



Riverstone Schofields

MEMORIAL CLUB



ANNUAL REPORT & FINANCIAL STATEMENTS

Lot 2, Cnr Market & George Streets,
Riverstone NSW 2765 | ph 9627 1811

www.riverstonememorial.com.au

JAN - DEC 2013



Riverstone Schofields

MEMORIAL CLUB

2013 DIRECTORS



GLENN HUNTER
President



GRANT SMITH
Treasurer



MAL REED
Snr Vice President



GLENN RILEY
Jnr Vice President



MICHAEL RANDALL
Director



KURT HIPPE
Director



CHRIS BRITTON
Director



LILA WHITBY
Director



VIC COHEN
Director



MATTHEW DAWSON
General Manager



MARK WHITBY
Operations Manager



ANNUAL GENERAL MEETING

NOTICE is hereby given that at the Annual General Meeting of **RIVERSTONE-SCHOFIELDS MEMORIAL CLUB LIMITED** to be held on Sunday 18th May 2014 commencing at the hour of 10am at the premises of the Club, Market Street, Riverstone, New South Wales. All financial members may attend

BUSINESS:

1. To confirm the minutes of the previous Annual General Meeting held on Sunday 5th May 2013
2. To receive and consider the Board of Directors report for the year ending 31st December 2013
3. To receive and consider the Statement of financial performance, Statement of cash flows and accompanying statements and the Auditors report
4. To declare the returning officers report on the election of the Board of Directors
5. To consider the ordinary resolutions as stated on pages 4 and 5 of the annual report
6. To deal with any business of which due notice has been given in writing

N.B. All business and notice of motion to be dealt with at the Annual General Meeting shall be handed to the General Manager no later than 14 days prior to the date of the meeting

Dated 2nd April 2014, By direction of the Board

Matthew Dawson
Chief Executive Officer



FIRST RESOLUTION

That pursuant to the Registered Clubs Act 1976:

- a) the members approve and agree to expenditure by the club in a sum not exceeding \$10,000 (excluding GST) until the next AGM of the club for the following activities of Directors
 - i) Reasonable meal and refreshments to be associated with each Board meeting of the club
 - ii) The right for Directors to incur reasonable expenses in travelling to and from Board meetings and other committee meetings as approved by the Board from time to time on the production of invoices, receipts and other proper evidence of such expenditure
 - iii) The reasonable cost of entertaining and providing refreshments in the club premises for the members of the Board of Directors for entertaining visitors in the club.
 - iv) The provision as required of blazers and associated apparel for the use of Club Directors when representing the club.
- b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those members who are Directors of the club.

SECOND RESOLUTION

That pursuant to the Registered Clubs Act 1976:

- a) the members approve and agree to expenditure by the club in a sum not exceeding \$10,000 (excluding GST) for the professional development and education of Directors until the next AGM of the club and being
 - i) The reasonable cost of Directors attending the Clubs NSW AGM and the Services Clubs AGM and any other association of which the club is a member.
 - ii) The reasonable cost of Directors attending industry related functions where Directors are required to represent the club
 - iii) The reasonable cost of Directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time
- b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those members who are Directors of the club.



THIRD RESOLUTION

ORDINARY RESOLUTION – Transfer of Poker Machine Entitlements

That, for the purposes of section 21(4) of the Gaming Machines Act 2001 (NSW), the members hereby approve the Club transferring all of the poker machine entitlements from the Club's Riverstone District Bowling & Recreation Club Limited premises (having liquor licence number LIQC300243702) to the Club's Riverstone-Schofields Memorial Club Limited premises (having liquor licence number LIQC300243699).

Notes to Members on Ordinary Resolution

- a) The Club has ceased to trade from the Riverstone District Bowling & Recreation Club Limited premises.
- b) There were 20 poker machine entitlements attached to the liquor licence in respect of the Riverstone District Bowling & Recreation Club Limited premises.
- c) The Club has transferred 10 of the poker machine entitlements from Riverstone District Bowling & Recreation Club Limited premises to the Club's Riverstone-Schofields Memorial Club Limited premises.
- d) The Gaming Machines Act contains a provision which, in effect, prevents the Club from transferring the remaining 10 poker machine entitlements unless members approve the transfer of those 10 poker machine entitlements ("the 10 remaining entitlements").
- e) The Ordinary Resolution seeks to obtain member approval for the Club transferring the 10 remaining poker machine entitlements from the Riverstone District Bowling & Recreation Club Limited premises to the Riverstone-Schofields Memorial Club Limited premises.
- f) To be passed, the Ordinary Resolution must receive votes in favour from a majority of those members who, being eligible to do so, vote on the Ordinary Resolution.



PRESIDENTS REPORT – 2013

2013 was again a tough year both financially and personally. With the other reports in this journal addressing the clubs financial position, I will address the issues that have directly affected all members.

It was with great sadness that the decision to stop trading at the Bowling club was made. The Board of Directors explored every avenue to make the Bowling club viable, but in the current economic climate this was unachievable.

This extremely difficult decision was made after consultation and recommendations for both our bankers and our club auditor. General business and trading conditions are still unstable and the Memorial club still faces many challenges in order to remain viable. For this club to continue to operate and to hopefully prosper for future generations we needed to act now.

To my fellow Directors, thank you again for your strength and support throughout the year, you have all kept the best interests of the club foremost in your decision making. I would also like to thank our CEO Matthew Dawson, his management team and all staff members for their continued dedication and professionalism throughout these tough times.

To David and Tony of the Market Street Bistro thank you for your continued high standard of quality food at affordable prices, combined with your excellent service and also to you the member's thank you for your continued support and patronage of the club it is greatly appreciated.

It was also with great sadness that we lost a long term board member in Chris Britton. Chris was a great mate to me personally and a great friend to many club members. He served on the Board for 10 years and his friendship, advice and direction will be sorely missed. On behalf of the Board, "Goodbye mate", you will never be forgotten.

GLENN HUNTER, President



GENERAL MANAGERS REPORT 2013

In 2013 the financial results for the two clubs was a combined loss of \$3,971.00. A financial loss is never good; however our 2013 result was an improvement of \$142,598.00 on the previous year.

The decision by the Board of Directors to cease operations at the Bowling club was very difficult; however it is in the best long term interests of the company and the community. The Memorial club and the Bowling club amalgamated in 2008. At that time the Memorial club took on the responsibility of almost \$1million dollars in Bowling club debt and since 2008 the combined trading losses at the Bowling club have exceeded \$1.2million dollars and they showed no signs of abating.

These are massive amounts and they created a major strain on the cash flow of the business. This lack of available cash directly lead to reduced investment in the Memorial club and the deterioration of member benefits and facilities. Whilst the decision to close the Bowling club was painful, the Board simply had no other choice.

Moving forward to 2014 your club still faces many challenges. We are aiming to show a profit in 2014 and our early figures have been rather encouraging. It is our intention to fix our cash situation and strive to improve club facilities. We have many areas to attack, "however Rome wasn't built in a day", so we will attack in a staged fashion, well within our cash limitations. I hope that you will be pleased with the results.

On a medium term basis we have 2 small development applications before Blacktown council. The first is for a small extension to the outdoor TAB area, which will also help to fix the glare and heat issues of that area. We expect to build this extension in the latter half of 2014. The second is for the creation of a non-smoking alfresco dining area off the current bistro; this will assist the club to meet the new non-smoking requirements and will also involve the current play area being relocated to this new area. We are aiming to commence construction in the first half of 2015.

Your club has a proactive team of Directors and Managers who work together for the best interest of both venues and I would like to thank Glenn Hunter for his leadership and tireless commitment to our club and the Board of Directors for their dedication, teamwork and willingness to embrace new ideas. Tony and David Liu and their team for their commitment and skills which have been of huge benefit to the club.

I would also like to thank my Operations Manager, Mark Whitby, Executive Assistant Melinda Keating and Marketing Manager Francesca Appuhamy for your loyalty, support and dedication and to my entire management and supervision team for your support and willingness to put yourselves out for the good of the team, your dedication is amazing. Finally to my staff, our greatest asset, we have a great team of dedicated individuals who serve all our patrons with respect, dignity and courtesy, sometimes in the most trying of circumstances. Their professionalism and integrity is second to none. It is a pleasure to work with them and be part of their growth and success.

MATTHEW DAWSON, General Manager



TREASURERS REPORT 2013

In 2013 the combined entity produced a financial loss of \$3,971.00 which in the current economic climate is a reasonable result.

The club auditor has reported that on a club by club basis the Memorial club returned a profit of \$167,255.00 in 2013 which was an increase of \$131,183.00 on the previous year and the Bowling club returned a loss in 2013 of \$171,266.00 when compared to a loss of \$182,641.00 in 2012.

It is important to recognise that the role of the Board of Directors is to protect the assets of the company for the benefit of all members. Whilst it would be easy to criticize the Board for the decision to close the Bowling club, one must understand that ensuring that the company remains solvent and financially stable is of the utmost importance.

Despite the clubs best endeavours the losses at the Bowling club showed no signs of abating and were affecting the cash flow of the Memorial club. The Board listened to the advice of our bankers and auditor and they made a very difficult decision with the aim that the company remains a viable operation for future generations.

It is the intention of the Board of Directors to continue to hold on to the Bowling club site. We are aware of the increased population and development coming to the area over the medium to long term and we believe that the Bowling club site may still be of benefit to the community over the long term. Currently the Bowling club is leased to a local Christian organization and the monthly income that we receive contributes to reducing the monthly expenses at the venue

Moving forward in 2014, we expect to achieve a stronger financial result that we expect will enable the club to further improve member facilities and deliver increased benefits to all members.

Finally it would be remiss of me not to thank the following people. To Glenn Hunter and the Board of Directors your direction and support has been greatly appreciated. Our CEO Matthew Dawson and the entire management team your leadership and dedication to the club and its members is outstanding and your policy of continuous training for all staff has ensured that we have an outstanding team who are committed to giving great hospitality to all patrons.

GRANT SMITH, Treasurer



DIRECTORS' REPORT

Your Directors submit the Financial Accounts of the Company for the year ended December 31, 2013 and report as follows:

DIRECTORS

The names of the Directors in office at any time during the year ended December 31, 2013 are as follows:

NAME	QUALIFICATIONS	CONTINUITY AS DIRECTOR	SPECIAL RESPONSIBILITIES
Chris Britton	Maintenance Fitter	18/04/2004	
Vic Cohen	Salesman	01/05/2011	
Neil Harvey	Retired	03/05/2003	
Kurt Hippe	Private Investigator	01/05/2011	
Glenn Hunter	Plumber	07/04/2002	Chairman
Michael Randall	Stocktaker	18/04/2004	
Mal Reed	Retired	03/05/2009	Senior Vice Chairman
Glenn Riley	Clerk	06/05/2012	Junior Vice Chairman
Grant Smith	Builder	18/04/2004	Treasurer
Lila Whitby	Shop Assistant	06/05/2012	

MEETINGS OF DIRECTORS

During the year, 20 meetings of directors were held. Attendances by each director were as follows:

	NO. MEETINGS ATTENDED	NO. MEETINGS HELD
Chris Britton	19	20
Vic Cohen	19	20
Neil Harvey (Res 05/05/2013)	8	8
Kurt Hippe	20	20
Glenn Hunter	18	20
Michael Randall (App 05/05/2013)	12	12
Mal Reed	20	20
Glenn Riley	20	20
Grant Smith	18	20
Lila Whitby	16	20



CONSTITUTION

The Club is a Company Limited by Guarantee and without a Share Capital and the liability of members of the Licensed Club is limited to an amount not exceeding five (\$5.00) dollars towards the payments of debts and liabilities in the event of winding up. The number of members as at the date of this report were:

Associate: 6535

Life: 4

ACTIVITIES

The principal activity of the Company in the course of the financial year was to provide members and their guests with amenities and facilities usually associated with a social and recreational club.

No significant change in the nature of the activity occurred during the year.

SHORT TERM OBJECTIVES

The primary short term objective of the Club is to maintain it's financial security during the uncertain times and challenges currently facing the Club from the proposed gaming machine legislation and worsening economic circumstances.

LONG TERM OBJECTIVES

The long term objective of the Club remains consistent with the original aims of the Founding Members, which is the promotion of the local community from the greater Riverstone area.

STRATEGIES IN ACHIEVING THESE OBJECTIVES

The Club has continued to invest in the Club's facilities ensuring the Club continues to be an attractive place for it's members and guests.

The Club continues to maintain control over it's own financial future.

The Club has carefully monitored it's operational performance to ensure that costs and expenditure are appropriate for the Club. However the Club has carried on supporting and sponsoring a variety of events, social activities and charities.

OPERATING RESULTS

The net operating Loss of the Company after providing for income tax for the financial year was \$ 3,971 (2012: loss \$146,569).



REVIEW OF OPERATIONS

The Club's Loss of \$ 3,971 for the year ended 31st December 2013 resulted in a turn around from the 2012 year of \$ 142,598. This was mainly due to tougher times currently facing retail business. Careful management of expenditure has supported the continued patronage by both members and guests. The closure of the Bowling Club in November 2013 is yet to filter through into the trading results.

Movement in significant items of revenue and expenses are as follows:

	2012 \$	2012 \$
Poker Machine Trading Profit	3,769,321	3,903,875
Bar Trading Profit	226,352	7,881
Keno Profit/-Loss	72,345	95,248
T.A.B. Profit/-Loss	38,402	-4,423
Other Club Income	554,797	433,172
Club Expenses	4,588,384	4,826,137

DIVIDENDS

The Company is a not-for-profit organisation and is prevented by its Constitution from paying a dividend.

REVIEW OF OPERATIONS

A review of the operations of the Company during the financial year and the results of those operations found that during the year, the company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

EMPLOYEE REMUNERATION

The top five employees of the company whose remuneration package from the company or any related party over \$100,000 during the financial year under review is disclosed in additional information pursuant to Section 41 H(1) of the Registered Clubs Amendment Act.

STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the company that occurred during the Financial Year under review not otherwise disclosed in this Report or the Accounts.



EVENTS SUBSEQUENT TO BALANCE DATE

The directors are unaware of any matters or circumstances which 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 financial years subsequent to the financial year ended December 31 2013.

LIKELY DEVELOPMENTS AND RESULTS

Likely developments in the operations of the Company and the expected results of the operations have not been included in this report as the directors believe on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the Company.

ENVIRONMENTAL ISSUES

The Company's operations are not subject to significant environmental regulations under the law of the Commonwealth or of a state or territory.

DIRECTORS' INTEREST

Since the end of the previous financial year no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or receivable by Directors shown in the accounts) by reason of a contract made by the Company or a related corporation with a Director or with a firm of which the Director is a Member, or with an entity in which the Director has a substantial interest, other than Mr. Neil Harvey who manages Harvey Meats which provides meat products in the normal course of business.

DIRECTORS' INDEMNITY

Directors' indemnity premiums have been provided for, and paid, during the year for Directors' and Officers' Liability. The Insurance is in respect of legal liability for damages and legal costs arising from claims made by reason of any omissions or acts (other than dishonesty) by them, whilst acting in their individual or collective capacity as Directors or Officers.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' Liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contracts.



PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

AUDITORS INDEPENDENCE DECLARATION

The Directors have obtained a declaration of independence from the auditor, Ross Fowler & Co, in accordance with section 307C of the Corporations Act 2001, which forms part of this report. A copy of the declaration is attached to this report.

NON-AUDIT SERVICES

Non-audit services were provided by the auditor, Ross Fowler & Co, for the 2013 year. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of non-audit services provided means that the auditor independence is not compromised.

This report is signed in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:

Glenn HUNTER
Director

Grant SMITH
Director

Dated at Riverstone this 12th day of March, 2014.



INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2013

CLASSIFICATION OF EXPENSES BY NATURE	Note	2013 \$	2012 \$
Revenue from ordinary activities	2	8,359,078	8,440,120
Changes in inventories		-13,219	113
Consumables used		-819,630	-892,471
Employee benefits expense		-2,269,143	-2,256,455
Depreciation and amortisation expenses	2	-783,351	-794,414
Borrowing costs expense	2	-346,225	-444,455
Other expenses from ordinary activities		-4,131,481	-4,199,007
Profit/-loss from ordinary activities before income tax expense		-3,971	-146,569
Income Tax relating to ordinary activities	3	0	0
Net profit from ordinary activities and after income tax expense attributable to members		-3,971	-146,569
TOTAL CHANGES IN EQUITY		-3,971	-146,569

STATEMENT OF CHANGES IN MEMBERS FUNDS FOR THE YEAR ENDED DECEMBER 31, 2013

	Retained Earnings \$	Total \$
Balance 31st December 2011	10,464,941	10,464,941
Profit Attributable to Members	-146,569	-146,569
Balance 31st December 2012	10,318,372	10,318,372
Loss Attributable to Members	-3,971	-3,971
Balance 31st December 2013	10,314,401	10,314,401

**BALANCE SHEET AS AT DECEMBER 31, 2013**

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash		165,038	245,270
Receivables	4	5,000	5,000
Inventories	6	37,367	50,586
Other	7	203,483	237,959
TOTAL CURRENT ASSETS		410,888	538,815
NON-CURRENT ASSETS			
Investments – Shares	8	752	752
Property, plant & equipment	9	14,636,052	14,818,003
TOTAL NON-CURRENT ASSETS		14,636,804	14,818,755
TOTAL ASSETS		15,047,692	15,357,570
CURRENT LIABILITIES			
Accounts Payable	10	504,503	623,117
Borrowings	11	532,886	589,443
Provisions	12	377,046	385,466
Other	13	3,419	10,086
TOTAL CURRENT LIABILITIES		1,417,854	1,608,112
NON-CURRENT LIABILITIES			
Borrowings	11	3,315,437	3,431,086
Provisions	12	0	0
TOTAL NON-CURRENT LIABILITIES		3,315,437	3,431,086
TOTAL LIABILITIES		4,733,291	5,039,198
NET ASSETS		10,314,401	10,318,372
MEMBERS FUNDS			
Retained Profits	14	10,314,401	10,318,372
TOTAL MEMBERS' FUNDS		10,314,401	10,318,372

**STATEMENT OF CASH FLOWS FOR THE YEAR
ENDED DECEMBER 31, 2013**

	Note	2013 INFLOWS - OUTFLOWS \$	2012 INFLOWS - OUTFLOWS \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		9,207,274	9,291,940
Cash payments in the course of operations		-8,146,361	-8,067,123
Interest received		79	0
Interest and costs of finance paid		-346,225	-444,455
Income taxes paid		0	0
NET CASH PROVIDED BY/ -USED INOPERATING ACTIVITIES	19(B)	714,767	780,362
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		0	370,000
Payment for property plant & equipment		-422,836	-548,670
NET CASH PROVIDED BY/-USED IN INVESTING ACTIVITIES		-422,836	-178,670
CASH FLOWS FROM FINANCIAL ACTIVITIES			
Proceeds from borrowings		407,644	89,720
Repayment of borrowings		-692,783	-587,208
NET CASH PROVIDED BY/-USED IN FINANCIAL ACTIVITIES		-285,139	-497,488
Net increase/-decrease in cash held		6,792	104,204
Cash as at January 1, 2013		-132,717	-236,921
CASH AS AT DECEMBER 31, 2013	19(A)	-125,925	-132,717



NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 1. STATEMENT OF ACCOUNTING POLICIES

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

a) Basis of Preparation

The directors of Riverstone-Schofields Memorial Club Limited have elected under Section 334(5) of the Corporations Act 2011 to apply the following Accounting Standards :

AASB 1053 Application of Tiers of Australian Accounting Standards; and

AASB 2010 – 2 Amendments to Australian Accounting Standards arising from reduced disclosure requirements.

AASB 1053 establishes a differential financial reporting framework consisting of two tiers of reporting requirements for general purpose financial statements:

Tier 1 – Australian Accounting Standards

Tier 2 – Australian Accounting Standards – Reduced Disclosure Requirements.

The company complies with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

b) Financial Assets

All financial asset and non financial assets are assessed at each reporting date to determine whether there is any objective evidence that it is impaired.

All impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell.



c) Statement of Compliance

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

d) Amortisation and Depreciation of Property, Plant and Equipment

Property, plant and equipment are depreciated/amortised at rates based upon their expected economic lives, using the diminishing value method or unless otherwise stated.

The depreciable rates used for each class of asset are as follows:

Building and Leasehold Improvements	2.5%	Prime Cost
Plant and Equipment	7.5% - 40%	Diminishing Value
Leased Plant	30%	Prime Cost
Poker Machines	30%	Diminishing Value
Motor Vehicles	22.5%	Diminishing Value
Leased Machines	30%	Diminishing Value

e) Inventories

Inventories, representing liquor and sundry stocks are valued at the lower of cost and net realisable value.

f) Income Tax

Due to the Doctrine of Mutuality income tax is levied on that portion of the club's income attributed to visitors and other external sources. Expenses of the club directly related to members are not allowed as a deduction for income tax purposes.

g) Employee Entitlements

Annual Leave and Sick Leave

The provision for employee entitlements to annual leave represents the amount which the economic entity has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been calculated at nominal amounts based on current wage and salary rates and includes related on-costs. Sick leave entitlements are charged to the Statement of Financial Performance when claimed.

Long Service Leave

The liability for employee entitlements to long service leave represents leave entitlements accrued by those employees with greater than five years of service and includes related on-costs.



h) Lease Plant and Equipment

Leases of plant and equipment under which the company assumes substantially all the risks and benefits of ownership are classified as finance leases.

Finance leases are capitalised. A lease asset and liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Contingent rentals are written off as an expense of the accounting period in which they are incurred. Capitalised lease assets are amortised on a straight line basis over the term of the relevant lease. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged to the statement of financial performance.

i) Superannuation

The Company is committed to paying Award Club Plus Superannuation to all employees based on nine percent of their ordinary time earnings.

j) Investments

Investments are carried at the lower of cost or recoverable amount.

k) Goods and Services Tax

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

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

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

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financial activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

l) Comparative figures and reporting format

Where ever possible comparative figures have been adjusted to conform with changes in presentation and format to that of the previous financial year.

**NOTE 2. REVENUE**

	2013 \$	2012 \$
Operating Activities		
Poker machine net receipts	5,759,327	5,744,828
Bar sales	1,837,071	1,873,731
Entertainment receipts	279,948	253,695
Catering Receipts	0	0
Bowls receipts	30,578	76,038
Function receipts	62,696	81,949
Government Subsidy – training	5,000	9,500
Members' subscriptions	42,000	34,307
Sundry income	134,495	154,133
Keno commission	160,813	157,377
TAB commission	47,071	54,562
	<hr/>	<hr/>
	8,358,999	8,440,120
GST Collected	848,196	851,820
	<hr/>	<hr/>
	9,207,195	9,291,940
Non-Operating Activities		
Proceeds on sale of non-current assets	0	0
Rent Received	0	0
Interest received	79	0
	<hr/>	<hr/>
	79	0
TOTAL REVENUE	<hr/> 9,207,274	<hr/> 9,291,940
Profit from ordinary activities before income tax expense has been determined after:		
a) Expenses		
Borrowing costs	0	0
Bad debts/- recovered	0	0
Depreciation/amortisation of property, plant & equipment	783,351	794,414
Interest paid	346,225	444,455
Remuneration of Auditors:		
- Audit & Review	19,000	19,000
- Other Services	28,410	24,400
Amounts set aside to provision for:		
- Employee entitlements/-written back	-20,676	31,701
b) Revenue and Net Gains		
Profit/-loss on sales of non-current assets	-21,394	0

**NOTE 3. INCOME TAX**

The Income Tax Act, 1936 (amended) provides that under the concept of mutuality clubs are only liable for income tax on income derived from non-members, interest and commission received less concessional deductions and from outside entities, and not on the surplus as shown in the Statement of Financial Performance. In view of this special circumstance it is not appropriate to compare income tax payable with the operating profit/-loss as disclosed in the Statement of Financial Performance.

- a) The amount set aside for income tax in the Statement of Financial Performance has been calculated as follows: Income tax applicable to above at tax rate of 30%

	2013 \$	2012 \$
2013 and 2012	0	0
Under/-over provision in prior year	0	0
Less benefit of tax losses brought forward	0	0
	<hr/> 0	<hr/> 0

- b) Provision for Current Income Tax Movements during the year:

	2013 \$	2012 \$
Balance at beginning of the year	0	0
Income tax refund/-payable	0	0
Current year's income tax expense on operating profit	0	0
Under/-over provision in prior year	0	0
	<hr/> 0	<hr/> 0

- c) Deferred Tax Assets

Future income tax benefit not taken into account:

The potential income tax benefit arising from timing differences and tax losses brought forward has not been recognised as an asset because recovery is not assured beyond reasonable doubt:

The potential future income tax benefit will only be obtained if:

- i) the Company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised
- ii) the Company continues to comply with the conditions for deductibility imposed by the Law: and
- iii) no changes in tax legislation adversely affect the Company in realising the benefit.

**NOTE 4. RECEIVABLES**

	2013 \$	2012 \$
Sundry Debtors	0	0
TAB - Security Deposit	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

NOTE 5. REMUNERATION OF DIRECTORS

In accordance with the Registered Club Act – No Director received any remuneration other than out of pockets expenses as allowed by the Articles of Association.

NOTE 6. INVENTORIES

	2013 \$	2012 \$
Bar Stock - landed cost	<u>37,367</u>	<u>50,586</u>

NOTE 7. OTHER CURRENT ASSETS

	2013 \$	2012 \$
Income Tax paid in advance	36,324	56,124
Prepayments	167,159	181,835
	<u>203,483</u>	<u>237,959</u>

NOTE 8. INVESTMENTS

	2013 \$	2012 \$
Shares at cost - ING Co-Op Ltd	750	750
Community First	2	2
	<u>752</u>	<u>752</u>

**NOTE 9. PROPERTY, PLANT and EQUIPMENT (at cost)**

	2013 \$	2012 \$
Plant and Equipment	3,581,567	3,444,750
Less: Accumulated depreciation	2,884,393	2,655,059
	<u>697,174</u>	<u>789,691</u>
Poker Machines	3,903,085	4,120,722
Less: Accumulated depreciation	3,054,944	3,190,316
	<u>848,141</u>	<u>930,406</u>
Poker Machine Licences	<u>190,458</u>	<u>190,458</u>
Plant Under Lease	757,714	677,421
Less: Accumulated depreciation	39,695	240,314
	<u>718,019</u>	<u>437,107</u>
Land - Lot 6 Market Street	299,391	299,391
Land - Lot 2 Market Street	786,870	786,870
Land – Bowling Club	1,900,000	1,900,000
Buildings – Bowling Club	1,403,644	1,403,644
Buildings - New Club House	10,235,622	10,217,703
	14,625,527	14,607,608
Less: Accumulated depreciation	2,443,267	2,137,267
	<u>12,182,260</u>	<u>12,470,341</u>
TOTAL PROPERTY, PLANT & EQUIPMENT - Net Book Value:	<u>14,636,052</u>	<u>14,818,003</u>

**NOTE 10. ACCOUNTS PAYABLE**

	2013 \$	2012 \$
GST Liability	166,041	76,842
Trade Creditors and accruals	338,462	546,275
	<u>504,503</u>	<u>623,117</u>

NOTE 11. BORROWINGS

	NOTE	2013 \$	2012 \$
CURRENT – Secured			
Bank Overdraft		290,963	377,987
Bank Bills	16	0	0
Lease Liabilities	15	241,923	211,456
		<u>532,886</u>	<u>589,443</u>
NON-CURRENT – Secured			
Bank Bills	16	0	0
Business Loan	16	3,136,901	3,353,468
Lease Liabilities	15	178,536	77,618
		<u>3,315,437</u>	<u>3,431,086</u>

NOTE 12. PROVISIONS

	2013 \$	2012 \$
CURRENT		
Provision - Income Tax	0	0
Provision - Poker Machine Tax	117,365	105,110
Provision - Employee Entitlements	259,681	280,356
	<u>377,046</u>	<u>385,466</u>
NON-CURRENT		
Provision - Deferred Income Tax Liability	<u>0</u>	<u>0</u>

**NOTE 13. OTHER CURRENT LIABILITIES**

	2013 \$	2012 \$
GST Rebate in advance	0	0
Subscriptions paid in advance	3,419	10,086
	<u>3,419</u>	<u>10,086</u>

NOTE 14. RETAINED PROFITS

	2013 \$	2012 \$
Retained profits at the beginning of the financial year	10,318,372	10,464,941
Net profit/-loss attributable to members	-3,971	-146,569
Retained profits at the end of the financial year	<u>10,314,401</u>	<u>10,318,372</u>

NOTE 15. HIRE PURCHASE & LEASING COMMITMENTS

	2013 \$	2012 \$
COMMITMENTS IN RELATION TO:		
Finance leases payable as follows:		
Not later than 1 year	241,923	211,456
Later than 1 year but not later than 2 years	104,739	77,618
Later than 2 year but not later than 5 years	73,797	0
Minimum payments	<u>420,459</u>	<u>289,074</u>
Less: Future finance charges	<u>0</u>	<u>0</u>
TOTAL LIABILITY	<u>420,459</u>	<u>289,074</u>
Current	241,923	211,456
Non-Current	178,536	77,618
	<u>420,459</u>	<u>289,074</u>



NOTE 16. BUSINESS LOAN FACILITIES

Security covering the above facility comprises:

- a) Registered First Mortgage from Riverstone-Schofields Memorial Club Limited over property situated at Lot 2 corner George and Market Street, Riverstone described in Certificate of Title Folio Identifier 2/524457
- b) Registered First Equitable Mortgage by Riverstone-Schofields Memorial Club Limited over the whole of the company's assets and undertakings including uncalled capital.

NOTE 17. FINANCIAL INSTRUMENTS

a) Interest Rate Risk

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as referred to in the relative preceding notes.

	Weighted Average Effective Interest		Floating Interest Rate		Fixed Interest Rate Maturing			
	2013 %	2012 %	2013 %	2012 %	Within 1 Year		1 to 5 Years	
			2013 %	2012 %	2013 %	2012 %	2013 %	2012 %
Financial Assets								
Cash	4.0	4.0	165,038	245,270	-	-	-	-
Financial Liabilities								
Bank Overdraft	10.63	10.63	290,963	377,987	-	-	-	-
Loan	10.44	10.44	3,136,901	3,353,468	-	-	-	-
Hire Purchase & Leasing	9.00	9.00	-	-	241,923	211,456	178,536	77,618
Total Financial Liabilities			3,427,864	3,731,455	241,923	211,456	178,536	77,618



b) Credit Risk

The maximum exposure of credit risk, excluding the value of any collateral of other security, at balance date to recognised financial assets, is the carrying amount as disclosed in the Statement of Financial Position and notes to and forming part of the financial statements. The company has a material risk exposure to the National Australia Bank under financial instruments entered into by the Company.

c) Net Fair Values

For all other financial assets and liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and notes to and forming part of the financial statements.

NOTE 18. RELATED PARTIES

The names of each person holding the position of Directors of Riverstone-Schofields Memorial Club Limited during the financial year are:

Messrs: C. Britton, V. Cohen, N. Harvey, K. Hippe, G. Hunter, M. Randall, M Reed, G. Riley, G. Smith and L. Whitby.

**NOTE 19. NOTES TO THE STATEMENT OF CASH FLOWS****A. RECONCILIATION OF CASH**

For the purpose of this Statement of Cash Flows, cash includes Cash on Hand and in Banks and Investments in Money Market, Investments net of outstanding Bank Overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flow is reconciled to the related items in the Statement of Financial Position as follows:

	2013 \$	2012 \$
Cash	165,038	245,270
Bank Overdraft	-290,963	-377,987
	<u>-125,925</u>	<u>-132,717</u>

B. RECONCILIATION OF NET CASH FROM OPERATIONS WITH OPERATING PROFIT/-LOSS AFTER INCOME TAX

	2013 \$	2012 \$
Cash	<u>165,038</u>	<u>245,270</u>
Operating profit/-loss after income tax and before extraordinary items	-3,971	-146,569
Non-cash Flows in Operating Profit		
Amortisation/depreciation	783,351	794,414
- Gain/loss on disposal of assets	21,394	58,806
Charges to Provision	-20,676	31,701
Changes in Assets and Liabilities		
- Increase/decrease in trade & term debtors	0	6,682
- Increase/decrease in inventories	13,219	-113
- Increase/decrease in prepayments	34,476	60,458
- Increase/decrease in other debtors	0	0
- Increase/-decrease in trade creditors	-118,614	-34,271
- Increase/-decrease in other liabilities	5,588	9,254
	<u>714,767</u>	<u>780,362</u>



DIRECTORS' DECLARATION

The Directors of the company declare that:

The Directors of the company declare that:

1. the financial statements and notes, as set out on the pages 1 to 19:
 - a) comply with Accounting Standards and the Corporations Act, 2001; and
 - b) give a true and fair view of the financial position as at December 31, 2013 and 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 fall due and payable.

This Declaration is made in accordance with a resolution of the Board of Directors.

Glenn HUNTER
Director

Grant SMITH
Director

Dated at Riverstone this 12th day of March, 2014.



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

We declare that, to the best of our knowledge and belief, during the year ended 31 December 2013 there has 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 contraventions of any applicable code of professional conduct in relation to the audit.

Ross Fowler & Co
Chartered Accountants

R.B. Fowler

Address: 11 Tindale Street Penrith NSW 2750
Date: 12th day of March, 2014



Chartered Accountants and Business Advisors
Ross Fowler B.Comm. FCA ABN | 96 769 893 959



AUDITORS' REPORT TO THE MEMBERS

Scope

The Financial Report and Directors' Responsibility

We have audited the financial report of Riverstone-Schofields Memorial Club Limited for the financial year ended 31 December 2013. The financial report includes the Directors Declaration, Income Statement, Balance Sheet, Statement of Cash Flows and Notes to the financial statements.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report represents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature of our procedures, our audit was designed to provide assurance on internal controls.



Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit opinion

In our opinion, the financial report of Riverstone-Schofields Memorial Club Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2013 and of its performance of the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements.

Ross Fowler & Co
Chartered Accountants

R.B. Fowler

Address: 11 Tindale Street Penrith NSW 2750

Date: 12th day of March, 2014



Chartered Accountants and Business Advisors
Ross Fowler B.Comm. FCA ABN | 96 769 893 959



COMPILATION REPORT

On the basis of information provided by the Directors of Riverstone-Schofields Memorial Club Limited, we have compiled in accordance with APS 9 'Statement on Compilation of Financial Reports' the special purpose financial report of Riverstone-Schofields Memorial Club Limited for the year ended 31 December 2013.

The specific purpose for which the special purpose financial report has been prepared is to provide private information to the directors. The extent to which Accounting Standards and other mandatory professional reporting requirements have or have not been adopted in the preparation of the special purpose financial report is set out in Note 1.

The Directors are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent and are appropriate to satisfy the requirements of the Directors.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors provided, into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage that any person, other than the company, may suffer, arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the company and its members and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

Ross Fowler & Co
Chartered Accountants

R.B. Fowler

Address: 11 Tindale Street Penrith NSW 2750
Date: 12th day of March, 2014



Chartered Accountants and Business Advisors
Ross Fowler B.Comm. FCA ABN | 96 769 893 959

**BAR TRADING ACCOUNT (MEMORIAL CLUB)**

	2013 \$	2012 \$
INCOME		
Bar Sales	1,473,105.52	1,460,481.20
Total	<u>1,473,105.52</u>	<u>1,460,481.20</u>
Less: Cost of Sales		
Opening Stock Bar	30,640.64	32,320.59
Purchases	666,176.00	685,161.72
Closing Stock	-37,366.89	-30,640.64
Total	<u>659,449.75</u>	<u>686,841.67</u>
Gross Profit	813,655.77	773,639.53
% Sales	55.23%	52.97%
LESS: EXPENSES		
Salaries – Bar	677,344.48	851,478.85
Stocktaking Expenses – Bar	6,120.00	5,880.00
Bar Sundries	38,567.91	32,371.43
Promotions – Bar	788.54	3,882.60
Total	<u>722,820.93</u>	<u>893,612.88</u>
Net Profit/(Loss) Bar Trading	90,834.84	-119,973.35

BAR TRADING ACCOUNT (BOWLING CLUB)

	2013 \$	2012 \$
INCOME		
Bar Sales	363,965.04	413,249.98
Total	<u>363,965.04</u>	<u>413,249.98</u>
Less: Cost of Sales		
Opening Stock Bar	19,945.38	18,152.23
Purchases	153,454.25	207,421.89
Closing Stock	0.00	19,945.38
Total	<u>-173,399.63</u>	<u>-205,628.74</u>
Gross Profit	190,565.41	207,621.24
% Sales	52.36%	50.24%
LESS: EXPENSES		
Salaries – Bar	50,730.00	73,334.00
Bar Sundries	4,317.89	6,432.67
Total	<u>55,047.89</u>	<u>79,766.67</u>
Net Profit/(Loss) Bar Trading	135,517.52	127,854.57

**POKER MACHINE TRADING ACCOUNT (MEMORIAL CLUB)**

	2013 \$	2012 \$
INCOME		
Poker Machine Receipts	18,748,046.05	19,814,438.94
Less Poker Machine Payouts	13,128,115.74	14,245,438.60
GST Rebate-Federal	17,180.04	17,180.04
Total	<u>5,637,110.35</u>	<u>5,586,180.38</u>
LESS: EXPENSES		
Computa Game Costs & Prizes	29,251.35	24,138.72
Depreciation – Poker Machines	248,016.00	174,777.00
Amortise – Leased Machines	0.00	78,000.00
Data Monitoring Fees	55,845.53	54,254.42
Repairs & Maintenance – Poker Machines	39,082.50	38,491.00
Salaries – Poker Machines	350,830.33	228,760.24
Taxation – Poker Machines	1,056,099.26	1,044,197.80
Donations – Community Levy	63,001.68	55,026.68
Statewide Link - LTD	72,395.87	56,908.88
Poker Machine Promotion - Prizes	1,448.15	1,368.75
Total	<u>1,915,970.67</u>	<u>1,755,923.49</u>
Poker Machine Trading Net Profit/(Loss)	3,721,139.68	3,830,256.89

POKER MACHINE TRADING ACCOUNT (BOWLING CLUB)

	2013 \$	2012 \$
INCOME		
Poker Machine Receipts	340,640.39	457,953.45
Less Poker Machine Payouts	235,223.85	316,105.75
GST Rebate-Federal	16,800.00	16,800.00
Total	<u>122,216.54</u>	<u>158,647.70</u>
LESS: EXPENSES		
Amortisation/Depreciation	30,000.00	30,000.00
DMS	9,525.99	9,452.95
Repair & Maintenance – Poker Machines	7,424.00	6,464.00
Salaries – Poker Machines	27,085.00	39,113.00
Total	<u>74,034.99</u>	<u>85,029.95</u>
Poker Machine Trading Net Profit/(Loss)	48,181.55	73,617.75



2013 VALE

Gordon Martin

Charles Douglas

Warren Cook

Helmut Karl

Bruce Reynolds

Robert Tozer

Barry Rosa

Kenneth Abbott

Donald Smith

Daniel Gordon

David Greentree

Rebecca Quist

June Evans

Warren Guy

Elizabeth Micallef

Dulcie Cunich

Gloria Insull

Garth Phillips

Mal Mcgregor

James Ferguson

Colin Arnold

Ramsis Iskander

Stjepan Mati

Otto Haller

Lillian Lipman

Giuseppe Cappello

Francis Mckillop

Phillip Edwards

John Williams

Edmund Donner

Ronald Colbran

Robert Berrier

Charles Thomson

Barry Allison

James Lake

Elna Wilkins

Allan Taylor

John Williams

Helen Liepa

Frank Waddington

Violet O'Brien

Lilly Mccombe

Patrick Hennessy

Coral McErlane



Riverstone Schofields

MEMORIAL CLUB



Riverstone Schofields
MEMORIAL CLUB



Riverstone Schofields

MEMORIAL CLUB

THE CLUB ASSISTED THE FOLLOWING ORGANISATIONS IN 2013

RIVERSTONE FAMILIES CONNECT

RIDING FOR THE DISABLED

RIVERSTONE CRICKET CLUB

RIVERSTONE NETBALL CLUB

RIVERSTONE GOLF CLUB

RIVERSTONE DOLPHINS SWIMMING

SCHOFIELDS BASEBALL CLUB

SCHOFIELDS SOCCER CLUB

HUXLEY NETBALL CLUB

SCHOFIELDS NETBALL CLUB

RIVERSTONE LITTLE ATHLETICS

RIVERSTONE RUGBY LEAGUE CLUB





Riverstone Schofields

MEMORIAL CLUB



Lot 2, Cnr Market & George Streets
Riverstone NSW 2765 | ph 9627 1811
www.riverstonememorial.com.au