boxes provided.

Closing

The Ballot will close at 7.00 p.m. Friday 24th October, 2014.

Result of Electoral Poll

The Returning Officer will declare the results of the ballot at the Annual General Meeting to be held Sunday 26th October, 2014.

Profile of Nominees

I refer you to the profile of nominees for the Board of Directors for the Term 2014 - 2016 on the following pages of this notice and the clubs' main foyer.

How to Vote Material

Members shall not on either of the Club's premises or grounds issue or cause to be issued or distributed to other members any how to vote card or other similar documents or material advocating that members either vote for or against any candidate or group of candidates seeking election to the Board of Directors of the Club.

Returning Officer

Mrs. Barbara Smith has been appointed Returning Officer and Mr. John Smith as the Assistant Returning Officer for the 2014 - 2016 Election of the Board of Directors and can be contacted on 6555 8090.

NOTICE TO MEMBERS

In recent years Corporation Law has changed requiring Companies Limited by Guarantee to distribute a Full Financial Report to those members who elect to receive one. That is, members are required to advise in writing that they wish to receive a Full Financial Report. You are required to formally advise the General Manager by Friday 19th September, 2014 so that your election will be recorded in the Club's Register of Members. If members do not advise in writing that they wish to receive a Full Financial Report by the due date then they will only receive a Notice of Annual General Meeting.

Member's who elected in writing to receive a copy of the Club's 2013 Annual Report will automatically receive a copy of the Club's 2014 Annual Report and any future reports.

Otherwise, a copy of the 2013/2014 Full Financial Report will be available by download from the clubs website: www.clubforster.com.au from Friday 19th September, 2014.

Our Club welcomes this change, it is cheaper, more efficient and supports the Club's efforts to be more environmentally responsible.

Any Financial Member of the Club attending the Annual General Meeting who needs clarification of any matter appertaining to the Financial Statements, please give your question in writing to the General Manager no later than Wednesday 22nd October, 2014 so that your query may be answered fully at the meeting.

Dated 29th August, 2014

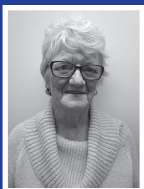
By Direction of the Board

P. V. Clarke FCPA
Chief Executive Officer/Company Secretary



Profile of Nominees for Board of Directors for the term 2014 - 2016

Listed are the nominees for the Board of Directors of the Forster Tuncurry Memorial Services Club Ltd in order as drawn from the ballot box on Monday 25th August, 2014.



Claire Eileen Fletcher

Membership No.: 303

Occupation: Retired Bank Clerk

Standing for the position/s of: President
(Elected unopposed)

Nominator: Yvonne Lloyd

Seconder: Carole Wright

Retired Bank Clerk, Supervisor Armaguard Currency Management (10 years), Pay Clerk K-Mart Forster, ANZ Business Bank Teller (10 years), President (Current) (1 year), Director (Current) (6 years), Vice President (3 years), Committee Member Tuncurry Forster Sports Women's Bowling Club, Disciplinary, House & Building, Sports Council, Poker Machine and Future Development Committees, Member of Club Director's Institute - Clubs NSW.



John Henry Tyson

Membership No.: 10079

Occupation: Retired Club Employee

Standing for the position/s of: Director

Nominator: Colin P. Cross

Seconder: James Simons

Retired Club employee (22 years), Self employed Painter and Decorator (25 years), Director (Current) (8 years), Past Director Tuncurry Leagues and Sports Club, Past Committee Member Tuncurry Forsters Sports Men's Bowling Club, Past Member Lions Club (10 years), Greens Director, House and Building and Future Development Committees, Member of Club Director's Institute - Clubs NSW.



Garry Daniel Cuthbert

Membership No.: 3548

Occupation: Retired State Rail Station Master

Standing for the position/s of: Director

Nominator: Patrick R. Long

Seconder: Gregory Horgan

3 years self-employed Courier (Wollongong and suburbs), 35 years State Rail (Station Master 25 years), Port Kembla North 8 years), 4 years Tuncurry Bowl's Committee (2 years Vice President), 3 years Tuncurry Bowling Club Advisory Committee, Dapto Junior Rugby League, Justice of the Peace (36 years).



Profile of Nominees for Board of Directors for the term 2014 - 2016

Listed are the nominees for the Board of Directors of the Forster Tuncurry Memorial Services Club Ltd in order as drawn from the ballot box on Monday 25th August, 2014.



Colin Patrick Cross

Membership No.: 10

Occupation: Retired Telstra Communications Officer
Standing for the position/s of: Vice President and Director

Nominator: Claire E. Fletcher

Seconder: Paul T. Riggs

Telstra C. 04 Communications Officer (24 years), Taree RSL Club Employee (8 years), Vice President (Current) (1 year), Director (Current) (8 years), Vice President Skipjacks Bowling Club (4 years), Committee Cundletown Apex (3 years), Training, Disciplinary, Poker Machine & Future Development Committees, Life Member Taree Race Club, Member of Club Director's Institute - Clubs NSW.



Kenneth John Jackson

Membership No.: 15871

Occupation: Retired Boiler Maker
Standing for the position/s of: Director

Nominator: Michael P. Sadler

Seconder: Darcy W. Cheetham

Retired Boiler Maker (32 years), Director (Current), (4 years) Senior Vice President and Director Alexandria Erskineville Bowling Club (3 years), Current President Tuncurry Forsters Sporty's Travelling Bowlers (6 years), Committee Member Tuncurry Forster Sports Men's Bowling Club (3 years), Tournament Director, Future Development and Poker Machine Committees, Member of Club Director's Institute - Clubs NSW



John Henry Rochester

Membership No.: 2485

Occupation: Retired Seafood Processor
Standing for the position/s of: Vice President and Director

Nominator: Charles W. Newcombe

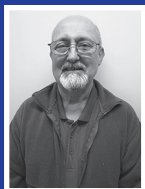
Seconder: Cecil E. Higgins

Retired Seafood Processor (40 years), Vice President (Past) (6 years), Director (Current) (22 years), Past Vice President (1 year), Past Training Committee (6 years), Past President Blue Water Fishing Club (3 years), Past President Balmain Leagues Golf and Snooker Clubs (4 years), Past Member Forster Tuncurry Lions Club (6 years), Future Development Committee, Raffle Director, Life Member FTMSC, Member of Club Director's Institute - Clubs NSW



Profile of Nominees for Board of Directors for the term 2014 - 2016

Listed are the nominees for the Board of Directors of the Forster Tuncurry Memorial Services Club Ltd in order as drawn from the ballot box on Monday 25th August, 2014.



Darcy Warren Cheetham

Membership No.: 3106

Occupation: Business Proprietor

Standing for the position/s of: Vice President
and Director

Nominator: Claire E. Fletcher

Seconder: Kenneth J. Jackson

Self employed and sub-contractor in various businesses for over 40 years. Director (Current) (1 years), (Past) (2 years), Member of various registered clubs over the last 38 years - President, Nelson Sharks J.R.F.C., Treasurer, Nelson Sharks J.R.F.C. I have worked in the club/hotel industry for many years. Member FTMSC since 1997 also member of Forster Golf Club, Forster Bowling Club, Sports Men's Bowling Club, Skipjacks Social Bowling Club and Tuncurry Bowling Club. House and Building, Poker Machine and Future Development Committees, Member of Club Directors Institute - Clubs NSW



Dennis Rex Cheetham

Membership No.: 1451

Occupation: Retired Assistant Bank Manager

Standing for the position/s of: Director

Nominator: Peter A. Rayner

Seconder: Paul Nicholas

Retired Assistant Westpac Manager for 15 years. Supervisor Rooty Hill RSL (8 years), Assistant Manager Lemon Tree Passage Bowling Club (2 years), President (Current) Club Forster Fishing Club, Member of Forster Tuncurry R.S.L. Sub-Branch and National Servicemen's Association and Co-ordinator of Club Forster's NRL Footy Tipping Competition.



James Simons

Membership No.: 10416

Occupation: Retired Toolmaker

Standing for the position/s of: Vice President
and Director

Nominator: Claire E. Fletcher

Seconder: James G. Cavanagh

Club Forster Skipjacks Social Bowling Club Committee Secretary (3 years), Tuncurry Sporties Men's Bowling Club Committee Secretary (4 years), 2009 Club Person of the Year, 2010 Club Returning Officer for Election of Board of Directors 2010 - 2012, Director (Current) (2 years), W.H. & S., Disciplinary and Future Development Committees, Member of Director's Institute - Clubs NSW.



Profile of Nominees for Board of Directors for the term 2014 - 2016

Listed are the nominees for the Board of Directors of the Forster Tuncurry Memorial Services Club Ltd in order as drawn from the ballot box on Monday 25th August, 2014.



James Glenroy Cavanagh

Membership No.: 10804

Occupation: Retired Senior Officer for DOCS

Standing for the position/s of: Director

Nominator: Maxwell W. Rowe

Second: Claire E. Fletcher

Retired Senior District Officer - Dept of Youth & Community Services, Director (Current) (7 years), Past Director (5 years), Past President Tuncurry Forster Sports Men's Bowling Club (3 years), Past State Returning Officer for State Electorate of South Coast and Southern Highlands, Past President Bowral Bowling Club (2 years), Past President Bowral Lions Club, Future Development Committee, Life Member FTMSC, Justice of the Peace, Member of Club Director's Institute - Clubs NSW



Wayne John Felstead

Membership No.: 11685

Occupation: Retired Australian Tax Officer

Standing for the position/s of: Director

Nominator: Peter E. Hall

Second: Graeme P. Kernick

Retired Australian Tax Officer for 18 years. Served 21 years Australian Army including overseas service in Vietnam and Singapore, Diploma Frontline Management, Certificate IV Assessment and Workplace Training, Certificate III Business Management Communications, Forster Tuncurry R.S.L. Sub-Branch Pension Officer, Delegate to R.S.L. District Council and State Congress, Member of RFS.



Peter Ernest Hall

Membership No.: 9405

Occupation: Retired Banking & Finance Manager

Standing for the position/s of: Vice President
and Director

Nominator: Wayne J. Felstead

Second: Graeme P. Kernick

40 plus years Banking and Finance with Management positions - Audit Project Manager - Risk and Compliance, Certificate IV qualifications in Financial Services, Business Management and Training, Part-time Barman and Poker Machine attendant for (7 years), 14 years in R.A.N. (6 regular and 8 reserve), 20 years Army reserve retiring as a Lt. Col. having held Command and Instructor postings, Forster Tuncurry R.S.L. Sub-Branch Committee, Member of Club Forster Skipjacks Social Bowling and Sporties Social Golf Clubs.



PRESIDENT'S REPORT

Fellow members! It doesn't seem that long since my last report, with all staff working hard to make this club No. 1 in our area.

With another financial year just gone, we had a pleasing Net Profit after tax of \$32,332.

In the General Manager's Report, Peter will touch on all relevant financial information.

With the huge transfer of our bistro downstairs to 242ate Bar & Grill under the eagle eye of Head Chef, Steve Curlew who has slotted into our beautiful area very well and is lucky to have some of the best Chefs working with him. Also, Kenny's Thai Kitchen is still very popular with top class Thai cuisine, and don't forget the Sporties with Dylan and Ian doing a great job.

I have been lucky enough to go to quite a few of our Inter Club's AGM's and Change Over Dinners; we are lucky to have such great Inter Clubs within our Club.

Board and Management are reviewing the Club's staged building master plans for both Club sites. When all planning and Council approvals have been finalised you will naturally be provided with a detailed scope of works.

I am very proud of our Club's involvement, commitment and contribution towards the fundraising initiatives for young Curtis Landers and his family. Many hundreds of thousands of dollars were raised at the auction and dinner which should greatly assist Curtis on his road to recovery. Well done!

Don't forget to pick up one of our 'What's On' magazines to not only see the great entertainment coming to your Club, but also the work we do funding in our local community.

In conclusion, I thank you our members and your guests for your loyalty and support and look forward to catching up with you at the Club's Annual General Meeting to be held on Sunday 26th October 2014.

Claire Fletcher

**CLAIRE FLETCHER
PRESIDENT**



GENERAL MANAGER'S REPORT

It is a privilege to submit for your consideration my Annual Report on the activities of Club Forster and Sporties Tuncurry for the year ended 30th June 2014.

The past 12 months has continued to be a period of significant political and economic volatility and uncertainty which has certainly weighed heavily on our shoulders, the NSW Clubs Industry and the wider business community. Recent statistics received from ClubsNSW show that 1% or approximately 15 Clubs per year are closing and numerous others amalgamating, with 76% of Clubs experiencing some form of financial stress as determined by the Independent Pricing and Regulatory Tribunal and reinforced by KPMG. Between 1995 and 2012 more than 350 Clubs across NSW have either merged or closed their doors, unfortunately, this trend continues.

With these comments in mind, I trust it will place in perspective Club Forster's and Sporties Tuncurry's (The Group) operating achievements during 2013/2014. The Group have produced a Net Profit after income tax of \$32,332- a Net Profit reduction of \$75,757 when compared to the 2013 Net Profit of \$108,089. This result was exacerbated by over six months of disruption to trade due to the major Clubhouse development work undertaken at Forster and a significant non-recurrent cost being an additional \$210,868 in Workers Compensation insurance premiums. It was particularly pleasing to witness revenues reach \$18,088,487 up \$840,724 on the \$17,247,763 achieved last year.

Beverage Sales (excluding bottle shop) were \$3,417,891 up \$91,239 or 2.74% when compared to \$3,326,652 last year. Forster Sales were up a pleasing \$57,450 or 2.68% from \$2,137,363 in 2013 to \$2,194,813 this year. Tuncurry sales were up \$33,789 or 2.84% from \$1,189,289 in 2013 to \$1,223,078 this year. This year's sales results are further reflected by an increase in gross profit up \$50,507 from \$2,015,464 in 2013 to \$2,065,971 this year. However, the Gross Profit Margin of 59.79% is satisfactory being the same as last year. Furthermore, the contribution from trading has increased by \$26,575 or 2.62% from \$1,012,964 in 2013 to \$1,039,539 this year. This is the result of roster rationisation and hence labour cost reductions.

Poker Machine Revenue reached \$9,083,787 up \$191,743 or 2.15% when compared to last year. Contributions from trading reflects significant improvement of \$124,945 or 2.31% from \$5,414,847 in 2013 to \$5,539,792 in 2014. Management recognises that further revenue growth opportunities still exists as Forster is still down \$1,044,852 or 11.79% and Tuncurry \$128,294 or 9.22% in net gaming revenue when compared to pre-smoking 2006/07 levels. Management will endeavour to claw back this lost net gaming revenue through carefully planned entertainment, continued improvements to poker machine installations with particular attention to machine denomination mix and regularly assessing and improving where necessary our customer service and hence our patrons' gaming experience.



The Group's Catering department can be proud of their financial achievements this year with sales up by \$484,906 or 16% from \$3,031,271 in 2013 to \$3,516,177 in 2014. The Gross Profit increased even more significantly up by \$410,162 or 21%. The Gross Profit Margin compares extremely favourably being up 2.98% on 67.45% compared to 64.47% last year. Contributions from trading have returned a net loss of \$31,511 compared to \$204,265 last year, a loss reduction of \$172,754 or 84.57% which is terrific news.

The Board's decision during 2013/2014 to relocate Club Forster's Brasserie to its ground floor in conjunction with a new café, bar and lounge has been most conclusive. In fact, the first five months of trading has witnessed a significantly improved financial performance resulting in a net loss reduction of \$203,682 in 2013 to \$74,073 this year, a trading turnaround of \$129,609 or 275% in just five months of trading. The Board are forecasting a modest profit during 2014/2015 under the new 24/24 catering operation.

Tuncurry Catering again exceeded all Key Performance targets during 2014 returning a net profit of \$42,562 compared to a net loss of \$583 last year. Well done, Dylan Gummer and Ian Robinson, Head Chefs.

Pleasing trading results were witnessed from both Keno and TAB. Keno trading returned consolidated commissions of \$201,070 up \$14,379 or 7.70% on last year. Contribution from trading was similar up \$12,542 or 17.82% from \$70,355 in 2013 to \$82,897 in 2014. Tab commissions received were \$66,108 up \$6,007 or 9.99% on last year. Contribution from trading was a net loss of \$91,701 an improvement of \$6,582 or 6.70% when compared to \$98,283 last year.

Even though our Clubs have been navigating this year through extremely difficult and uncertain economic headwinds and stormy seas, I am pleased to report that the Board have still been able to continue to stand by its slogan,

"the Clubs that do more for its Members"

by providing to its members, benefits, entertainment, promotions and amenities totalling \$2.16 million representing over \$5,942 returned to members as benefits each day, every day of this year.

Furthermore, the Clubs continue to maintain its long standing support of its local community by providing cash funding of \$135,996 plus in excess of \$100,000 in kind support to local community, welfare, sporting and education for the year ended 30th June 2014. Board and Management will endeavour to continue to provide funding that is spread as far as possible across as wide a variety of local projects and activities whilst providing the greatest tangible benefit to the social, sporting and cultural needs of the Great Lakes and surrounding communities.



Total salary and wages (including other employee benefits) paid was \$5,432,726 up \$276,565 or 5.36% on last year. This result is most satisfactory after consideration is made for the introduction of a brand new trading area known as Kenny's Thai Kitchen in August 2013 which incurred salary and wage costs of \$271,334 for the year and Fair Work Australia's decision to hand down in July 2013 a minimum wage increase of 2.6% which equates to over \$134,000.

A review of the Club's cash flow performance indicates a positive movement of cash from operations of \$1,396,594 together with accumulated cash reserves of \$985,069 and net borrowings of \$1,918,816 enabled the Club to fund net plant, equipment and capital improvements of \$3,406,584 whilst decreasing cash reserves by \$91,174 to \$893,895 as at 30th June 2014.

The Board and Management has recently endorsed and adopted its Strategic Business Plan 2015 Plus. Central to this business document is a continued improved forecasted operating budget throughout its life. Board and Management's principle objective for 2014/2015 will be to continue to exercise prudent and careful financial planning, control and consolidation to ensure the Club's long-term financial viability and sustainability whilst continuing to provide improved Clubhouse facilities.

I would like to take this opportunity to express my sincere thanks to President Claire Fletcher and her Board colleagues for their continued support, loyalty, guidance and tireless voluntary service. They have all devoted much time, energy and expertise to the Club and its affairs.

I wish to extend my thanks to my staff for their teamwork, enthusiasm and positive contribution to the overall success of both Clubs during the past challenging and difficult twelve months.

I would also like to thank you, the members, for your loyalty and support of our two great Clubs-Club Forster and Sporties Tuncurry. In conclusion, I look back on a most memorable year where the Board and Management have achieved much success against the odds, where over 50% of Clubs in NSW are experiencing declining trade and/or financial distress, where we have strengthened our financial performance and position. I look forward to continuing to achieve our vision of bringing enjoyment to the lives of our members and visitors through our professional and caring approach to service whilst balancing the needs of today with the opportunities of the future.

**P. V. CLARKE FCPA
GENERAL MANAGER**



**FORSTER TUNCURRY MEMORIAL SERVICES CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 65 000 919 817**

DIRECTORS' REPORT

Your Directors present their report on the Company for the financial year ended 30th June, 2014.

DIRECTORS

The names of Directors in office at anytime during or since the end of the year are:

Claire E. Fletcher, Colin P. Cross, Michael P. Sadler, John H. Rochester, John H. Tyson, James G. Cavanagh, Kenneth J. Jackson, James Simons and Darcy W. Cheetham.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was that of conducting a licensed club. There has been no significant change in the nature of these activities during the year.

SHORT TERM OBJECTIVES

The Club's objectives are focused on the key areas of providing strong corporate governance, excellent recreational and leisure facilities and services and the promotion of the social welfare of its members and local community. This is achieved by continuing to provide Board of Directors, management and staff with appropriate training, excellence in customer service and modern facilities. The Club operates a structured community support program with a heavy focus on local projects and activities that provide the greatest tangible benefit to the social needs of the Great Lakes Community.

LONG TERM OBJECTIVES

The Club continues its long term strategy of responsible financial investment in building infrastructure and operations whilst exploring other revenue opportunities to ensure the Club's ongoing financial viability and sustainability.

STRATEGIES FOR ACHIEVING OBJECTIVES

The Club undertakes a number of strategies to achieve the above objectives:

- Commitment to sound Corporate Governance;
- The Board's Strategic Plan is monitored and reviewed on a regular basis;
- High level of financial support for local community and sporting organisations in accordance with the Club's Charter;
- Capital investment in all facilities to ensure they continue to meet member needs and expectations;
- Growth in revenues through an expansion of our business offerings.



MEASUREMENT OF PERFORMANCE

The Club measures financial and operational performance using the following key indicators:

- Trading performance to budget;
- EBITDA and EBITDARD performance to industry standards;
- Cashflow;
- Department measures such as gross profit and wage percentages;
- Assessing Return on Investment regarding all expenditure;
- Members' feedback;
- Patronage into the premises;
- Mystery Shopper reviews;
- Market research.

OPERATING RESULTS

The profit for the year was \$32332 [2013: Profit \$108089] after income tax expense of (\$44805) [2013: (\$6547)] in respect to the current, prior and deferred years. Depreciation and amortisation charged for the year was \$1391209 [2013: \$1291143].

REVIEW OF OPERATIONS

	2014 \$	2013 \$
Bar & Bottle Shop Sales – Forster	2627037	2605444
Bar Sales – Tuncurry	1223078	1189289
Catering Sales – Forster	2469613	2018764
Catering Sales – Tuncurry	1046565	1012507
Poker Machines (Net of Jackpots & Payouts) – Forster	7820701	7874091
Poker Machines (Net of Jackpots & Payouts) - Tuncurry	1263087	1017953

The clubs operating profit of \$32332 is still a pleasing result when compared to the 2013 profit of \$108089. Whilst disappointed with the decline in profit of \$75757, predominately as the result of one off expense increases and additional depreciation associated with the Bistro renovation at Forster, the Directors believe the fundamentals of the business are sound and that decisions made in the current and prior years, like the bistro relocation at Forster have started to reap benefits in the 2014 year and Directors believe will continue to reap benefits for members into the future.

Trading revenues outlined above have increased overall by \$732033 compared to the 2013 year with increased revenue from Forster and Tuncurry catering sales of \$450849 and \$34058 respectively, Tuncurry poker machines \$245134, Forster bar and bottle shop sales \$21593 and Tuncurry bar sales \$33789 being offset by a decrease in revenue of Forster poker machines of \$53390. The increase in trading revenue can be associated with increased visitation of members and guests especially at Sporties Tuncurry and the fruition of various strategies implemented by Board and Management including the relocation of the bistro downstairs at Forster and the addition of Kenny's Thai Restaurant at Forster which contributed revenue from trading of \$410539 for the 2014 year.

The profit contribution from areas of trade of the Sporties operations have increased over the 2013 year by \$220443 as a significant portion of the increased revenue outlined above was retained by the



club despite increased expenses. The profit contribution from Forster bar and bottleshop decreased by \$12256 compared to the 2013 year as an increase in revenue was offset by an increase in wages. The profit contribution from Forster poker machines decreased by \$10989.

The loss from catering operations at Forster has decreased by \$129609 from \$203683 in 2013 to \$74074 in 2014 as the increase in revenue was greater than the increase in the cost of labour. The profit from catering at Tuncurry increased by \$43146 from a loss of \$583 in 2013 to a profit of \$42562 in 2014. The catering operations at both Forster and Tuncurry continue to be a major focus of the Board and Management with the implementation of strategies and policies outlined in the 2012 & 2013 years, as well as the relocation of Forster Bistro downstairs during the 2014 year, which appear to be having the desired effect of minimising losses and/or generating profits in this area of the Club's operations.

The increase in revenue for most trading areas can still be associated with the club's all of business marketing and promotional strategy despite entertainment and promotions expenses decreasing by \$91329 primarily due to a greater contribution from raffles whilst members amenities increased by \$94930 due to an increase in members discounts associated with the increase in trading revenue.

Overall employee benefits including wages and on costs increased by \$276565 being predominately in the catering area of operations due to the opening of Kenny's Thai Restaurant, the majority of staff also receiving a 2.60% wage increase from the fairwork tribunal from the 1st July 2013.

The club generated net cash from operating activities of \$1396594, coupled with an increase of net borrowings of \$1918816, enabling the club to fund net property, plant and equipment purchases of \$3406584 but decreasing cash and cash equivalents by \$91174 to \$893895 at the 30th June 2014.

MEMBERS GUARANTEE

In accordance with the Constitution of the Company every member of the Company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the Company during the time that he/she is a member or within one year thereafter. At the date of this report there are 11923 members (2013: 12065 members).

DIRECTORS' MEETINGS

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

	Directors' Meetings Board Meetings		Directors' Meetings Special Meetings	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Claire E. Fletcher	12	12	3	3
Colin P. Cross	12	12	3	3



	Directors' Meetings Board Meetings		Directors' Meetings Special Meetings	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Michael P. Sadler	12	12	3	2
John H. Rochester	12	12	3	2
John H. Tyson	12	9	3	3
James G. Cavanagh	12	12	3	3
Kenneth J. Jackson	12	12	3	3
James Simons	12	12	3	3
Darcy W. Cheetham	12	12	3	3

The Directors also attended various sub committee meetings comprising Directors and management throughout the year.

During the year Directors were granted a leave of absence for the following periods:

Kenneth J. Jackson – 8th & 9th November 2013

The Board consists of nine members having an attendance record of 97.22% at regular board meetings, 92.59% at special meetings and an overall attendance of 96.29%.

DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Claire E. Fletcher

	President (Current)	1 year
	Director (Current)	6 years
	Vice President (Past)	3 years
Qualifications	Retired Bank Clerk	
Experience	Supervisor Armaguard Currency Management	10 years
	Pay Clerk K-Mart Forster	
	ANZ Business Bank Teller	10 years
	Committee Member Tuncurry	
	Forster Sports Women's Bowling Club	
	President Forster Women's Bowling Club	
Special Responsibilities	Poker Machine, Disciplinary, House & Building and Future Development Committees	
Other Training	Member of Club Directors Institute – Clubs NSW	
	Inputs and Outputs for Effective Strategic Planning	
	Online and Social Gaming Trends	
	Working with Your Community	
	Boardroom Leadership for Chairs and CEO's	
	Survival Strategies	
	Strategic Planning	

Colin P. Cross

	Vice President (Current)	1 year
	Director (Current)	8 years
	Vice President (Past)	2 months
Qualifications	Retired Telstra Communications Officer	
Experience	Vice President Skipjacks Bowling Club	4 years
	Committee Cundletown Apex	3 years



DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES CONTINUED

Colin P. Cross (Continued)

Special Responsibilities	Poker Machine, Disciplinary & Future Development Committees Training Director
Other	Life Member Taree Race Club Member of Club Directors Institute – Clubs NSW
Training	Inputs and Outputs for Effective Strategic Planning Survival Strategies Strategic Planning

Michael P. Sadler

	Vice President (Current)	1 year
	Director (Current)	2 years
Qualifications Experience	Retired Purchasing Manager C.I.G. Assistant Manager Armaguard Wool Valuer Assistant Manager St George Masonic Club Night Manager Parramatta Leagues Club Head Steward Air Force Navy Club	
Special Responsibilities	Disciplinary, House & Building and Future Development Committees	
Other	Member of Club Directors Institute – Clubs NSW	
Training	Inputs and Outputs for Effective Strategic Planning Investing in Your Financial Future Survival Strategies Strategic Planning	

John H. Rochester

	Director (Current)	22 years
	Past Vice President	6 years
	Past Training Committee	6 years
Qualifications Experience	Retired Seafood Processor Past President Blue Water Fishing Club Past President Balmain Leagues Golf and Snooker Clubs Past Member Forster Tuncurry Lions Club	3 years 4 years 6 years
Special Responsibilities	Future Development Committee	
Other	Raffle Director (Current) Life Member FTMSC Member of Club Directors Institute – Clubs NSW	
Training	Inputs and Outputs for Effective Strategic Planning Understanding & Engaging with New Generations Understanding the Complexity of a Problem Gambler Survival Strategies Strategic Planning	

John H. Tyson

	Director (Current)	8 years
Qualifications Experience	Retired Club Employee Past Director Tuncurry Leagues & Sports Club Past Member Lions Club	10 years



DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES CONTINUED

John H. Tyson (Continued)

Special Responsibilities	House & Building and Future Development Committees Greens Director (Current)
Other Training	Member of Club Directors Institute – Clubs NSW Inputs and Outputs for Effective Strategic Planning Survival Strategies Strategic Planning

James G. Cavanagh

Qualifications	Director (Current) 7 years Past Director 5 years Retired Senior District Officer Dept of Community Services
Experience	Past President Tuncurry Forster Sports Men's Bowling Club 3 years Past State Returning Officer for State Electorate of South Coast and Southern Highlands Past President Bowral Bowling Club 2 years Past President Bowral Lions Club Future Development Committee
Special Responsibilities	
Other Training	Member of Club Directors Institute – Clubs NSW Inputs and Outputs for Effective Strategic Planning Localising International Food & Beverage Trends Working with Your Community Survival Strategies Strategic Planning

Kenneth J. Jackson

Qualifications	Director (Current) 4 years Retired Boilermaker
Experience	Senior Vice President and Director Alexandria Erskineville Bowling Club 3 years Current President Tuncurry Forster Sporty's Travelling Bowlers 4 years Committee Member Tuncurry Forster Sports Men's Bowling Club 3 years
Special Responsibilities	Poker Machine & Future Development Committees Tournament Director
Other Training	Member of Club Directors Institute – Clubs NSW Online and Social Gaming Trends Understanding the Complexity of a Problem Gambler Survival Strategies Strategic Planning



DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES CONTINUED

James Simons

	Director (Current)	2 years
Qualifications	Retired Tool Maker	
Experience	Secretary Club Forster Skipjacks Social Bowling Club Committee	3 years
	Secretary Tuncurry Forster Sports Men's Bowling Club	5 years
	Returning Officer Election Board of Directors FTMSC 2010	
Special Responsibilities	WH & S, Disciplinary & Future Development Committees	
Other Training	Member of Club Directors Institute – Clubs NSW Inputs and Outputs for Effective Strategic Planning Understanding & Engaging with New Generations Getting Employment Contracts Right Survival Strategies Strategic Planning	

Darcy W. Cheetham

	Director (Current)	1 year
	Director (Past)	2 years
Qualifications	Business Proprietor	
Experience	Former President Nelson Sharks Junior Rugby League Football Club Former Treasurer Nelson Sharks Junior Rugby League Football Club Member Tuncurry Forster Sports Men's Bowling Club Member Skipjacks Social Bowling Club	
Special Responsibilities	House & Building, Poker Machine and Future Development Committees	
Other Training	Member of Club Directors Institute – Clubs NSW Inputs and Outputs for Effective Strategic Planning Localising International Food & Beverage Trends Getting Employment Contracts Right Survival Strategies Strategic Planning	

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 30.

Signed at Forster this 29th Day of August, 2014 by Claire E. Fletcher and Colin P. Cross on behalf of the Board and in accordance with a Resolution passed by the Directors.


CLAIRE E. FLETCHER
DIRECTOR


COLIN P. CROSS
DIRECTOR



**FORSTER TUNCURRY MEMORIAL SERVICES CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 65 000 919 817**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
FORSTER TUNCURRY
MEMORIAL SERVICES CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30th June 2014, there have been:

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) No contravention of any applicable code of professional conduct in relation to the audit.

**HARRISON, MAIN & McARTHUR
ANDREW McARTHUR - CA
PARTNER
REGISTERED COMPANY AUDITOR**

12-16 Wallis Street, Forster

29th August, 2014



**FORSTER TUNCURRY MEMORIAL SERVICES CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 65 000 919 817**

INDEPENDENT AUDITORS' REPORT

To The Members
Forster Tuncurry Memorial Services Club Limited

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of Forster Tuncurry Memorial Services Club Limited which, comprises the Statement of Financial Position as at 30th June 2014, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant Accounting Policies and other explanatory notes and the Directors Declaration as set out on pages 33 to 58.

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with the relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Audit Opinion

In our opinion the financial report of Forster Tuncurry Memorial Services Club Limited is in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the Company's financial position as at 30th June, 2014 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

**HARRISON, MAIN & McARTHUR
ANDREW McARTHUR - CA
PARTNER
REGISTERED COMPANY AUDITOR**

12-16 Wallis Street, Forster

29th August, 2014



FORSTER TUNCURRY MEMORIAL SERVICES CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 65 000 919 817

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Forster Tuncurry Memorial Services Club Limited, the Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 34 to 58 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position as at 30th June, 2014 and of the performance for the year ended on that date of the Company.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed at Forster this 29th Day of August, 2014 by Claire E. Fletcher and Colin P. Cross on behalf of the Board and in accordance with a Resolution passed by the Directors.

CLAIRE E. FLETCHER
DIRECTOR

COLIN P. CROSS
DIRECTOR



FORSTER TUNCURRY MEMORIAL SERVICES CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 65 000 919 817

STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30th June, 2014

	Note	2014 \$	2013 \$
Revenue	2	18088487	17247763
Profit/(Loss) on Disposal of Fixed Assets	3	(1887)	80715
Changes in Inventories of Finished Goods	3	(2890932)	(2822120)
Employee Benefits Expense	3	(5432726)	(5156161)
Depreciation & Amortisation Expense	3	(1391209)	(1291143)
Finance Costs	3	(177262)	(144318)
Other Expenses		(8206944)	(7813194)
Profit/(Loss) Before Income Tax		(12473)	101542
Income Tax Expense	1(a),4	44805	6547
Profit/(Loss) for the Year		32332	108089
Other Comprehensive Income After Income Tax:			
Net Gain On Revaluation of Non-Current Assets		-	-
Other Comprehensive Income for the Year, Net of Tax		-	-
Total Comprehensive Income for the Year		32332	108089
Total Comprehensive Income Attributable to: Members of the Entity		32332	108089

The Statement of Profit or Loss and Other Comprehensive Income
is to be read in conjunction with the notes to and forming part
of the accounts set out on page 38 to 58.



FORSTER TUNCURRY MEMORIAL SERVICES CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 65 000 919 817

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30th June, 2014

	Retained Earnings \$	Note	Asset Reval'n Reserve \$
Balance at 1st July, 2012	11478137	(a)	645291
Retrospective Adjustment Upon Change in Accounting Policy	-		-
Transfers to and From Reserves	-		-
Transfers to and From Retained Profits	-		-
Total Other Comprehensive Income for the Year	-		-
Profit/(Loss) Attributable to the Company	108089		-
Balance at 30th June, 2013	<u>11586226</u>	(a)	<u>645291</u>
Balance at 1st July, 2013	<u>11586226</u>	(a)	<u>645291</u>
Retrospective Adjustment Upon Change in Accounting Policy	-		-
Transfers to and From Reserves	-		-
Transfers to and From Retained Profits	-		-
Total Other Comprehensive Income for the Year	-		-
Profit/(Loss) Attributable to the Company	32332		-
Balance at 30th June, 2014	<u>11618558</u>	(a)	<u>645291</u>

- a) Asset Revaluation Reserve
This asset revaluation reserve records revaluations of non-current assets. There were no movements in the reserve during the current year.

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the accounts set out on page 38 to 58.



FORSTER TUNCURRY MEMORIAL SERVICES CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 65 000 919 817

STATEMENT OF FINANCIAL POSITION
AS AT 30th June, 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	5	893895	985069
Trade & Other Receivables	6	137728	263513
Inventories	7	196511	210273
Other Current Assets	8	32203	58065
TOTAL CURRENT ASSETS		1260337	1516920
NON-CURRENT ASSETS			
Deferred Tax Assets	13	-	-
Property, Plant & Equipment	9	17174485	15141307
Intangible Assets	10	5620	25312
TOTAL NON-CURRENT ASSETS		17180105	15166619
TOTAL ASSETS		18440442	16683539
LIABILITIES			
CURRENT LIABILITIES			
Trade & Other Payables	11	748056	964937
Borrowings	12	425727	387049
Current Tax Liabilities	13	-	-
Short Term Provisions	14	587169	535933
Other Liabilities	15	94948	92251
TOTAL CURRENT LIABILITIES		1855900	1980170
NON-CURRENT LIABILITIES			
Borrowings	12	4185573	2305436
Long Term Provisions	14	88848	74338
Other Liabilities	15	35768	36769
Deferred Tax Liabilities	13	10504	55309
TOTAL NON-CURRENT LIABILITIES		4320693	2471852
TOTAL LIABILITIES		6176593	4452022
NET ASSETS		12263849	12231517
EQUITY			
Reserves		645291	645291
Retained Profits		11618558	11586226
TOTAL EQUITY		12263849	12231517

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the accounts set out on page 38 to 58.



FORSTER TUNCURRY MEMORIAL SERVICES CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 65 000 919 817

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30th June, 2014

	Note	2014 \$	2013 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Customers		19927796	18869150
Interest Received		10014	20585
Payments to Suppliers and Employees		(18363954)	(17547193)
Finance Costs		(177262)	(144318)
		<hr/>	<hr/>
Net Cash Generated from Operating Activities		1396594	1198224
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant & Equipment		-	80118
Payment for Intangible Assets		-	(2789)
Payment for Property, Plant & Equipment		(3406584)	(1491189)
		<hr/>	<hr/>
Net Cash used in Investing Activities		(3406584)	(1413860)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		2223344	615012
Repayment of Borrowings		(304528)	(367961)
Proceeds from Hire Purchase		-	-
Repayment Hire Purchase		-	-
Bond Received		-	-
		<hr/>	<hr/>
Net Cash used in Financing Activities		1918816	247051
Net Increase/(Decrease) in Cash Held		(91174)	31415
Cash and Cash Equivalents at 1st July 2013		985069	953654
		<hr/>	<hr/>
Cash and Cash Equivalents at 30th June 2014	5	893895	985069
		<hr/> <hr/>	<hr/> <hr/>

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the accounts set out on page 38 to 58.



**FORSTER TUNCURRY MEMORIAL SERVICES CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 65 000 919 817**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June, 2014**

The financial report is for Forster Tuncurry Memorial Services Club Limited as an individual Company, incorporated and domiciled in Australia. Forster Tuncurry Memorial Services Club Limited is a Company limited by guarantee.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Forster Tuncurry Memorial Services Club Limited has elected to early adopt the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to annual reporting period beginning on the 1st July 2013.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on the accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets (if applicable), financial assets and financial liabilities (if applicable). The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on the 29th August 2014 by the Directors of the Company.

Accounting Policies

a) Income Tax

Due to the doctrine of mutuality the Club is taxed on net income from non-members and other external sources only and accordingly taxable income does not relate to net profit as disclosed in the accounts. Current year income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items and then adjusted for the appropriate percentage applicable to non-members to determine the taxable income.



The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.



b) Inventories

Inventories are measured at the lower of cost and net realisable value.

c) Property, Plant & Equipment

Property, plant and equipment are carried at cost or at fair value, less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the fair value of the assets less cost to sell or the depreciable replacement cost of these assets.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour and borrowing costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and leasehold improvements but excluding freehold land, are depreciated on a straight line and/or diminishing value basis over their useful lives to the Company, commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5% to 5%
Plant and Equipment	7.5% to 40%
Bowling Greens	4%
Car Parks etc	2% to 10%
Leased Improvements	4% to 5%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income.

d) Land for Sale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion



of development. Borrowing costs and holding charges incurred after development is completed are expensed. Profits are brought to account on the signing of an unconditional contract of sale.

e) Employee entitlements

I. Short Term Employee Benefits

Provision is made for the Company's obligation for short term employee benefits. Short term employee benefits are benefits that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave. Short term employee benefits are measured at the (undiscounted) amount expected to be paid when the obligation is settled.

The Company's obligation for short term employee benefits is recognised as part of provisions in the Statement of Financial Position.

II. Long Term Employee Benefits

The Company classifies employees' long service leave and certain annual leave entitlements as long term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Company's obligation for long term employee benefits, which are measured at the present value of the expected future payments to be made to employees including future wage and salary levels and on costs. The movement in this provision is recognised on the profit or loss under employee benefits expense.

The Company's obligation for long term employee benefits is recognised as part of non-current provisions in the Statement of Financial Position unless the Company cannot defer settlement for 12 months then they are classified as current provision.

Contributions are made by the Company to employee superannuation funds and charged as an expense when incurred.

f) Revenue

Revenue from the sale of goods is recognised upon delivery of goods to customers. Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Revenue is recognised net of the amount of goods and services tax (GST).



g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation 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 payable in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

h) Intangibles

Computer software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It is being written off over the useful life of the software to the Company.

Poker Machine entitlements are at cost less any impairment losses. Poker machine entitlements have an indefinite life and are assessed annually for impairment.

i) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but, not the legal ownership, are transferred to the Company are classified as finance leases.

Finance lease are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

In accordance AASB: 116 Property Plant and Equipment, any rectification clauses in operating leases will be recognised and measured in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets, only if the probable outflow is not remote and can be reliably measured.

j) Impairment of Assets

At the end of each reporting period, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use or the depreciable replacement cost, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.



Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset class, the Company estimates the recoverable amount of the cash generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation reserve in respect to the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

Impairment testing is performed annually for intangible assets with indefinite lives.

k) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit and loss' in which case transaction costs are expensed to profit or loss immediately.

Classification & Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amounts for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- i. The amount at which the financial asset or liability is measured at initial recognition;
- ii. Less principal repayments;
- iii. Plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method;
- iv. Less any reduction for impairment.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.



Loans & Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after reporting date, these are included in non-current assets.

Held to Maturity Investments

Held to Maturity Investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held to Maturity Investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting date, these are included in current assets.

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in the profit and loss.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Comprehensive Income.

l) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Company applies an accounting policy retrospectively, makes retrospective restatement or reclassifies items in its financial statements, a Statement of Financial Position as at the beginning of the earliest comparative period must be disclosed.



n) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and with the Company.

Key Estimates – Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

NOTE 2 – REVENUE

	Note	2014 \$	2013 \$
Operating Revenue			
Turnover from Trading Activities		16450082	15718048
Non Operating Revenue			
Interest Received		10014	20585
Commission Received		504291	457451
Members Subscriptions		124982	116672
Bowls Shop & Greens Fees		37271	35013
Facility Hire, Sporting Board & Child Minding		42915	58478
Telephone Receipts		254	319
Bingo and Raffle Ticket Sales		668886	611709
Entertainment Ticket Sales		239389	204539
Advertising Sales		5636	5873
Other Income		4767	19076
TOTAL REVENUE		18088487	17247763

NOTE 3 – PROFIT/(LOSS) FOR YEAR

a) Expenses

Changes in Inventories of Finished Goods

Bar – Forster	831914	799904
Bar – Tuncurry	520006	511284
Bottle shop – Forster	354849	393646
Catering – Forster	864511	782968
Catering – Tuncurry	319652	334318
	2890932	2822120

Depreciation and Amortisation

Buildings, Improvements, Car Parks & Greens	480709	459771
Plant and Equipment	890808	771308
Intangible – Software	19692	60064
	1391209	1291143

Finance Costs

Interest Paid	177262	144318
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	Note	2014 \$	2013 \$
Employee Benefits			
Employee Entitlements		65747	13508
Employee Benefits		4680	4680
Staff Presentations		1834	1108
Fringe Benefits Tax		8450	8973
Salaries & Wages		5352015	5127892
		<hr/>	<hr/>
		5432726	5156161

Bad and Doubtful Debts

Trade Receivables		-	-
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Rental Expense on Operating Leases

Minimum Lease Payments		-	-
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Employee Benefits

Contributions to Defined Contribution Super Funds		480611	447913
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b) Significant Revenue and Expenses

Gain on Disposal of Non Current Assets		-	80715
Loss on Disposal of Non Current Assets		(1887)	-

NOTE 4 – INCOME TAX EXPENSE

The components of income tax expense comprise:

Current Tax		-	-
Deferred Tax	13	(44805)	(6547)
Recoupment of Prior Year Tax Losses		-	-
Under/(Over) Provision in Respect of Prior Years		-	-
		<hr/>	<hr/>
		(44805)	(6547)

The prima facie tax on profit/(loss) for the Year is reconciled to the income tax as follows:

Prima Facie Tax Payable on the Profit/(Loss) for the Year at 30% (2013: 30%)

(3742)	30463
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Add:

Tax Effect of:

Under Provision for Income Tax in Prior Years		-	-
Non-deductible Depreciation & Amortisation		103752	51009
Fully Assessable Income		209246	211643
Non Member Expenditure		1200131	1060188
		<hr/>	<hr/>
		1509387	1353303

Less:

Tax Effect of:

Recoupment of Prior Year Tax Losses		-	-
Fully Deductible Expenditure		298269	293545
Non Member Income		1211118	1059758
Movement in Deferred Accounts		44805	6547
		<hr/>	<hr/>
Income Tax Attributable to the Company		(44805)	(6547)



	Note	2014 \$	2013 \$
NOTE 5 – CASH & CASH EQUIVALENTS			
Cash on Hand		220000	185000
Cash at Bank		673895	800069
	5(a), 20	<u>893895</u>	<u>985069</u>

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:

Cash and Cash Equivalents		893895	985069
Bank Overdrafts	12	-	-
		<u>893895</u>	<u>985069</u>

NOTE 6 – TRADE & OTHER RECEIVABLES

Current

Trade Receivables		10865	23220
Provision for Impairment		-	-
		<u>10865</u>	<u>23220</u>
Other Receivables		43371	130160
Accrued Income		42191	53508
GST Receivable		41301	56625
	6(a)	<u>137728</u>	<u>263513</u>

(a) Financial assets classified as loans and receivables:

Trade & Other Receivables:			
- Current		137728	263513
- Non-Current		-	-
	20	<u>137728</u>	<u>263513</u>

NOTE 7 - INVENTORIES

Finished Goods		<u>196511</u>	<u>210273</u>
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NOTE 8 - OTHER ASSETS

Prepayments		32203	58065
Deposit on Property, Plant & Equipment Purchases		-	-
		<u>32203</u>	<u>58065</u>



NOTE 9 – PROPERTY, PLANT & EQUIPMENT

	Cost \$	Accum Dep'n \$	Accum Impair't Loss \$	Written Down Value \$
Year Ended 30th June, 2014				
Freehold Land	2138677	-	-	2138677
Buildings & Car Parks	20594726	9704461	-	10890265
Plant & Equipment	17167319	13134262	-	4033057
Motor Vehicles	227793	190489	-	37304
Bowling Greens	180599	153707	-	26892
Work in Progress Buildings	48290	-	-	48290
	40357404	23182919	-	17174485

	Cost \$	Accum Dep'n \$	Accum Impair't Loss \$	Written Down Value \$
Year Ended 30th June, 2013				
Freehold Land	2138677	-	-	2138677
Buildings & Car Parks	18529983	9232783	-	9297200
Plant & Equipment	15906684	12416001	-	3490683
Motor Vehicles	225812	184014	-	41798
Bowling Greens	180599	144677	-	35922
Work in Progress Buildings	137027	-	-	137027
	37118782	21977475	-	15141307

Movement in Carrying Amount of Property, Plant & Equipment

	2014 Property, Plant & Equipment \$	2013 Property, Plant & Equipment \$
Opening Written Down Value	15141307	14858680
Add: Additions	3406584	1518164
Less: Disposals	(1889)	(4458)
Less: Depreciation	(1371517)	(1231079)
Add: Revaluation Increment	-	-
Less: Revaluation Decrement	-	-
Closing Written Down Value	17174485	15141307

CORE ASSETS OF THE CLUB

The current Directors disclose under the provisions of the Registered Clubs Act that the core assets of the Club are the Clubhouse and car park at 19 Strand Street Forster (except proposed Lot 1 of the sub division of Lot 1 DP247867 and Lot 1 DP 43068), the defined licensed premises, bowling greens, tennis courts and car parks at Beach Street Tuncurry.

**NOTE 10 – INTANGIBLE ASSETS**

	Cost \$	Accum Amort'n/ Impair't \$	Written Down Value \$
30th June, 2014			
Computer Software	345157	339537	5620
Poker Machine Entitlements	-	-	-
	<hr/> 345157	<hr/> 339537	<hr/> 5620
	Cost \$	Accum Amort'n/ Impair't \$	Written Down Value \$
30th June, 2013			
Computer Software	345157	319845	25312
Poker Machine Entitlements	-	-	-
	<hr/> 345157	<hr/> 319845	<hr/> 25312

Movement in Carrying Amount of Intangible Assets

	2014 \$	2013 \$
Opening Written Down Value	25312	82587
Add: Additions	-	2789
Less: Disposals	-	-
Less: Amortisation	(19692)	(60064)
Add: Revaluation Increment	-	-
Less: Revaluation Decrement	-	-
Closing Written Down Value	<hr/> 5620	<hr/> 25312

NOTE 11 – TRADE & OTHER PAYABLES

Note	2014 \$	2013 \$
Current		
Trade Payables	323143	507351
Sundry Payables	125276	135967
Income in Advance	18270	25758
Accrued Expenses	156525	170607
GST Payable	124842	125254
	<hr/> 748056	<hr/> 964937

(a) Financial Liabilities at amortised cost
classified as trade and other payables:

Trade & Other Payables		
- Current	748056	964937
- Non-Current	-	-
	<hr/> 748056	<hr/> 964937
Less Income In Advance	(18270)	(25758)
Financial Liabilities as Trade & Other Payables	20	729786
	<hr/> 729786	<hr/> 939179



NOTE 12 – BORROWINGS

	Note	2014 \$	2013 \$
Current			
Market Rate Facility – CBA	12(b) & (d)	-	-
Finance Lease Liabilities	12(b) & 17	279512	240834
Loan – Department of Lands	12(b)	146215	146215
		<u>425727</u>	<u>387049</u>
Non-Current			
Market Rate Facility – CBA	12(b) & (d)	2500000	500000
Finance Lease Liabilities	12(b) & 17	215426	311309
Loan – Department of Lands	12(b)	1470147	1494127
		<u>4185573</u>	<u>2305436</u>
Total Borrowings	20	<u>4611300</u>	<u>2692485</u>

a) Total current and non-current secured liabilities:

Market Rate Facility – CBA	2500000	500000
Finance Lease Liabilities	494938	552143
Loan – Department of Lands	1616362	1640342
	<u>4611300</u>	<u>2692485</u>

a) The carrying amount of current and non-current assets pledged as security are:

Buildings and Plant & Equipment	17174485	15141307
Floating Charge:		
Cash & Cash Equivalents	893895	985069
Trade & Other Receivables	137728	263513
Inventories	196511	210273
Other Current Assets	32203	58065
Intangible Assets	5620	25312
	<u>18440442</u>	<u>16683539</u>

c) Securities Given

i. The bank debt is secured by:

- First Registered Mortgage over Non Residential Property located at Beach Street Tuncurry and Strand Street Forster. First Registered Equitable Mortgage over the whole of Forster Tuncurry Memorial Services Club Ltd assets and undertakings including uncalled capital;

Covenants imposed by the bank are as follows:

- Annual audited financial statements provided within 120 days of end of financial year;
- Compliance certificates and management reports to be provided within 50 days of each half reporting period being the end of December and June;
- EBITDA for each reporting period to be not less than \$1150000 on a rolling twelve month basis;
- Net Gaming Takings on a rolling twelve month basis to be not less than \$5400000;
- Borrower to ensure number of gaming machines in use is 200.



a) Approved term of funding being interest only facility. The first market rate facility (\$500000) is due to expire on the 31st October 2015 whilst the second (\$2000000) is due to expire on the 20th February 2017.

b) The Company currently has undrawn facilities as follows:

Facility	Facility Limit \$	Amount Drawn \$	Undrawn Facility \$
Bank Overdraft – Keno (CBA)	5000	-	5000
Bank Overdraft – Keno (CBA)	3000	-	3000
Bank Overdraft – Tab (CBA)	10000	-	10000
Market Rate Facility (CBA)	2500000	2500000	-
Finance Lease Liabilities (Poker Machine Distributors)	494938	494938	-
Loan Department of Lands	1616362	1616362	-

The Club has also provided guarantees to TAB NSW of \$10000.

NOTE 13 – INCOME TAX

	Note	2014 \$	2013 \$			
Income Tax		-	-			
		<hr/>				
		Opening Balance	Charged To Income	Charged Directly To Equity	Changes In Tax Rate	Closing Balance
Deferred Tax Liability		\$	\$	\$	\$	\$
Property, Plant & Equipment		55188	(44767)	-	-	10421
Tax Allowance		121	(38)	-	-	83
Balance as at 30th June 2014		55309	(44805)	-	-	10504
		<hr/>				
		Opening Balance	Charged To Income	Charged Directly To Equity	Changes In Tax Rate	Closing Balance
Deferred Tax Liability		\$	\$	\$	\$	\$
Property, Plant & Equipment		61782	(6594)	-	-	55188
Tax Allowance		74	47	-	-	121
Balance as at 30th June 2013		61856	(6547)	-	-	55309

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(a) occur:

Temporary Differences \$60571 (2013: \$53658)

Tax Losses: Operating Losses \$389297 (2013: \$347270)

NOTE 14 – PROVISIONS

	Annual & Sick Leave Prov'n \$	Long Service Leave Prov'n \$	Total \$
Opening Balance at 1st July 2013	324861	285410	610271
Additional provisions raised during year	230160	50184	280344
Amounts used	(190239)	(24359)	(214598)
Balance at 30th June 2014	364782	311235	676017



Analysis of Total Provisions

	Note	2014 \$	2013 \$
Current			
Annual Leave		324067	284146
Sick Leave		40715	40715
Long Service Leave		222387	211072
		<hr/>	<hr/>
		587169	535933
Non-Current			
Long Service Leave		88848	74338

Provision for Long Service Leave

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1(e) of the financial statements.

NOTE 15 – OTHER LIABILITIES

	Note	2014 \$	2013 \$
Current			
Deposit – Purchase Option		-	-
Subscriptions in Advance		94948	92251
		<hr/>	<hr/>
		94948	92251
Non-Current			
Subscriptions in Advance		35768	36769

NOTE 16 - CONTINGENT LIABILITIES & ASSETS

Contingent Liability - Mortality Benefits

A contingent liability exists for certain members whose membership entitles next of kin to mortality benefits upon the death of the member. The total contingent liability is estimated at \$37400 (2013: \$37600).

Contingent Asset – Development Fund

A contingent asset exists being the maintenance of a promotional fund by Carlton United Breweries under the current trading agreement. Under the agreement between the Club and Carlton United Breweries an amount is set aside based on the litres purchased by the Club to be used on promotional activity agreed to by both parties. The maintenance of the fund is contingent upon a valid trading agreement between the Club and Carlton United Breweries remaining in place. The balance of the fund at the 30th June 2014 is \$13100.



NOTE 17 – LEASING, CAPITAL & OTHER COMMITMENTS

Operating Lease Commitments

Paging System

The Club entered into an agreement in August 2013 for a four year period with Jtech Australia Pty Ltd, to lease a customer & club paging system for both Forster and Tuncurry catering. The amount payable under the agreement is \$841 per month excluding GST.

Non-cancellable operating leases contracted for but not capitalised in the financial statements and other rental liabilities of the Club are as follows:

	Note	2014 \$	2013 \$
Payables – Minimum Lease Payments			
Not Later Than 12 months		10092	3850
Later Than 12 months but Not Later Than 2 years		10092	-
Later Than 2 years but Not Later Than 5 years		11774	-
Later Than 5 Years		-	-

Capital Commitments

There are the following material capital commitments at the 30th June 2014:

1. 150 new chairs for the Sporties at a cost of \$16500.
2. Update of the airconditioning system in the gaming area at the Sporties \$14750.
3. Update of the System 7000 Gaming Machine System at Club Forster \$34000.

Licence Commitments

A licence agreement with Great Lakes Council was entered into on the 6th April, 1999 for the term of 20 years. The Council has calculated the market rental of the land to be five annual instalments of \$12000 followed by 15 annual instalments of \$1 until termination of the licence.



Finance Lease Commitments

Poker Machine Licence Rental

The Club entered into agreements to rent in total twenty five poker machine game licences granted by Aristocrat Technologies Australia Pty Ltd, Ainsworth Game Technology, Shuffle Master Australasia and IGT Australia Pty Ltd for a period of three years.

Note	2014 \$	2013 \$
Payables – Minimum Lease Payments		
Not Later Than 12 months	279512	240834
Later Than 12 months but Not Later Than 2 years	178202	205064
Later Than 2 years but Not Later Than 5 years	37224	106245
Later Than 5 Years	-	-
Minimum Lease Payments	494938	552143
Less: Future Finance Charges	-	-
	494938	552143

Club Grants Commitment

As part of the Community Welfare, Community Development, Social Services and Employment Assistance Scheme the Club has committed to donate funds to various organisations that fall under either, Category 1, Category 2 or Category 3 as required by the NSW Office of Liquor, Gaming and Racing. The amount calculated is 2.25% of the total metered profit for the year ended 31st August 2014 at both Club Forster and the Sporties. At the 31st May 2014 the club had committed to donate approximately \$60000, with the majority of this commitment to be expended in the months of July and August 2014.

NOTE 18 – KEY MANAGEMENT PERSONNEL COMPENSATION

At the 30th June, 2014 the Company had fourteen current and one former key management personnel including Directors of the Company.

Compensation Paid to Key Management Personnel (Excluding Directors)

	Short Term Benefits \$	Terminat'n Benefits \$	Long Term Benefits \$	TOTAL \$
2014				
Total Compensation	640481	-	15911	656392
2013				
Total Compensation	613320	-	40993	654313



Compensation Paid to Key Management Personnel (Directors)

	Short Term Benefits \$	Terminat'n Benefits \$	Long Term Benefits \$	TOTAL \$
2014				
Total Compensation	42581	-	-	42581
2013				
Total Compensation	23500	-	-	23500

NOTE 19 – RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:-

a) Close Family Member of Key Management Personnel

A son of one of the key management personnel, Mr Mitchell Clarke was employed by the Club. Total compensation received during the year was \$442.

b) Close Family Member of Key Management Personnel

A son of one of the key management personnel, Mr Andrew Clarke was employed by the Club. Total compensation received during the year was \$4777.

c) Close Family Member of Key Management Personnel

A daughter of one of the key management personnel, Miss Samantha Clarke was employed by the Club. Total compensation received during the year was \$4111.

d) Close Family Member of Key Management Personnel

A daughter of one of the key management personnel, Ms Brooke Wilson was employed by the Club. Total compensation received during the year was \$52260.

e) Close Family Member of Key Management Personnel

A granddaughter of one of the key management personnel, Miss Elizabeth Jones was employed by the Club. Total compensation received during the year was \$2769.

f) Transactions between the Club and an Entity Controlled by Key Management Personnel

Warmula Pty Ltd trading as Foree Vending has an agreement to pay commission to the club for the placement of confectionery machines on the club premises. Warmula Pty Ltd is controlled by Mr Darcy Cheetham a current Director of the club.

The total commission paid to the club for the year ended 30th June 2014 was \$7894 which included an amount outstanding at the 30th June 2014 of \$1724.



NOTE 20 – FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable and borrowings from financial and non financial institutions.

The Company does not have any derivative instruments at the 30th June, 2014.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2014 Carrying Value \$	2014 Net Fair Value \$	2013 Carrying Value \$	2013 Net Fair Value \$
Financial Assets					
Cash & Cash Equivalents	5	893895	893895	985069	985069
Loans & Receivables	6	137728	137728	263513	263513
Total Financial Assets		1031623	1031623	1248582	1248582
Financial Liabilities					
Financial liabilities at amortised cost:					
Trade & Other Payables 11(a)		729786	729786	939179	939179
Borrowings	12	4611300	4611300	2692485	2692485
Total Financial Liabilities		5341086	5341086	3631664	3631664

Net Fair Values

Fair Value Estimation

The fair values of financial assets and financial liabilities are presented in the table at the beginning of Note 20 and can be compared to their carrying value as presented in the Statement of Financial Position. Fair value is determined in accordance with the accounting policy at Note 1(k) in the Financial Statements and Notes.

The fair values disclosed in the table at the beginning of Note 20 have been determined on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value.
- (ii) Borrowings fair values are determined using discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate bank debt will not differ materially to their carrying value.

Financial Instruments Measured at fair Value

There are no financial instruments that need to be recognised at fair value in the Statement of Financial Position using the fair value hierarchy as outlined in AASB 7.



NOTE 21 - SUPERANNUATION COMMITMENT

The Company is committed to paying superannuation for all employees who fall within the ambit of the Superannuation Guarantee Legislation. Contributions are calculated as a percentage of employees' ordinary wages under the definition of ordinary time's earnings under the current Enterprise Agreement.

NOTE 22 – EVENTS AFTER THE REPORTING DATE

Events after the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years except for:

1. The Club entering into an agreement with Macquarie Premium Funding Pty Ltd to pay the clubs general insurance over a period of 10 months. The first instalment was paid on the 10th July 2014.
2. The signing of a deed of agreement between the Club and Mid Coast Water for the transfer of infrastructure associated with the recycled water agreement between the Club and Mid Coast Water. The original cost of the infrastructure to be transferred is \$155500.

Future Developments

Apart from any matters outlined below, it is proposed to continue Company operations in a similar manner to the past financial year, with focus being on reduction of the Club's expenditure and the undertaking of improvements, wherever possible and within the constraints of available funds.

1. The Board have decided in the short to medium term to defer its investigation and assessment of the commercial options available for the proposed resort development in light of existing poor property sales outlook. The Board intends during the 2014/2015 year to activate this development application (DA) by addressing certain Great Lakes Council agreed DA conditions.
2. The Club lodged an application in 2006 to acquire the remaining parcel of land (Part Crown Reserve 96632) at Tuncurry owned by the Land and Property Management Authority (LMPA). This application has now been delayed due to a rezoning proposal currently being developed following the signing of a Native Title Agreement between the traditional owners, the Worimi and Biripi People of Forster Tuncurry and the NSW government in late 2010. The Club has since expressed interest with Urban Growth NSW to acquire this parcel of land.

The Club is unclear on when the determination for rezoning of the North Tuncurry Development Project will be completed.



3. During the 2014/2015 the Board intends to lodge a modified development application (DA) for both the Forster and Tuncurry Clubhouse sites. The proposed scope of work at Forster includes the provision of alfresco dining with extensive sails and further landscaped improvements to include a ceremonial garden incorporating an enclosed children's play area. Furthermore, the first floor old brassiere lounge will accommodate six snooker tables, twelve dart boards and new staff amenities. Work is expected to be completed prior to Christmas 2014.

The Board have approved the establishment of Forster Martial Arts and Fitness from late August 2014 in Club Forster's old snooker room.

Tuncurry will witness the removal of the existing western brick wall and extension of the mixed lounge to the boundary incorporating the existing Rodney Bush BBQ area. This Clubhouse extension will provide a new lounge, dance floor, stage, TAB facilities, renovated toilets and outdoor smoking area. Work is expected to commence in March 2015.

4. The Board are exploring the financial feasibility of establishing a Wanderest park at Tuncurry. Wanderest is an inexpensive caravan park for travellers to stop, refresh and restock before the continuing on their travels.

The park is a secure area with facilities including powered and unpowered sites, water, hot showers, washing and drying facilities.

NOTE 23 – ENTITY DETAILS

The registered office of the company is:

Forster Tuncurry Memorial Services Club Ltd
Trading As Club Forster
19 Strand Street
Forster NSW 2428

The principal places of business are:

Forster Tuncurry Memorial Services Club Ltd
Trading As Club Forster
19 Strand Street
Forster NSW 2428

Forster Tuncurry Memorial Services Club Ltd
Trading As Sporties Tuncurry
65 Beach Street
Tuncurry NSW 2428

NOTE 24 - MEMBERS GUARANTEE

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. In accordance with the Constitution of the Company every member of the Company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the Company during the time that he/she is a member or within one year thereafter. At the date of this report there are 11923 members (2013: 12065 members).