



MANLY
Leagues

HOME OF THE SEA EAGLES.
HEART OF THE COMMUNITY.

2014 ANNUAL REPORT

for the year ended 31 October 2014

ClubGRANTS

Since the introduction of the Community Development Support Expenditure (CDSE) in 1999, now known as ClubGRANTS Manly Leagues has contributed over \$2,910,000 to community based projects and local junior sport.

MANLY LEAGUES CONGRATULATES OUR MAJOR 2014 ClubGRANT RECIPIENTS

Manly Warringah Sea Eagles
Learning Links
Royal Far West Home
Westpac Rescue Helicopter
M-W Junior Rugby League
Rotary Club of Brookvale

Ladies Probus of Brookvale
Red Cross First Aid
St John's First Aid
Men of League
Wesley Mission
Autism Network



CHAIRMAN'S REPORT



On behalf of the Board of Directors I am pleased to report that the financial year ending 31 October 2014 represented a significant improvement on the previous year's result. Looking at a number of key business metrics the Club's 2104 performance provides a great deal of encouragement for the future. The Club's staff and Board have worked closely together over the past year to deliver this result and are determined to provide further, incremental growth going forward.

Our proud history of supporting the Sea Eagles NRL team will continue through increased investment in the Manly Warringah Junior Rugby League. This support is aimed at developing the next era of local juniors to wear the maroon and white. Our on-going support for the wider community is also a core pillar of our business and we are pleased to announce that our donations and support of community groups grew year on year by over 58%.

As noted in the Financial Statements, the 2014 year Operating Profit of \$42,480 represented a \$621,671 turnaround when compared to 2013. This is a very pleasing result. Additionally, continued growth of new members was another strong indicator of the business recovery.

While it is true that there is cause for some mild celebration when reviewing the Club's financial performance in 2014, it is also true that our journey to long term financial success is far from over and, inevitably, will present further challenges. It is with this in mind that your Board of Directors continues to work proactively in positioning the Club, strategically, for future success.

To the Club's loyal staff, ably led by Chief Executive Officer, Craig Norman and his executive team, a sincere thank you for your efforts over the past twelve months. Our staff will always be our greatest asset as they are the business interface to our members and guests and as such influence our customer's experience and perception of the Club.

To my fellow Board members, who have all worked tirelessly on behalf of the club, my personal thanks and congratulations on a job well done. In particular, many thanks to Graham (Sandy) Houston, who stepped down from the Board during the past year. Sandy's contribution to our Club spans many years and many roles, dating back to the club's very first Board of Directors. Suffice to say that Sandy's work on behalf of the Club will never be forgotten.

Finally, on behalf of the Board, I would like to thank the members and guests for their continued support and patronage.



Ian Thomson, Chairman

BOARD OF DIRECTORS AS AT 31 OCTOBER 2014

IAN THOMSON : CHAIRMAN

Director and Chairman of Manly-Warringah Rugby League Club. Former Chairman of the Northern Eagles and former CEO of Manly Sea Eagles. **Occupation:** Director : Sales

BRIAN SMITH : DEPUTY CHAIRMAN

Life Member and Director of Manly-Warringah Rugby League Club for six years. Former General Manager of Manly-Warringah Rugby League Club for eleven years. Life Member & Director of Leagues Clubs Australia and Justice of the Peace. Manly Leagues Disciplinary Committee member. Manly Leagues Golf Club Committee member. Parton of Manly Leagues Camera Club and Cricket Club. **Occupation:** Retired

PETER PETERS

Director of Manly-Warringah Rugby League Club for thirteen years, Life Member of Manly Warringah District Rugby League Football Club and Director of Manly Sea Eagles. **Occupation:** Sporting Journalist

MAX KRILICH

Director of Manly-Warringah Rugby League Club for two years. Life Member and former Director of Manly Warringah District Rugby League Football Club. **Occupation:** Sports Administrator

WARWICK BULMER

Director of Manly-Warringah Rugby League Club for two years. Life Member of Manly Warringah District Rugby League Football Club, Life Member of Manly Warringah Junior League. **Occupation:** Retired

GARRY THOROUGHGOOD

Director of Manly-Warringah Rugby League Club for two years. Life Member of the Manly-Warringah District Rugby League Football Club. Former Director of Manly Warringah District Rugby League Football Club. Previously employed in senior management positions with Hanimex and Tasco. **Occupation:** Contractor

ALAN THOMPSON

Director of Manly-Warringah Rugby League Club for one year. Life Member of Manly Warringah District Rugby League Football Club. **Occupation:** General Manager

DIRECTOR'S REPORT

The Directors have pleasure in presenting their Annual Report for the twelve months ended 31 October 2014.

Corporate Information

Manly-Warringah Rugby League Club Ltd is a public company limited by guarantee but without a share capital. The Club is prevented by its Constitution from paying dividends. The registered office and principal place of business is 563 Pittwater Road, Brookvale, NSW.

Company Secretary ~ Craig Norman

Craig Norman has been the Secretary of Manly-Warringah Rugby League Club for 1½ years.

Names of Directors

Directors who are current or who have held office during the year :

Warwick Bulmer
Graham Houston (resigned 16 April 2014)
Max Krilich
Peter Peters
Brian Smith
Alan Thompson (appointed 16 April 2014)
Ian Thomson
Garry Thoroughgood

Operating Result

The Club recorded a trading profit of \$42,480 before paying support to the community of \$273,382 resulting in a net operating loss for the year of \$229,282.

Principal Activity

The principal activity of the Company was that of a Licensed Club.

Significant Changes in Activity

During the financial year there was no significant change in the nature of the principal activity of the Company.

Objectives

Short & Long Term Objectives

- To provide members and their guests with a quality hospitality venue.
- To set directions and strategies that ensure the Club has a positive and long-term future.
- To support the game of rugby league in the Manly-Warringah district and operate our Club as the home of rugby league in the area.
- To provide support to the local community.
- To provide a professional and safe workplace for its staff.
- To maintain an excellent working relationship with representatives of Federal, State and Local government and industry bodies.
- To encourage participation in the Club's various sub Clubs and to provide general support to these sub Clubs.

Strategies to achieve Objectives

- Conduct regular meetings of the Board of Directors to review the effectiveness of the operations of the Club and discuss future strategies.
- Engage professional consultants and contractors to assist Directors and management in the development and operation of the Club.

- Encourage feedback from and communicate with Club members.
- Communicate on a regular basis with Manly-Warringah NRL and junior league entities.
- Provide training and development for appropriate staff.
- Participate in community and industry forums.
- Communicate on a regular basis with internal sub Clubs.

How the Principal Activities assisted in achieving the Club's Objectives

The Club's principal activity enables the entity to generate revenue which is used to achieve the objectives of the Club.

Measurement of Performance & Key Performance Indicators

The Board of Directors measures the performance of the Club on a monthly basis by monitoring financial results and key performance indicators across a range of measures.

Legal Proceedings

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. The Company was not a party to any such proceedings during the year.

Auditors Independence Declaration

A copy of the Auditors Independence Declaration as required under Section 307C of the Corporation Act 2001 is included later in this report.

Signed in accordance with a Resolution of Directors.



**IAN THOMSON,
DIRECTOR**

Dated at Brookvale, 16 February 2015

DIRECTOR'S ATTENDANCE AT BOARD MEETINGS

During the period the Board met on 17 occasions. The attendances at these meetings were as follows:

	Attended	Possible
W. Bulmer	9	17
G. Houston (resigned 16/4/14)	8	10
M. Krilich	16	17
P. Peters	16	17
B. Smith	16	17
A. Thompson (appointed 16/4/14)	7	8
I. Thomson	17	17
G. Thoroughgood	13	17

The Board also met on numerous other occasions for Club business.

CHIEF EXECUTIVE OFFICER'S REPORT



Hello Members

The financial year 2013/2014 was again another year that provided the Club with continued financial challenge. The final result this year a loss of (\$229,282), this result substantially better than the loss declared 2012/2013 of (\$851,947). The Club has continued to build momentum and while there is a way to go, this year's result provides real confidence.

As communicated last year the Club Boards main focus over the last twelve months and ongoing aim for the coming year is financial stability. Many hours have been invested in changing the financial structure of the Club, this includes introducing better purchasing procedures and storage of stock, identifying staff efficiencies and providing a more convivial environment for our members and guests.

Our Community

The Club continued this year to support our community and it is a great delight to highlight that the Club has contributed some \$273,000 through Club grants to thoroughly deserving community based projects and local junior sporting groups. The continued support of our community a thoroughly rewarding commitment and one that the Club pledges to continue. Our position of support within our community remains one of our major focuses.

Our Members

The Club is only as strong as those who support it and to that end our members support strongly.

I am also happy to report that for the first time in a number of years our membership has grown; up some 5% or 682 members. This is a positive indicator that the Club is answering the needs of our membership.

I would like to thank the members of this Club that continue to support and patronise on a regular basis. Your support allows the Club the opportunity to continually provide wonderful promotions, great food and super beverage options!

Our People

I would like to publicly thank the staff of the Club for their efforts over the last twelve months; in fact I salute them all for their efforts. To the management team, I have placed a great deal of pressure on all the managers of the Club to ensure all areas within our Club are running as efficiently and profitably as possible, all of which have risen to the challenge – well done and thank you.

My thanks and appreciation is also extended to our Chairman, Ian Thomson and to all fellow Directors, who have again given me and all the staff of the Manly Leagues Club support, direction and encouragement over the year.

Our Future

Yes it's true, Penn Sport have entered into a contract to sell the Club building to a development group This group is buying the building not the Club; this is an important distinction as the building is not the Club, the Club simply resides within. The Club has not owned the building since 2009 so in essence nothing has changed. The Club has now and will after settlement for the sale of the building scheduled for March 2016 have a lease to these premises until 20 May 2019.

The Club Board is currently investigating future opportunities for the Club to survive and prosper. All available options are currently being investigated including the commencement of preliminary negotiations with the new owners of the building to ensure the Club has a footprint in any new developments.

Vale: I would like to remember our dear friends, relatives and members who have passed away in the last twelve months. May they rest in peace.

See you at the Club



Craig Norman, Chief Executive Officer

CLUB MANAGEMENT

Chief Executive Officer	Craig Norman
Operations Manager	Craig Dickson
Gaming Manager	David Nelson
HR / Functions Manager	Nikki Pichon
Catering Manager	Jonathan Gatt
Accountant	Danielle McDonald

Auditors

W.R. Edmondson & Co. Brookvale

Bankers

Northern Beaches Credit Union
ANZ Banking Group Ltd.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MANLY-WARRINGAH RUGBY
LEAGUE CLUB LIMITED ABN 85 000 193 251

REPORT ON THE FINANCIAL REPORT

We have audited the Financial Report of Manly-Warringah Rugby League Club Limited which comprises the balance sheet as at 31 October 2014, and the income statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT

The Company's Directors are responsible for the preparation and fair presentation of the report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

AUDIT RESPONSIBILITY

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

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

INDEPENDENCE

In conducting our audit we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the Directors of Manly-Warringah Rugby League Club Limited on 12 November 2012 would be in the same terms if provided to the Directors as at the date of this Auditors' Report.

AUDIT OPINION

In our opinion the financial report of Manly-Warringah Rugby League 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 31 October 2014, and of its performance for the year ended on that date; and
- ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

EDMONDSON & CO, Chartered Accountants



W.R. EDMONDSON, Registered Company Auditor
658 Pittwater Road, BROOKVALE NSW 2100
Dated at Brookvale, 16 February 2015

DIRECTORS' DECLARATION

The Directors of the Company declare that:

- (1) the financial statements and notes of the Club
 - (a) are in accordance with the Corporations Act 2001; and comply with Accounting Standards and Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 October 2014 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 become due and payable.

This statement is made in accordance with the Resolution of the Board of Directors and is signed for and on behalf of the Directors by:



IAN THOMSON, DIRECTOR

Dated at Brookvale, 16 February 2015

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To: The Directors of Manly-Warringah Rugby League Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 October 2014 there have been :

- (i) no contraventions of the Auditor's 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.

EDMONDSON & CO

Chartered Accountants



W.R. EDMONDSON, Registered Company Auditor

Statement of Comprehensive Income for the year ended 31 October 2014

	Notes	2014 \$	2013 \$
Membership		62,664	61,808
Poker machines		8,071,251	7,545,983
Beverage		1,502,145	1,494,744
TAB & Keno		76,456	76,679
Catering		1,181,961	1,208,700
Rental income		299,730	203,805
Interest on invested funds		505	361
Other revenue	2(a)	443,976	413,628
Revenue		11,638,688	11,005,708
Purchases net of movement in inventories of finished goods & work in progress	2(b)	(1,184,816)	(1,080,187)
Employee benefits expense	2(c)	(3,276,548)	(3,227,775)
Depreciation expense	2(d)	(973,473)	(929,661)
Impairment of non-current assets		-	-
Other expenses	2(e)	(5,592,420)	(5,796,704)
Finance costs	2(f)	(568,951)	(550,572)
Operating Profit/(Loss) before income tax and support to the community		42,480	(579,191)
Propagation of Sport : Football related grants		(59,193)	(121,704)
Donations & other support to community groups		(160,452)	(101,397)
MWRLC sporting and cultural Clubs including cash donations		(53,737)	(49,655)
Total support to the community		(273,382)	(272,756)
Profit/(Loss) before income tax		(230,902)	(851,947)
Income tax expense	3	-	-
Profit/(Loss) after tax		(230,902)	(851,947)
Other comprehensive income/(expense)	2(g)	1,620	-
Total comprehensive income/(loss) for the year		(229,282)	(851,947)

The above statement should be read in conjunction with the accompanying notes

Statement of Financial Position as at 31 October 2014

Assets			
Current Assets			
Cash & cash equivalents		178,872	177,146
Cash at Bank		73,405	28,177
Trade & other receivables	4	49,649	41,684
Inventories	5	64,065	78,375
Prepayments		147,559	99,396
Total current assets		513,550	424,778
Non-current assets			
Investments		761	761
Property, plant & equipment	6	11,640,715	13,873,170
Intangible assets	7	2,100,000	-
Total non-current assets		13,741,476	13,873,931
TOTAL ASSETS		14,255,026	14,298,709
LIABILITIES			
Current Liabilities			
Trade & other payables		1,546,745	2,137,108
Provisions	8	439,778	451,466
Unearned income	9	98,051	122,702
Finance lease & hire purchase liabilities	10	510,961	408,294
Total current liabilities	11	2,595,535	3,119,570
Non-current liabilities			
Interest bearing liabilities	7	6,000,000	6,000,000
Other payables	7	-	-
Unearned income	10	1,717,444	1,236,641
Finance lease & hire purchase liabilities	11	489,109	260,278
Total non-current liabilities		8,206,553	7,496,919
TOTAL LIABILITIES		10,802,088	10,616,489
NET ASSETS		3,452,938	3,682,220
MEMBERS' FUNDS			
Retained earnings		3,452,938	3,682,220
TOTAL MEMBERS' FUNDS		3,452,938	3,682,220

The above Statement of Financial Position should be read in conjunction with the accompanying notes

Statement of Changes in Equity for the year ended 31 October 2014

	Retained Earnings	Asset Revaluation	Total Members'
At 31 October 2012	4,534,167	0	4,534,167
Profit/(loss) for the year	(851,947)	0	(851,947)
At 31 October 2013	3,682,220	0	3,682,220
Profit/(loss) for the year	(229,282)	0	(229,282)
At 31 October 2014	3,452,938	0	3,452,938

The above statement of changes should be read in conjunction with the accompanying notes

Statement of Cash Flows for the year ended 31 October 2014

	2014 \$	2013 \$
Cash from operating activities		
Receipts from customers	11,636,136	12,104,892
Payments to suppliers and employees	(10,568,017)	(10,874,380)
Interest received	505	361
Interest paid	(510,115)	(513,158)
Net cash flows from operating activities	558,509	717,715
Cash flows from investing activities		
Payment for purchase of property, plant & equipment	(843,054)	(388,653)
Net cash flows used in investing activities	(843,054)	(388,653)
Cash flows from financing activities		
Increase/(decrease) in loans	-	(200,000)
Increase/(decrease) in lease borrowings	331,499	(176,967)
Net cash used in financing activities	331,499	(376,967)
Net increase/(decrease) in cash & cash equivalents	46,954	(47,905)
Cash & cash equivalents at beginning of year	205,323	253,228
Cash & cash equivalents at end of year	252,277	205,323

The above cash flow statement should be read in conjunction with the accompanying notes

Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money markets, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows :

Cash	177,641	175,965
Deposits at call	1,231	1,181
Cash at Bank	73,405	28,177
	252,277	205,323

Cash Flow Statement Reconciliation

Reconciliation of profit/(loss) after tax to net cash flows from operations

Profit/(loss) after tax (including GST)	(230,902)	(888,400)
Adjustments for :		
Operating depreciation & amortisation	973,473	929,661
Net (profit)/loss on disposal of property, plant & equipment	3,653	-
Changes in assets & liabilities		
(Increase)/decrease in trade & other receivables	(7,965)	(15,238)
(Increase)/decrease in inventories	14,310	(27,669)
(Increase)/decrease in deferred tax assets	(48,163)	28,012
(Decrease)/increase in trade & other payables	(590,361)	889,587
(Decrease)/increase in provision	(11,688)	(111,765)
(Increase)/decrease in income in advance	456,152	(86,473)
Net cash flows from operating activities	558,509	717,715

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

The financial statements cover Manly-Warringah Rugby League Club Limited as an individual entity, incorporated and domiciled in Australia. Manly-Warringah Rugby League Club Limited is a company limited by guarantee.

NOTE 1. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Standards Accounting Board and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement of 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.

Going Concern Status

The Directors recognise that the company has continuing trading losses and there may be an uncertainty as to the company's status as a going concern. The Directors are confident that the improved trading and cash flow position indicate that the company will be able to meet its liabilities on their due dates. These financial statements have been prepared on the basis that the company will be able to continue as a going concern.

The financial statements were authorised for issue on 16 February 2015 by the Directors of the company.

(a) Income Tax

Under present legislation and the concept of mutuality income derived by the company from members is not assessable to income tax. Income tax liabilities arise in respect of income derived from non members and investments less certain allowable deductions. The company has adopted the principle of tax effect accounting but in this financial year has written off the deferred tax asset due to its unlikely realisation.

(b) Inventory

Stock on hand is valued at the lower of cost and net realisable value. Costs are assigned to quantities on hand at balance date by the method most appropriate to each particular class of stock, with the major portion in value of stock on hand costed on a first-in first-out or specific identification basis.

(c) Investments

The Club holds 750 shares in Independent Liquor Group Ltd. They are shown at cost. There is no market value.

(d) Property, Plant & Equipment

Each class of property, plant & equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property-Change in Accounting Policy

Freehold land and buildings are shown at their fair value. The car park site has been re-valued to the sale price specified in an option agreement with Penn Sport Pty Ltd of \$7,500,000. The Travelodge site at 4 Victor Road has been re-valued at \$1, due to the fact that the property is no longer income producing, is subject to a 50 year lease plus option and the Club will not be able to access or control the property until 2099.

Plant & Equipment

Plant & equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant & equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts. Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the re-valued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

(e) Depreciation

The depreciable amount of all fixed assets including building & capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Club 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%
Plant & Equipment	5-27%
Leased Plant & Equipment	10-27%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(f) Impairment of Assets

At each reporting date the Club reviews the carrying values of its assets to determine whether there is an indication that those assets have been impaired. If such an indication exists, the recoverable amount of an asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Where it is not possible to estimate the recoverable amount of an individual asset, the Club estimates the recoverable amount of the cash generating unit to which the asset belongs.

(g) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data. The Club assesses impairment of assets at each reporting date by evaluating conditions specific to the Club that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations are performed in assessing recoverable amounts incorporating a number of key estimates. No impairment has been recognised in this financial year for any of the Club's assets. The current carrying values are estimated to be approximately the same as the assets' fair values. A value has been recognised for the Club's poker machine licences. The licences have been shown as a separate intangible asset at an independent fair value based conservatively on what they could be sold for.

(h) Lease of Premises

During the 2009 year the Club sold the property at 563 Pittwater Road and entered into a lease with Penn Sport Pty Limited for the ground floor and mezzanine level for a term of 5 years up to 26 May 2014 with an option to renew for a further period of up to 5 years. During 2012 this lease was extended until 26 May 2019.

(i) Revenue

Revenue is recognised on receipt or on the rendering of services. Members' subscriptions, which are paid in advance for periods subsequent to this financial year, are not brought to account as revenue in this financial year, but are shown in the balance sheet as subscriptions in advance – liability. Rent received in advance is shown as a liability and is brought to account as income over the period of the lease.

(j) Employee Entitlements

The amount expected to be paid to employees for their pro-rata entitlement for long service and annual leave are accrued annually at current pay rates having regard to experience of employee periods of service.

(k) Comparative Figures

Comparative figures, where necessary, have been reclassified in order to comply with the presentation adopted in the 2014 year.

(l) Limitation of Member's Liability

In accordance with Memorandum of Association the liability of members in the event of the Club being wound up would not exceed \$9 per member.

(m) Related Party Transactions

In the reporting period there was 0 occasions when a director reported a material personal interest in a matter that related to the affairs of the Club.

(n) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (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 balance sheet. Cash flows are included in the statement of cash flows on a net basis. The GST component of cash flows arising from investing and financing activities which are recoverable from or payable to, the ATO are classified as operating cash flows.

	2014 \$	2013 \$
NOTE 2. Revenue & Expenses:		
(a) Other revenue		
Promotions income	268,723	226,413
Commissions	76,940	81,011
Merchandise sales	359	559
Other income	97,954	105,645
Total other income	443,976	413,628
(b) Purchases net of movement in inventories of finished goods & work in progress		
Beverage	604,277	589,521
Catering	580,539	490,666
	1,184,816	1,080,187
(c) Employee benefits expense		
Wages & salaries	2,916,197	2,972,278
Superannuation expense	267,251	260,438
Provision for leave	(12,888)	(112,303)
Fringe benefits tax	1,928	8,275
Other employee benefit expenses	104,060	99,087
Total employee benefits expense	3,276,548	3,227,775
(d) Depreciation & amortisation expense		
Amortisation of leasehold improvements	388,844	386,101
Depreciation of property	93,616	93,616
Depreciation of plant & equipment	491,013	449,944
Total depreciation & amortisation	973,473	929,661
(e) Other expenses		
Hire of equipment & operating lease payments	77,125	87,074
Licences, rates, utilities, subscriptions & taxes	2,436,421	2,522,296
Promotion, advertising & entertainment expenses	1,427,032	1,518,431
Cleaning, repairs & maintenance	504,594	498,498
Other expenses	504,588	552,455
Rent	642,660	617,950
Total other expenses	5,592,420	5,796,704
(f) Finance costs		
Interest expense	510,115	513,158
Bank fees & fees associated with borrowing	58,836	37,414
Total finance costs	568,951	550,572
(g) Impairment of Assets		
Revaluation of car park property to option sale price	461,469	-
Impairment of 4 Victor Road property to \$1	(2,539,849)	-
Revaluation of poker machine licences	2,100,000	-
	1,620	-

	2014 \$	2013 \$
NOTE 3. Income Tax Expense :		
The Company has no income tax expense for the year	-	-
NOTE 4. Trade & Other Receivables :		
Trade debtors after providing for doubtful debts of \$0	19,298	33,425
Other debtors	30,351	8,259
	49,649	41,684
NOTE 5. Inventories :		
Catering stock at cost	17,129	15,940
Liquor stock at cost	32,246	44,625
Other stock at cost	14,690	17,810
Total inventory at the lower of cost & net realisable value	64,065	78,375
NOTE 6. Property, Plant & Equipment :		
Core property : Car park at option sale price	7,500,000	7,132,147
Non-core property : 4 Victor Rd Property-Travelodge	1	2,559,850
Net property	7,500,001	9,691,997
<i>The car park property has been subject to an option held by Penn Sport Pty Ltd to purchase the property for \$7,500,000 and who have notified the Club that they intend to take up the option. The commercial value of the property is at least that amount and the Club has valued the asset at the option sale price.</i>		
<i>The Travelodge site at 4 Victor Rd is subject to a 50 year lease with a further 50 year option held by the Mirvac Group. During this financial year the Club received prepaid income and will receive no further revenue from this property. The Club will not get access to the property until the year 2099 and has therefore impaired the value of this asset to \$1.</i>		
Leasehold improvements	3,024,476	3,006,578
Less accumulated amortisation	(1,249,482)	(860,638)
	1,774,994	2,145,940
Poker machines (at cost)	4,872,263	4,227,588
Less accumulated depreciation	(2,995,954)	(2,824,030)
	1,876,309	1,403,558
Plant, equipment, furniture and fittings	3,382,589	3,366,447
Less accumulated depreciation	(2,893,178)	(2,734,772)
	489,411	631,675
	11,640,715	13,873,170
Property, plant & equipment movement summary :		
Properties		
Carrying amount at beginning of year	9,691,997	9,785,613
Add : Revaluation of car park property to option sale price	461,469	-
Less : Impairment of 4 Victor Rd property	(2,559,849)	-
Depreciation	(93,616)	(93,616)
Carrying amount at end of year	7,500,001	9,691,997
Leasehold Improvements		
Carrying amount at beginning of year	2,145,940	2,527,861
Additions	17,898	4,180
Disposals and Cost Adjustments at net book value	-	-
Amortisation	(388,844)	(386,101)
Carrying amount at end of year	1,774,994	2,145,940
Poker machines, motor vehicles, plant & equipment		
Carrying amount at beginning of year	2,035,231	2,136,034
Additions	825,155	349,141
Disposals at net book value	(3,653)	-
Depreciation	(491,013)	(449,944)
Carrying amount at end of year	2,365,720	2,035,231

	2014 \$	2013 \$
NOTE 7. Intangible Assets :		
Poker machine licenses at fair value	2,100,000	-
The Club's 200 poker machine licences have been brought to account in this financial year at an independent valuation of \$10,500 each. They are determined to have an indefinite useful life.		
NOTE 8. Payables :		
Poker machine link jackpot provision	8,269	6,171
Trade creditors	650,022	555,716
Accrued expenses	805,939	983,399
Other payables - unsecured	82,515	591,822
Loans payable - secured over all company assets	6,000,000	6,000,000
	7,546,745	8,137,108
Less non-current secured portion	6,000,000	6,000,000
Less non-current unsecured portion	-	-
	1,546,745	2,137,108
NOTE 9. Provisions :		
Employee entitlements	437,739	450,627
FBT	2,039	839
	439,778	451,466
NOTE 10. Unearned income :		
Members subscriptions in advance	139,968	158,973
Rent received in advance	1,675,526	1,162,666
Other income received in advance	-	37,704
	1,815,494	1,359,343

NOTE 11. Lease & Hire Purchase Commitments :

Finance Leases and Hire Purchase Agreements			
- not later than one year	510,345	408,293	
- later than one year and not later than two years	325,840	206,082	
- later than two years and not later than five years	165,116	54,196	
- later than five years	-	-	
Minimum lease payments	1,001,301	668,571	
Deduct: future finance charges	1,231	-	
Finance lease and hire purchase liability	1,000,070	668,571	
Operating Leases			
- not later than one year	11,854	45,408	
- later than one year and not later than two years	5,927	11,854	
- later than two years and not later than five years	-	4,939	
- later than five years	-	-	

NOTE 12. Superannuation Commitments :

The economic entity participates in defined contribution superannuation plans to provide benefits to employees of the entity on retirement death or disability. Benefits provided under the plans are based on accumulated contributions and earnings for each employee. There is no legally enforceable obligation on the entity to contribute to the superannuation plans apart from various arrangements within employee salary package structures.

NOTE 13. Financial Instruments:

(a) Interest Rate Risk

The economic entity's exposure to interest rate risk, which is a risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate on those financial assets and liabilities, is as follows :

	Note	Weighted Average Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing				
		2014 %	2013 %	2014 \$	2013 \$	Within 1 Year		1-5 Years		
						2014 %	2013 %	2014 %	2013 %	
Financial Assets										
Cash at Bank		0.25%	0.25%	73,405	28,177					
Deposits at call		0.00%	2.50%	1,231	1,181	-	-	-	-	
Total Financial Assets				74,636	29,358	-	-	-	-	
Financial Liabilities										
Loans Secured	7	8.50%	8.50%					6,000,000	6,000,000	
Lease and Hire Purchase Liabilities	10	0.00%	0.00%			510,345	408,293	490,956	260,278	
Total Financial Liabilities						510,345	408,293	6,490,956	6,260,278	

NOTE 13. Financial Instruments (cont) :

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

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

(c) Net Fair Values

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

NOTE 14. Key Management Personnel

Compensation of Key Management Personnel

Total	2014 \$435,636	2013 \$503,140
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In the course of attending the Club and/or representing the Club in an official capacity, Directors were provided with meals and liquor. Other out of pocket expenses were reimbursed by the Club as agreed by resolution at a previous Annual General Meeting. The total amount charged to Directors' Honorariums and other Director expenses was \$36,583 (2013 \$32,365).

NOTE 15. Company Commitment:

The Company is committed to the financial support of rugby league football during the 2015 financial year. The company is committed to the purchase of poker machines under a finance arrangement in November 2014 for \$138,512.

NOTE 16. Auditors' Remuneration

The auditor of Manly-Warringah Rugby League Club is W.R. Edmondson & Co.

Amounts received or due and receivable by W.R. Edmondson & Co for :

- An audit of the financial report of the entity
- Other services in relation to the entity

	2014	2013
	\$20,000	\$20,000
	-	\$13,457
	\$20,000	\$33,457

NOTE 17. Contingent Liability

The Club has been notified of the possibility of having to pay legal fees resulting from an investigation by The Office of Liquor Gaming and Racing. There is no estimate of the expected fees or whether they will be covered by the Club's insurance policy.

Manly-Warringah Rugby League Club Limited : Core & Non Core Property

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 31 October, 2014:

- (a) the following properties are core property of the Club:
- The defined premises of the Club, 563 Pittwater Road, Brookvale sold in 2009 and leased until 2019.
 - Car park area, 4 Federal Parade, Brookvale and subject to an option to sell.
 - 11 Victor Road Brookvale, part of the car park and subject to an option to sell.
- (b) the following properties are non-core property of the Club:
- 9 Victor Road, Brookvale and subject to an option to sell.
 - The land occupied by Travelodge at 10 Victor Road, Brookvale.

MANLY-WARRINGAH RUGBY LEAGUE CLUB LIFE MEMBERS

1965: Mr J.L. Martin (Dec)	1977: Mr W.J. Poole	2001: Mrs N.A. Geddes (Dec)
1965: Mr A.B. Stehr (Dec)	1980: Mr G.V. Willoughby (Dec)	2004: Dr D.S. Biddle, AM
1965: Mr E.A. Langford (Dec)	1983: Mr E.R. Bull (Dec)	2005: Mr I.J. Fitzgibbon
1969: Mr R.E. Hudson, Snr (Dec)	1983: Mr S.L. Wallace	2005 : Mr B.J. Smith
1971: Mr J.W. Cameron B.E.M. (Dec)	1985: Mr W.A. Lough (Dec)	2006: Mr G.M. Miller
1972: Mr G.M. Houston	1993: Mr D.J. Daley (Dec)	2012: Mr G.A. Clark
1973: Mr K.R. Arthurson, AM	1994: Mr R.K. Rainey (Dec)	2013: Mrs K.E. Hudson
1973: Mr R.O. Hudson, Jnr	1997: Mr C.A. Dempster	