CONFIDENTIAL
HEALESVILLE RSL SUB-BRANCH INC.
MEMBERS ONLY

ANNUAL GENERAL MEETING

11.00am SUNDAY 24th March 2019

Treasurers Report on 2018

Audit Report

I submit the Stannards Audited Finance reports for the 2018 Financial (Calendar) Year, Healesville RSL Sub Branch Inc., the Healesville RSL Sub Branch Inc. Patriotic Fund 2789 and Agency for General Appeals Patriotic Fund B86, for approval by members.

2018 Sub Branch Operations was very similar to last year in terms of Revenue and Expenses however Costs of Goods sold went up and as a consequence Gross Profit and Nett Profit was down on last year. Nett Profit came in at $73,076. The Sub Branch Operations has total liabilities of $354,537 and Assets of $852,656 making Nett Asset/Equity of $498,119

Patriotic Fund result was a $34,185 Nett Profit for the year as we increased the Rent the Operations pay. It has total liabilities of $878,750 and Assets of $3,519,799 which realised Nett Asset/Equity of $2,641,049.

The Agency for Appeals revenue from ANZAC and Poppy Appeals was $12,625 of which $6,551 was remitted to RSL Vic. $7,118 was spent on Welfare and Benevolent activities for Veterans and their families.

I recommend Stannards Accountants and Advisors be appointed as Auditors for 2019.

State Revenue Office Payroll Tax

We received an Audit request on our Payroll Tax submissions and exemptions claimed from the State Revenue Office. The request related to our Status as a Charity. We had claimed for years 13/14, 14/15, 15/16, 16/17 a deduction for not for profit charitable welfare portion of our gross wages under the instruction of our previous accountant. The Victorian State Revenue Office does not recognise the RSL as a Charity because the greater percentage of our expenditure is in operating the Club. As a result of the payroll tax investigation we owed $19,967.94 which was paid.

Support

We supported the Australian Air League with a donation of $1,900 and the Healesville Football Netball Club for the 2018 for $2,000 and the Farmers Fundraiser for $1200

Gaming Related

This year's Community Benefit statement to the Government (VCGLR) was $671,343 which is the value of this business to the Healesville Community. Our minimum requirement was $194,853.86.

The cost of our 50 Gaming Machine licences in 2022 will be $1,052,000. A $26,302 part deposit for this licence was paid with a further $26,302 to be paid in February 2019.

We commenced due diligence work on all aspects of our Gaming related expenses in 2022 when our $500,000 per annum Electronic Gaming Machine contract with TGS expires.

The CPI increase of fees by TGS, our gaming machine supplier & repairer equated to around $xx,500 per annum.
The annual VCGLR Service fee of $10,000 was paid.

Contracts
Energy costs and associated reliability issues are a significant issue for the RSL. After a review we contracted Bennett Clayton to provide a complete energy plant system which is coupled with Heating and Cooling. This system can take us off grid and will provide 100% reliability. The cost of this system is around $770,000 for which we have had to increase borrowings with Bendigo & Adelaide Bank. The return on investment will be over $1,000,000 in ten years. It will be commissioned for operation mid 2019.

There was a small decrease in our "on grid" energy supply with changes to metering charges and other tariffs. Our current contract is through our Broker, Schneider Electric and cost over $100,000.

We received a new grant from Melbourne Water for Creekside revegetation works with a contract value of $992.00

Tabcorp's new "Partnership Framework". reduced Kiosk weekly rental fees and provided a $6,000 partnership rebate to offset Sky costs.

The Essential Caterer has delivered on the Food Service Agreement for the year and all issues were resolved amicably. They continue to support Gunfire Breakfast and other services with discounted offerings. We see no reason not to continue with The Essential Caterer for 2019.

Significant Purchases
During the year we made the following major purchases.

- Photocopier replacement at a cost of $5,700
- Bar stools for the TAB area $2,000
- Beer glycol system pump at around $3,500
- CCTV upgrade $5,500

I would like to thank our auditors Stannards Accountants and Advisors for their valued advice and financial auditing service. Thank you also to our General Manager, Bookkeeper and office staff for their work and support through the year..

Peter McCracken
Treasurer