

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED

ABN: 85 002 350 281

**Financial Report For The Year Ended
30 September 2017**

Mullumbimby Rugby League Football Club Limited

ABN: 85 002 350 281

Financial Report For The Year Ended 30 September 2017

CONTENTS	Page
Directors' Report	1
Auditor's Independence Declaration	4
Statement of Profit or Loss	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	26
Independent Auditor's Review Report	27

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 September 2017.

Directors

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

Adam Marshall McKenzie
Samuel Abraham
Shane Diehm
Scott Henry Hogan
Daniel James Molenaar
Michael William Pyke
Barry Victor Stenner
Christian Diehm
Darryn Trudgen appointed (8/03/2017)

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 activities of the company during the financial year were:

- To maintain a viable club, despite the Senior Rugby League Club – Giants being unable to field any sides in the NRRRL competition.
- The maintenance and improvement to the club, this included moving the poker machine area from the eastern end of the club to the western end. Modernising the eastern end of the club and increasing bar/lounge area.
- Provided high quality facilities and grounds to our partners and stakeholders.
- Management of camping and improvement of facilities. Including large festivals and holiday periods. Recognising fund raising opportunities.
- Improvement to the grounds/watering systems and maintenance.
- The formation of a sub-committee to manage senior league (Giants)
- The development of sponsorship opportunities for the MLC and partners.

Short-term and Long-term Objectives

The company's short-term and long-term objectives are to:

- Establishment of Senior Rugby League teams (Giants) and continued development.
- Continued development and improvement to the licensed club.
- On-going improvements to the camping facilities.
- Continued marketing and building sponsorship for the club.
- Maintenance and improvements to the grounds including golf course.

Information on Directors

Adam Marshall McKenzie	—	Chairman
Qualifications	—	Local Business owner
Experience	—	Member of Board since 28/2/2007
Special Responsibilities	—	President; MJRLC liaison post 11/10/16
Samuel Abraham	—	Director
Qualifications	—	Retired Fitter
Experience	—	Previous Director of Warnbro Bowling Club - 7 years; Board
Special Responsibilities	—	Grounds staff liaison - camping
Shane Diehm	—	Secretary
Qualifications	—	Former police officer, Builder
Experience	—	Board member since 2/2/ 2012
Special Responsibilities	—	MLC Sub committee (Giants) post 11/10/16; touch liaison pre 11/10/16

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED

ABN: 85 002 350 281

DIRECTORS' REPORT

Scott Henry Hogan	—	Treasurer
Qualifications	—	Local Business Owner, Baker
Experience	—	Board member since 9/2/2011
Special Responsibilities	—	Ground, bar and soccer liaison post 11/10/16; Giants pre 11/10/16
Daniel James Molenaar	—	Director
Qualifications	—	Banana Grower
Experience	—	Board member since 15/5/2009
Special Responsibilities	—	Chairman MLC sub-committee (Giants) post 11/10/16
Michael William Pyke	—	Director
Qualifications	—	Horticulturist
Experience	—	Board member since 28/2/2007
Special Responsibilities	—	Ground staff liaison post 11/10/16; maintenance liaison pre 11/10/16
Barry Victor Stenner	—	Director
Qualifications	—	Retired Teacher/Principal
Experience	—	Board member since 28/3/2004, has previously been Secretary, Treasurer and President. Life member of the
Special Responsibilities	—	Oztag liaison, MLC Sub-committee (Giants) post 11/10/16
Christian Diehm	—	Director
Qualifications	—	Lawn maintenance
Experience	—	Board member since 11/2/2015
Special Responsibilities	—	Touch liaison post 11/10/16; MJRL liaison pre 11/10/16
Darryn Trudgen	—	Director
Qualifications	—	Retired Naval Officer
Experience	—	Board Member since 8/3/2017
Special Responsibilities	—	Grounds maintenance

Meetings of Directors

During the financial year, 12 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Adam Marshall McKenzie	12	11
Samuel Abraham	12	11
Shane Diehm	12	12
Scott Henry Hogan	12	11
Daniel James Molenaar	12	12
Michael William Pyke	12	12
Barry Victor Stenner	12	10
Christian Diehm	12	10
Darryn Trudgen	7	5

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the company. At 30 September 2017, the total amount that members of the company are liable to contribute if the company is wound up is \$435 (2016: \$363).

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED

ABN: 85 002 350 281

DIRECTORS' REPORT

Core – Non Core Property as required under Section 41J of The Registered Clubs Act

The Directors consider the Club's defined premises and all of its facilities to be Core Property. The directors do not consider the Club to have Non-Core Property.

Section 41J of the Act defines core property as meaning any real property owned or occupied by the Club that comprises:-

- (a) the defined premises of the club, or
- (b) any facility provided by the club for use of its members and their guests' or
- (c) any other property declared, by resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, not to be core property of the Club.

Non-core property is defined as meaning any real property owned or occupied by the Club that is not core property.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 September 2017 has been received and can be found on page 4 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.



Director

Adam Marshall McKenzie

Dated this 24th day of January 2018

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF
THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2017 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Watson and Fenton Chartered Accountants

Name of Firm Watson & Fenton Chartered Accountants

A handwritten signature in black ink, appearing to read 'B. Dunnett', with a long horizontal stroke extending to the right.

Name of Partner Barry Dunnett

Date 23/01/2018

Address 39 Wharf Street
 Tweed Heads NSW 2485

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Note	2017	2016
		\$	\$
Revenue	2	563,142	481,802
Other income	2,13	14,830	674
Expenses			
- Employee benefits		(116,916)	(106,231)
- Cost of sales	3(c)	(109,531)	(100,206)
- Repairs & maintenance		(58,172)	(26,565)
- Utilities		(53,799)	(43,194)
- Giants	13	(48,978)	-
- Camping (including wages)		(46,104)	(31,610)
- Depreciation and amortisation	3(b)	(27,304)	(22,137)
- Raffles		(19,417)	(15,764)
- Sponsorship		(14,081)	(4,091)
- Insurance		(13,980)	(12,786)
- Entertainment		(10,512)	(16,227)
- Interest		-	(677)
- Other		(68,711)	(60,826)
Profit/(loss) before income tax		<u>(9,533)</u>	<u>42,162</u>
Tax expense	1(g)	-	-
Profit/(loss for the year)		<u><u>(9,533)</u></u>	<u><u>42,162</u></u>

The accompanying notes form part of these financial statements.

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED

ABN: 85 002 350 281

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2017

	2017	2016
	\$	\$
Profit/(loss) for the year	(9,533)	42,162
Total other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>(9,533)</u>	<u>42,162</u>

The accompanying notes form part of these financial statements.

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	104,930	81,579
Trade and other receivables		6,330	9,400
Inventories		12,860	14,917
Prepayments		12,800	12,800
Total current assets		136,920	118,696
Non-current assets			
Financial assets		214	214
Property, plant and equipment	5	273,342	286,012
Total non-current assets		273,556	286,226
TOTAL ASSETS		410,476	404,922
LIABILITIES			
Current liabilities			
Trade and other payables	6	69,137	55,736
Borrowings	7	750	750
Provisions		4,523	2,837
Total current liabilities		74,410	59,323
TOTAL LIABILITIES		74,410	59,323
NET ASSETS		336,066	345,599
EQUITY			
Retained earnings		336,066	345,599
TOTAL EQUITY		336,066	345,599

The accompanying notes form part of these financial statements.

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Retained Earnings \$	Total \$
Balance at 1 October 2015	303,437	303,437
Comprehensive Income		
Profit/(loss) for the year	42,162	42,162
Total comprehensive income attributable to the entity	42,162	42,162
Balance at 30 September 2016	345,599	345,599
Balance at 1 October 2016	345,599	345,599
Comprehensive Income		
Profit/(loss) for the year	(9,533)	(9,533)
Total comprehensive income attributable to the entity	(9,533)	(9,533)
Balance at 30 September 2017	336,066	336,066

The accompanying notes form part of these financial statements

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and patrons		619,454	522,312
Payments to suppliers, employees and ATO		(596,297)	(485,120)
Interest paid		-	(677)
Net cash(used in)/generated from operating activities	11	<u>23,157</u>	<u>36,515</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	1,364
Payment for property, plant and equipment		(14,636)	(18,775)
Net cash from/(used in) investing activities		<u>(14,636)</u>	<u>(17,411)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	(14,017)
Net cash from/(used in) financing activities		<u>-</u>	<u>(14,017)</u>
Net increase in cash held		8,521	5,087
Cash on hand at beginning of the financial year		81,579	76,492
Donation from Giants	2,13	14,830	-
Cash on hand at end of the financial year	4	<u>104,930</u>	<u>81,579</u>

The accompanying notes form part of these financial statements.

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

Mullumbimby Rugby League Football Club Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

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 (AASB) 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 these 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 an accrual 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 24 January 2018 by the directors of the company.

Accounting Policies

(a) Revenue

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Revenue from camping is recognised upon payment for the campsite, which coincides with its use by patrons.

Revenue from gaming is derived from poker machines and is recognised 'net' of payouts to players.

Revenue from beverage sales is recognised when beverage is acquired by patrons.

Revenue from canteen sales is recognised when food is acquired by patrons.

Revenue from raffles is derived from ticket sales and is recognised in the period the raffle is drawn.

Sponsorship revenue is recognised upon invoice to the sponsor; this amount is determined in accordance with the amount pledged and the timing with which the agreed pledge will flow to the Company.

Revenue from members subscriptions is aligned with the period the members utilise the facilities provided and paid for. Those received in advance for future years are deferred until those timeframes are reached and are recognised, in the meanwhile, as a liability in the statement of financial position.

Revenue from green fees are recognised when the golf course is used by playing patrons for such purposes. The receipt of fees and playing of golf usually occurs in the same timeframe.

Donations and bequests are recognised as revenue when received.

All revenue is stated net of the amount of goods and services tax.

(b) Property, Plant and Equipment

The entity applies the cost model as its accounting policy to property, plant and equipment.

Freehold Property

Freehold land is shown at cost.

Buildings are shown at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of buildings is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised in profit and loss.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(d) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED

ABN: 85 002 350 281

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

Depreciation

The depreciable amount of all fixed assets, including buildings but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5 - 5%
Plant and equipment	6 - 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

(c) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to 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 transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

(i) Loans and 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.

(ii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is 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 profit or loss.

(d) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(f) 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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(g) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED

ABN: 85 002 350 281

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

(h) Comparative Figures

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

(i) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(j) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements 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 within the company.

Key Estimates

There were no significant key estimates undertaken in this financial year.

Key Judgements

Depreciation

Assessments are made on the useful lives of fixed assets. Depreciation rates are set accordingly

(k) Economic Dependence

Mullumbimby Rugby League Football Club Limited is dependent on the members and its camping patrons for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the members and patrons will not continue to support Mullumbimby Rugby League Football Club Limited.

Note 2 Revenue and Other Income

	Note	2017 \$	2016 \$
Revenue			
Revenue from government grants and operating activities			
— Camping revenue		213,477	214,092
— Bar sales	3(c)	202,204	177,068
— Giants (sponsorship, gate takings)	13	54,000	-
— Raffles, donations & membership fees		31,597	27,819
— Canteen sales	3(c)	31,554	19,155
— Ground hire & signage		23,437	28,955
— Other		6,873	14,713
Total revenue		<u>563,142</u>	<u>481,802</u>
Other income			
— Donation of bank balance - Giants	13	14,830	674
Total other income		<u>14,830</u>	<u>674</u>
Total revenue and other income		<u><u>577,972</u></u>	<u><u>482,476</u></u>

Note 3 Expenses

		2017 \$	2016 \$
(a) Employee benefits expense:			
— Employee benefits expense including contributions to defined contribution superannuation funds			
— excluding camping wages		116,916	106,231
— included in camping		15,298	12,950
Total employee benefits expense		<u>132,214</u>	<u>119,181</u>
(b) Depreciation and amortisation			
— Land and buildings		339	4,502
— Plant and equipment		26,937	17,459
— Golf course improvements		28	176
Total depreciation and amortisation		<u>27,304</u>	<u>22,137</u>

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

(c) Costs of sales	Note		
— Bar sales	2	202,204	177,068
— Bar cost of sales		<u>(91,246)</u>	<u>(88,271)</u>
Gross margin		<u>110,958</u>	<u>88,797</u>
— Canteen sales	2	31,554	19,155
— Canteen cost of sales		<u>(18,285)</u>	<u>(11,935)</u>
Gross margin		<u>13,269</u>	<u>7,220</u>
— Total sales		233,758	196,223
— Total cost of sales as disclosed		<u>(109,531)</u>	<u>(100,206)</u>
Total Gross margin		<u>124,227</u>	<u>96,017</u>

(d) Flood damage

Damage caused by flooding during the period amounted to \$15,157. These costs are spread across various expense categories. Management are pursuing an insurance claim to recover these costs.

Note 4 Cash and Cash Equivalents

	2017	2016
	\$	\$
CURRENT		
Cash at bank - unrestricted	98,629	72,832
Cash on hand	6,301	8,747
Total cash on hand as stated in the statement of financial position and statement of cash flows	<u>104,930</u>	<u>81,579</u>
	<u>104,930</u>	<u>81,579</u>

Note 5 Property, Plant and Equipment

	2017	2016
	\$	\$
LAND AND BUILDINGS		
Freehold land:		
— At cost	107,956	107,956
Total land	<u>107,956</u>	<u>107,956</u>
Buildings:		
— At cost	140,093	140,093
— Less accumulated depreciation	<u>(136,479)</u>	<u>(136,140)</u>
Total buildings	<u>3,614</u>	<u>3,953</u>
Total land and buildings	<u>111,570</u>	<u>111,909</u>
PLANT AND EQUIPMENT		
Plant and equipment:		
— At cost	453,667	439,031
— Less accumulated depreciation	<u>(304,102)</u>	<u>(277,163)</u>
	<u>149,565</u>	<u>161,868</u>
GOLF COURSE IMPROVEMENTS		
— At cost	9,200	9,200
— Less accumulated depreciation	<u>(9,200)</u>	<u>(9,172)</u>
	<u>-</u>	<u>28</u>
CAPITAL WORKS IN PROGRESS (CWIP)		
— At cost (amenities)	12,207	12,207
Total capital works in progress	<u>12,207</u>	<u>12,207</u>
Total plant and equipment	<u>161,772</u>	<u>174,103</u>
Total property, plant & equipment and CWIP	<u>273,342</u>	<u>286,012</u>

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED

ABN: 85 002 350 281

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land \$	Buildings \$	Plant and Equipment \$	Golf Course Improvements \$	Capital Works in Progress \$	Total \$
2017						
Balance at the beginning of the year	107,956	3,953	161,868	28	12,207	286,012
Additions at cost	-	-	14,636	-	-	14,636
Rounding	-	-	(2)	-	-	(2)
Depreciation expense	-	(339)	(26,937)	(28)	-	(27,304)
Carrying amount at the end of the year	<u>107,956</u>	<u>3,614</u>	<u>149,565</u>	<u>-</u>	<u>12,207</u>	<u>273,342</u>

Note 6 Trade and Other Payables

	Note	2017 \$	2016 \$
CURRENT			
Accounts payable		20,863	14,274
Sundry payables and accrued expenses, including sponsorship		9,698	2,863
GST payable		2,897	4,746
Payroll liabilities		10,679	8,853
Grant received in advance	6(b)	25,000	25,000
	6(a)	<u>69,137</u>	<u>55,736</u>

		2017 \$	2016 \$
(a) Financial liabilities at amortised cost classified as accounts payable and other payables			
Accounts payable and other payables:			
— Total current		<u>69,137</u>	<u>55,736</u>
Less deferred income		<u>(25,000)</u>	<u>(25,000)</u>
Financial liabilities as accounts payable and other payables	12	<u>44,137</u>	<u>30,736</u>
(b) Grant received in advance			

A non-recurrent grant of \$25,000 was secured under the Sport Facility Program administered through Sport and Recreation, a division of the Office of Sport (NSW Government) in the 2015 financial year.

This was awarded for the construction of the new amenities block.

Included in the terms and conditions is a completion date by September 2016 (extended to September 2017), failing which Sport & Recreation may withdraw the grant and require return of this funding or any unspent balances, at its discretion.

The recognition of the funding in the company's profit & loss statement will coincide with the building of the amenities block. At the date of this report, the block has not been built.

Your attention is further drawn to Note 9.

Note 7 Borrowings

		2017 \$	2016 \$
CURRENT			
Unsecured loan		<u>750</u>	<u>750</u>
		<u>750</u>	<u>750</u>
TOTAL BORROWINGS	12	<u>750</u>	<u>750</u>

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

(a) Bank loan

The company has been advised that the loan has a redraw facility of \$25,000.

(b) Overdraft facilities

The company has overdraft facilities of \$40,000 with the Commonwealth Bank, none of which has been utilised.

(c) Security provided

Security provided to Commonwealth Bank for the bank loan and overdraft facilities:

A First Registered Mortgage by Mullumbimby Rugby League Football Club Ltd over Non Residential Real Property located at Lot 8 Manns (Mullumbimby) Road, Mullumbimby NSW 2484.

A First Registered Equitable Mortgage by Mullumbimby Rugby League Football Club Ltd over the whole of its assets and undertakings including uncalled capital.

Note 8 Amenities Block

Application to Byron Shire Council for amenities block

Previous years

A development application (DA 10.2013.310.1) was determined on 13 August 2013 following the Board's proposal to build a stand-alone amenities facility associated with the existing campground.

An application for a certificate of compliance was submitted to Byron Shire Council ('Council').

The company was advised that this certificate would be granted on condition that developer charges of \$218,000 for water and sewer were paid in terms of Section 306 of the Water Management Act 2000.

The Club asked for a deferred payment agreement to be arranged with the Council to progress with building of the amenities block and on 22 September 2015 an agreement was forwarded to the MRLFC for acceptance, however the 2004 rate had increased to \$132,876.

On the 18 November 2015 a motion was passed that "the Board approach the Council and ask for another hearing at a Council meeting regarding the amenities block and contribution payments".

The company's previous DA was allowed to lapse and a new DA was approved on 3 May 2016.

However, Council still wanted a significant amount, namely \$227,674 for contributions for water & sewer infrastructure.

The company felt the amount was excessive for a community sporting group to pay for an amenity block which, it understood, would not generate any additional water or sewage load.

Current year

The company submitted a Section 96 application number 10.2 016.152.2 to Council on 5 July 2017. This application proposed the use of rainwater collected from the clubhouse water tank, to supply water needed for the facilities in the new amenities building. This is designed to reduce or minimise proposed charges.

The company's negotiations with Council to waiver these levies entirely were continuing at 30 September 2017.

Your attention is further drawn to Note 9.

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

Note 9 Events After the Reporting Period

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

Application to Byron Shire Council for amenities block

Your attention is drawn to Note 8.

The company presented its position to Council on 11 December 2017.

On 20 December 2017, the Australian Charities and Not-for-profits Commission (ACNC) has acknowledged and advised that the company is a not-for-profit organisation which is the information Council required to allow the company to be exempt from contributions imposed for the building of the amenities block.

Grant received in advance

Your attention is drawn to Note 6.

Since the end of the financial year, the company has contacted the Sport and Recreation Department in regards to the \$25,000 grant, requesting an extension. An extension has been granted to 31 December 2018.

Note 10 Key Management Personnel Compensation

a. Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel (KMP).

The totals of remuneration paid to KMP of the company during the year are as follows:

	2017	2016
	\$	\$
KMP compensation:	77,820	75,343
	77,820	75,343

b. Other Related Parties

Other related parties include close family members of KMP and entities that are controlled or jointly controlled by those KMP individually or collectively with their close family members.

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

- Scott Hogan, a director, is the shareholder of Brunswick Bakery, from whom the company acquired canteen supplies to the value of \$3,983.
- Adam McKenzie, a director, is the partner of Mullumbimby Removals, who provided freight for playground equipment to the value of \$260.
- Shane and Christian Diehm, directors, are related to the owner of Aaron Diehm Carpenter who provided services to the entity to the value of \$8,821.

Note 11 Cash Flow Information

	2017	2016
	\$	\$
Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus/(Deficit)		
Net current year surplus/(deficit)	(9,533)	42,162
Non-cash flows:		
Depreciation and amortisation expense	27,304	22,137
Donation of funds by Giants	(14,830)	
Gain on disposal of property, plant and equipment	-	(674)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	3,070	(5,523)
Increase/(decrease) in trade and other payables	13,401	(13,269)
(Increase)/decrease in other liabilities		
Increase/(decrease) in employee provisions	1,686	(4,998)
(Increase)/decrease in inventories	2,057	(3,233)
(Increase)/decrease in prepayments	-	(86)
Rounding	2	-
	23,157	36,516

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

Note 12 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks and payables.

The carrying amounts 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	2017 \$	2016 \$
Financial assets			
Cash and cash equivalents	4	104,930	81,579
Trade and other receivables		6,330	9,400
Available-for-sale financial assets		214	214
Total financial assets		<u>111,474</u>	<u>91,193</u>
Financial liabilities			
Financial liabilities at amortised cost:			
— trade and other payables	6(a)	44,137	30,736
— borrowings	7	750	750
Total financial liabilities		<u>44,887</u>	<u>31,486</u>

Note 13 Giants

The Giants Rugby Club was incorporated into MRLFC with effect from 24 November 2016.

During the period, bank balances in respect of the above amounting to \$14,830 were donated to MRLFC and has been disclosed under other income for purposes of financial reporting (see note 2).

Revenue recognised and expenses incurred in respect of Giants from the date of incorporation into MRLFC, are disclosed under revenue and expenses and disclosed below.

	2017 \$
Revenue	54,000
Expenses	(48,978)
Operating profit for the period	<u>5,022</u>

Note 14 Entity Details

The registered office of the entity is:

Mullumbimby Rugby League Football Club Limited
 LOT 8 MANN'S ROAD
 MULLUMBIMBY
 NSW 2482

The principal place of business is:

Mullumbimby Rugby League Football Club Limited
 LOT 8 MANN'S ROAD
 MULLUMBIMBY
 NSW 2482

Note 15 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$1 towards meeting any outstanding obligations of the entity. At 30 September 2017 the number of members was 435.

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED

ABN: 85 002 350 281

DIRECTORS' DECLARATION

1. The financial statements and notes, as set out on pages 5 to 17, are in accordance with the Corporations Act 2001 and
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.



Director

Adam Marshall McKenzie

Dated this 24th day of January 2018

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED

Report on the review of the Financial Report

Opinion

We have reviewed the financial report of Mullumbimby Rugby League Football Club Limited (the company), which comprises the statement of financial position as at 30 September 2017, 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, 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 Mullumbimby Rugby League Football Club Limited is in accordance with the Corporations Act 2001, including:

- i. giving a true and fair view of the company's financial position as at 30 September 2017 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2415 Review of a Financial Report - Company Limited by Guarantee, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the not-for-profit entity's financial position as at 30 September 2016 and its performance for the year ended on that date; and complying with the Australian Accounting Standards and Corporations Regulations 2001. ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Mullumbimby Rugby League Football Club Limited, would be in the same terms if given to the directors as at the time of this reviewer's report.

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

Emphasis of matters

Without modifying our opinion further, your attention is drawn to the following:

- i. Note 9 - which more fully describes the progress on the amenities block and the grant received in advance.
- ii. Note 13 - which more fully details the effect of the incorporation of Giants into MRLFC.

Information Other than the Financial Report and reviewer's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 September 2017, but does not include the financial report and our reviewer's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our review of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the review or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the 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.

Reviewer's Responsibilities for the review 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 review report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that a review conducted in accordance with the 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 this financial report.

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED

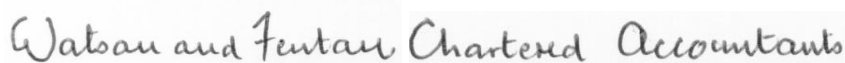
As part of a review in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the review. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform review procedures responsive to those risks, and obtain review evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the review in order to design review 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the review evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reviewer's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the review evidence obtained up to the date of our reviewer's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the review and significant review findings, including any significant deficiencies in internal control that we identify during our review.



Auditor's name and signature: Barry Dunnett



Name of firm: Watson & Fenton Chartered Accountants

Address: 39 Wharf Street
Tweed Heads NSW 2485

Dated this 25th day of January 2018