

Notice is hereby given that the Annual General Meeting of Members will be held in the Functions rooms on Friday 17th July 2020 at 4.00pm.

Business:

1. To confirm the Minutes of the Annual General Meeting held on Sunday 28th April 2019.
2. To receive and consider report of the Directors.
3. To receive and consider the accounts for the period ending 31 December 2019.
4. To receive and consider the Auditors Report.
5. To receive the Returning Officers report.
6. To receive the Returning Officer Report on the Poll for Chairman, Vice Chairman for the ensuing year.
7. To consider and if thought fit, to pass any ordinary resolutions.
8. Any other business of which proper notice has been given.

by order of the Board of Directors

Daniel Abela, CEO 18th March 2020

ORDINARY RESOLUTIONS TO BE ADOPTED AT 2020

ANNUAL GENERAL MEETING OF KEMPSEY-MACLEAY RSL CLUB LIMITED

First Ordinary Resolution

That pursuant to the Registered Clubs' Act, 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 the following benefits, and the members further acknowledge that the benefits outlined in sub-paragraphs (i) to (v) are not available to members generally, but only of those members who are elected to the Board of Directors of the Club:

- i. The reasonable cost of meals and refreshments for each Director in conjunction with each board or committee meeting
- ii. The reasonable cost in relation to the professional development and education of directors including:
 - (a) Directors attending meeting of Associations of which the club is a member;
 - (b) Directors attending seminars, lectures, trade displays, fact finding tours and other similar events as may be determined by the Board from time to time.
- iii. The reasonable expenses incurred by directors either within the Club or elsewhere in relation to such other duties including entertainment of special guests of the Club and other promotional activities approved by the Board.
- iv. The reasonable cost of the provision of blazers and associated apparel of use of each director when representing the Club.
- v. The provision of specially reserved parking spaces at the Club for directors use when attending the Club.

Second Ordinary Resolution

Members will be asked to consider, and if thought fit, to pass the following resolution:

i: "That pursuant to the Registered Clubs' Act, the members hereby approve the payment of honorariums to the directors of the club for the 12 months preceding the next Annual General meeting does not exceed the sum of \$30,000. With each honorarium to be paid monthly or such other instalments as the board may determine from time to time.

ii: The members hereby acknowledge that such benefits in paragraph (i) are not available to members generally but are only available to those members who are directors of the club.

Special Resolution

Members will be asked to consider, and if thought fit, to pass the following special resolution:

- i. "That the Constitution of Kempsey Macleay RSL Club Limited be repealed and the Constitution of the Kempsey Macleay RSL Club Limited as displayed on the website of the Kempsey Macleay RSL Club www.kempseymacleayrsl.com.au and as placed on or adjacent to the club notice board be adopted.

The proposal to replace the current Constitution is to ensure that it remains up to date with current legislation and legal requirements.

This special resolution must be passed by at least 75% of the votes cast by members entitled to vote on the resolution and who vote at the meeting in person or by proxy."

DIRECTORS REPORT

Your directors present their report, together with the Financial Statements of the Club, for the financial year ended 31 December 2019.

1. General Information

Directors

The names of each person who has been a director during the year and to the date of this report are:

Name	Position	Date Appointed / Date Resigned
Paul Maurice McGregor	Chairperson/Director	14 September 2004
Warren Gallard	Director	20 October 2015
Ronald James Kennedy	Director	07 May 2014
Robert Thomas Ainsworth	Director	05 March 1986
Gregory Joseph Brown	Director	29 September 2012
John Daley	Director	25 August 2016
John Graham	Director	29 May 2018

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

Secretary / Manager

Mr Daniel Abela was appointed to the role on the 17 October 2011.

Principal activities

The principal activity of Kempsey Macleay RSL Club Ltd during the financial year was the provision of social amenities for members and their guests.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

- Further increase the club amenity by providing the best hospitality, entertainment and gaming on the Mid North Coast
- Increase penetration into existing markets

Long term objectives

The company's long-term objectives are to:

- Redevelop existing properties to increase the scope of activities offered to members.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- Identifying employee development opportunities and career development plans for all staff
- Ensuring a strong customer focus in service provisions
- Promoting a sense of community and belonging throughout the Kempsey Macleay RSL Club constituency
- Reducing the costs of operations through redesigning the workplace and work practices.

Meetings of directors

During the financial year, 12 meeting of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Paul Maurice McGregor	12	11
Ronald James Kennedy	12	12
Robert Thomas Ainsworth	12	12
Gregory Joseph Brown	12	9
John Daley	12	9
Warren Gallard	12	10
John Graham	12	9

Membership

The club is a company limited by guarantee and is without share capital. The number of members at 1 January 2020 and the comparison with last year is as follows:

	<u>2018</u>	<u>2019</u>
Total Members	9069	9090

Independent Audit Report to the members of Kempsey Macleay RSL Club Ltd

Report on the Financial Report

Opinion

We have audited the financial report of Kempsey Macleay RSL Club Ltd (the Company), which comprises the statement of financial position as at 31 December 2019, the statement of profit or

loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- i. Giving a true and fair view of the Company's financial position as at 31 December 2019 and of its financial performance for the year ended; and
- ii. Complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors 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 the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

influence the economic decisions of users taken on the basis of the financial report.

Chartered Accountants
Brown Audit and Assurance Services Pty Ltd

Nelsons Plains, NSW
Dated this 25th day of February 2020

Presidents Report

On behalf of your Board, it is both my pleasure and privilege to report on our Clubs activities for the year ended 2019.

While this year's profit is down on the previous year, cash flow sits at just under a million dollars and we finished the year with more money in the bank than we started the year with and fulfilled all other financial obligations. Donations both in cash and in kind totalled \$179,120.00.

During the year we received the Macleay Valley Business Award for Excellence in Innovation for the redesign of the Freshwater Grill and Restaurant. The Club was also a finalist in the Clubs NSW State Award for Disability Employment in the workplace. With Café Fresh we saw a revenue turnover of \$2.7 million (12.5% increase) from catering.

As previously advised in last year's report, a lot of effort and expense has gone into the rewriting of our Constitution with the Clubs Solicitors to include all the amendments to both the Company and NSW Registered Club Acts that have occurred over the years. The proposed Constitution is available on our website and members will be asked to ratify it at the AGM.

Architect plans are at hand for further improvements to the Bowling Club. A new enlarged kitchen and redesigned bar area are the direct result of the increased patronage to the Club. Our sponsored sporting teams, the Rangers, Cannonballs, Nulla Cricket and Kempsey Netball teams, all call the Bowlo home.

In November along with another well-known Macleay Valley Business, the Coastline Credit Union, we opened the Vault Coffee Lounge in their new CCU Smith Street premises. This will give the Club another revenue stream while further promoting our business brand in the community.

In July our men Bowlers, Grade 2 and Grade 6, travelled to the NSW South Coast to contest their respective State Pennant Finals. Grade 2 put in a credible performance while our Grade 6 won the Final, bringing home the first State Pennant flag to our Club since the 1990's. Our lady bowlers also made it to the State Finals in Grade 2 played up north at Pottsville. They won their Section 4 and made it to the semi-finals only to be beaten but finished coming third in the State. They acquitted themselves admirably but unfortunately, no flag. Well done to all concerned, the players and Managers, as a small club we were up against the best bowlers in the state. Thanks to our Bowls Co-Ordinator, Rocky Stone, for all the great work he does around the Club while our Bowlers have the pleasure of playing on well-manicured greens prepared by our greenkeeper Craig.

Many in our Valley may not be aware that during the recent devastating bushfires, our Bowling Club was set up as a secondary relief shelter to the Showground venue. During its operation those

affected were fed, bedded and cared for by staff and our CEO and Chef Lloyd slept on the premises each night to ensure whatever was needed was made available.

The New Year's Eve community fireworks were once again well attended and received. Leading up to the event there were a few negative social media comments but the Club visited several upriver residents, gifted several children replacement of lost Christmas presents and sought their views and with their consent the decision, which was not taken lightly was made for the fireworks to go ahead giving the community the opportunity to forget about more serious things for a little while.

During and after the fires, we supplied the RFS, Country Energy and Rubicon Volunteer Recovery team with sometimes, three meals a day. On behalf of our Board, thank you for all those who did the 5.30am starts and late evening finishes during the crisis.

Clubs such as ours will always remain the backbone of community, a helping hand for those in need and a source of quality food, drink, and entertainment for many members.

It is always a pleasure to commend our staff, your Board is proud of the way you carry out your duties by treating people cheerfully and giving of good service and civility. My position as Chairman has been made easier by the support and encouragement given to me from my fellow Directors and staff. Thank you.

We ask for your continued support during the times ahead when our economy maybe uncertain so we can continue to be the Club of Choice and a place to call home.

Paul McGregor
Chairman

Statement of Financial Position For the year ended 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	521,382	502,936
Other receivables	6	303,025	70,626
Inventories	7	218,492	217,982
Other assets	10	127,658	87,167
TOTAL CURRENT ASSETS		<u>1,170,557</u>	878,711
NON-CURRENT ASSETS			
Property, plant and equipment	8	13,070,079	13,524,339
Intangible assets	9	1,288,000	1,288,000
Other assets		6,500	6,500
TOTAL NON-CURRENT ASSETS		<u>14,364,579</u>	14,818,839
TOTAL ASSETS		<u>15,535,136</u>	<u>15,697,550</u>
LIABILITIES			
CURRENT LIABILITIES			

Other payables	11	724,337	663,245
Borrowings	12	613,303	680,408
Employee benefits	14	393,484	314,843
Other financial liabilities	13	29,953	36,217
TOTAL CURRENT LIABILITIES		1,761,077	1,694,713
NON-CURRENT LIABILITIES			
Borrowings	12	2,524,284	2,737,250
Employee benefits	14	30,752	72,065
Other financial liabilities	13	21,247	22,229
TOTAL NON-CURRENT LIABILITIES		2,576,283	2,831,544
TOTAL LIABILITIES		4,337,360	4,526,257
NET ASSETS		11,197,776	11,171,293
EQUITY			
Reserves		1,024,758	1,024,758
Retained earnings		10,173,018	10,146,535
TOTAL EQUITY		11,197,776	11,171,293

Statement of Comprehensive Income

For the year ended 31 December 2018

	Note	2019 \$	2018 \$
Revenue		9,395,054	9,322,060
Other income		492,989	537,972
Changes in inventories of finished goods and work in progress		(2,118,209)	(1,852,479)
Employee Expenses		(3,525,747)	(3,412,847)
Depreciation, amortisation and impairments		(1,063,024)	(1,229,563)
Administration Costs		(1,775,602)	(1,842,568)
Other expenses		(1,203,969)	(1,194,355)
Finance costs		(148,009)	(137,251)
Surplus before income tax		26,483	190,969
Income tax expense		-	-
Surplus for the year		26,483	190,969
Other comprehensive income, net of income tax			
Total comprehensive income for the year		26,483	190,969

Statement of changes in Equity

2019

Note	Retained Earnings \$	Asset Revaluation Surplus \$	Total \$

Balance at 1 January 2019	10,146,535	1,024,758	11,171,293
Surplus attributable to members of the entity	26,483	-	26,483
Balance at 31 December 2019	10,173,018	1,024,758	11,197,776

2018

	Retained Earnings	Asset Revaluation Surplus	Total
Note	\$	\$	\$
Balance at 1 January 2018	9,934,138	1,024,758	10,958,896
Surplus attributable to members of the entity	190,969	-	190,969
Balance at 31 December 2017	10,146,535	1,024,758	11,171,293

**Statement of Cash flows
For the year ended 31 December 2019**

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		\$ 9,655,644	\$ 9,879,113
Payments to suppliers and employees		(8,724,724)	(8,637,384)
Net cash provided by/(used in) operating activities		<u>930,920</u>	<u>1,241,729</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(632,403)	(810,388)
Net cash provided by/(used in) investing activities		<u>(632,403)</u>	<u>(810,388)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of transaction costs		(280,071)	(476,564)
Net cash provided by/(used in) financing activities		<u>(280,071)</u>	<u>(476,564)</u>
Net increase/(decrease) in cash and cash equivalents held		18,446	(45,223)
Cash and cash equivalents at beginning of year		502,936	548,159
Cash and cash equivalents at end of financial year	5	<u>521,382</u>	<u>502,936</u>

Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2019 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:
Paul Maurice McGregor

Director:
Warren Gallard