

# 2016

**COFFS EX SERVICES  
MEMORIAL & SPORTING  
CLUB LTD.**

ABN 35 000 875 516

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**ANNUAL REPORT**  
**on Financial Statements**  
FOR THE YEAR  
ENDED 30 JUNE 2016

## Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

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For the Year Ended 30 June 2016

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#### **General information**

The financial statements cover *Coffs Ex-Services Memorial and Sporting Club Ltd* as an individual entity. The financial statements are presented in Australian dollars, which is *Catts Ex-Services Memorial and Sporting Club Ltd's* functional and presentation currency.

*Coffs Ex-Services Memorial and Sporting Club Ltd* is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 September 2016. The directors have the power to amend and reissue the financial statements.

## Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

### Directors' Report

30 June 2016

The directors present their report on Catts Ex-Services Memorial and Sporting Club Ltd for the financial year ended 30 June 2016

#### Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

<b>Names</b>	<b>Position</b>	<b>Appointed/Resigned</b>
Mr. D. H. Doyle	President	Continuing
Mr. L. J. Hogno	First Vice President	Continuing
Mr. R. E. Humphrys	Second Vice President	Continuing
Mr. D.R. Christensen	Director	Continuing
Mr. H Katala	Director	Continuing
Mr. E. Hodikin	Director	Deceased 5 August 2016
Mrs B L Piggott	Director	Continuing

#### Objectives

The Company's short term objectives are to:

- The Company will continue to provide first class facilities and services for the benefit of its members and their guests

The Company's long term objectives are to:

- In the long term it will continue to update the Company's facilities and amenities to ensure the ongoing profitability and future viability of the Company.

#### Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

The strategy to achieve the short and long term objectives of the Company is through the provision of effective corporate governance including

- Making decisions that are consistent with the Company's role/purpose and the interests of members
- Ensuring the Company's business is conducted ethically and transparently
- Compliance with any relevant legislative industrial and administrative requirements.
- Through support of the community.
- Measuring/Monitoring the profitability and efficiency of core trading activities.
- Obtaining value for Company money spent by avoiding waste and extravagance in the use of Company resources.

## Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

### Directors' Report

30 June 2016

#### Strategy for achieving the objectives continued

- Providing value for money to Members and Guests.
- Providing a safe, healthy and discrimination-free club environment.
- Retaining quality staff, by promoting a culture of continuous professional development and training.

#### Principal activities

The principal activity of Catts Ex-Services Memorial and Sporting Club Ltd during the financial year was that of a licensed club.

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

#### Performance measures

The following measures are used within the Company to monitor performance:

- Assessing profitability through EBITDA
- Membership numbers
- Revenue centre profit benchmarking such as GP%
- Wage as a percentage of sales
- Assessing Return on Investment with regards to all expenditure.

#### Information on directors

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

Mr. D. H. Doyle

Experience                      26 years service with Club  
3 years Director  
1 year 1st Vice President  
22 years President  
Grazier (Retired)

Special responsibilities      President  
Ex Officio all committees

Mr. L. J. Hogno

Experience                      13 years service with Club  
2 years Director  
3 years First Vice President  
8 years 2nd Vice President  
Retired

Special responsibilities      1st Vice President  
Membership/Building Committees, Risk Committee  
Liaison Director C.ex Catts Men's & Womens Bowls, Golf  
Remuneration Committee. Representative on the Club Grants  
Committee (Local Council)

## Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

### Directors' Report

30 June 2016

#### Information on directors continued

Mr. R. E. Humphrys

Experience 26 years service with Club  
4 years Director  
5 years 2nd Vice President  
17 years 1st Vice President  
Retired

Special responsibilities Second Vice President  
Club Grants Committee  
Poker Machine Committee  
Building Committee  
Convenor Constitution Committee  
Urunga House Committee  
Liaison Director Camera Club & Sports Touring & Classic Car Club  
Risk Committee

Mr. D.R. Christensen

Experience 9 years service with Club  
9 years Director  
Retired

Special responsibilities Director  
Convenor Membership Committee,  
Club Grants Committee  
Liaison Director C.ex Indoor Bowls Club

Mr. H Katala

Experience 3 years service with Club  
3 years as Director  
Retired

Special responsibilities Director  
Membership Committee, Club Grants Committee  
C.ex Woolgoolga Building Committee  
Risk Committee  
Liaison Director C.ex Woolgoolga Intra Clubs

Mr. E. Hodikin

Experience 4 years of service with Club  
4 years as Director  
Retired

Special responsibilities Director  
Poker Machine Committee  
C.ex Woolgoolga Building Committee  
Liaison Director C.ex Coffs Men's & Ladies Bowls

Mrs B L Piggott

Experience 5 years service with Club  
3 years as Director  
2 years second Vice President  
Retired

Special responsibilities Director  
Poker Machine Committee, C.ex Building Committee  
Urunga Building Committee, Chairperson Urunga House Committee  
Remuneration Committee.Audit Committee  
Liaison Director C.ex Urunga Intra Clubs

**Coffs Ex-Services Memorial and Sporting Club Ltd**

**A.B.N 35 000 875 516**

**Directors' Report**

**30 June 2016**

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$2 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is \$62,432 (2015: \$62,152), based on 31,216 (2015: 31,076) current ordinary members.

Meetings of directors

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

Directors' Meetings	
Number eligible to attend	Number attended
Mr. D. H. Doyle	10
Mr. L. J. Hogno	12
Mr. R. E. Humphrys	10
Mr. D.R. Christensen	12
Mr. H Katala	12
Mr. E. Hodikin	9
Mrs B L Piggott	10

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2016 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: .....  
Mr. D. H. Doyle

Dated: 27 September 2016



**Davies Knox  
Maynards**

"Helping you create and  
manage your wealth"

**Coffs Ex-Services Memorial and Sporting Club Ltd**

**A.B.N 35 000 875 516**

**Auditors Independence Declaration under Section 307C of the  
Corporations Act 2001 To the Directors of Coffs Ex-Services Memorial and  
Sporting Club Ltd**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Murray McDonald  
Davies Knox Maynards  
10 Moonee St Coffs Harbour NSW 2450

27 September 2016

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Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 30 June 2016

		2016	2015
	Note	\$	\$
Revenue	3	28,807,066	28,513,774
Other revenue	3	3,274,123	3,065,171
<b>Total revenue</b>		<b>32,081,189</b>	<b>31,578,945</b>
Expenses			
Cost of sales		(3,679,014)	(3,496,537)
Employee benefits expense		(8,250,060)	(8,175,320)
Advertising and promotions		(2,621,689)	(2,604,003)
Depreciation and amortisation expense		(2,836,216)	(2,706,131)
Borrowing cost expense		(88,138)	(377,242)
Consulting and professional fees		(73,025)	(71,523)
Rental charges		(87,747)	(69,505)
Poker machine duty & promotional costs		(4,695,159)	(4,521,717)
Donations		(513,022)	(417,778)
Electricity and water		(646,954)	(796,729)
Security costs		(285,370)	(266,940)
Rates and taxes		(222,656)	(237,224)
Insurance		(384,021)	(314,065)
Repairs and maintenance		(1,215,938)	(1,186,886)
Members promotions and costs		(795,596)	(978,124)
Other expenses		(2,882,186)	(2,616,269)
<b>Surplus before income tax expense</b>		<b>2,804,398</b>	<b>2,742,952</b>
Income tax expense	5		
<b>Surplus after income tax expense for the year attributable to the members</b>		<b>2,804,398</b>	<b>2,742,952</b>
Revaluation changes for property, plant and equipment			935,990
<b>Other comprehensive income for the year, net of tax</b>			<b>935,990</b>
<b>Total comprehensive income for the year</b>		<b>2,804,398</b>	<b>3,678,942</b>

The accompanying notes form part of these financial statements.



**Coffs Ex-Services Memorial and Sporting Club Ltd**

**A.B.N 35 000 875 516**

**Statement of Financial Position**

**30 June 2016**

	<b>Note</b>	<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	<b>752,620</b>	920,912
Trade and other receivables	7	<b>624,742</b>	140,823
Inventories	8	<b>301,578</b>	222,345
Other assets	9	<b>79,708</b>	4,800
<b>TOTAL CURRENT ASSETS</b>		<b>1,758,648</b>	1,288,880
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	<b>56,151,595</b>	55,895,937
Intangible assets, net	11	<b>80,020</b>	87,016
<b>TOTAL NON-CURRENT ASSETS</b>		<b>56,123,161</b>	55,982,953
<b>TOTAL ASSETS</b>		<b>57,990,263</b>	57,271,833
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	<b>1,404,768</b>	1,276,649
Borrowings	13		1,378,827
Short-term provisions	15	<b>111,933</b>	111,933
Employee benefits	14	<b>983,027</b>	906,656
Other liabilities	16	<b>296,748</b>	306,928
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,179,614</b>	3,980,993
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13		911,429
Employee benefits	14	<b>185,371</b>	175,393
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>185,137</b>	1,086,822
<b>TOTAL LIABILITIES</b>		<b>2,198,147</b>	5,067,815
<b>NET ASSETS</b>		<b>55,008,416</b>	52,204,018
<b>EQUITY</b>			
Reserves		<b>21,265,374</b>	21,265,374
Retained earnings		<b>33,743,042</b>	30,938,644
<b>TOTAL EQUITY</b>		<b>55,008,416</b>	52,204,018

The accompanying notes form part of these financial statements.

Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

## Statement of Changes in Equity

For the Year Ended 30 June 2016

2016

	Retained Earnings	Asset Revaluation Reserve (a)	Total
Note	\$	\$	\$
Balance at 1 July 2015	30,938,644	21,265,374	52,204,018
Profit attributable to members of the entity	2,804,398		2,804,398
Balance at 30 June 2016	33,743,042	21,265,374	55,008,416

2015

	Retained Earnings	Asset Revaluation Reserve (a)	Total
Note	\$	\$	\$
Balance at 1 July 2014	28,195,692	20,329,384	48,525,076
Profit attributable to members of the entity	2,742,952		2,742,952
Total other comprehensive income for the period		935,990	935,990
Balance at 30 June 2015	30,938,644	21,265,374	52,204,018

### a. Asset Revaluation Reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

**Statement of Cash Flows**

For the Year Ended 30 June 2016

	2016	2015
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	35,084,313	34,745,130
Payments to suppliers and employees	<b>(29,440,276)</b>	(29,235,577)
Interest received	8,915	15,328
Interest paid	<b>(36,110)</b>	(322,629)
Net cash provided by (used in) operating activities	<u>5,616,842</u>	<u>5,202,252</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	<b>(3,494,878)</b>	(3,048,782)
Net cash used by investing activities	<b>(3,494,878)</b>	(3,048,782)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of borrowings	<b>(2,290,256)</b>	(2,172,825)
Net cash used by financing activities	<b>(2,290,256)</b>	(2,172,825)
Net increase (decrease) in cash and cash equivalents held	<b>(168,292)</b>	(19,355)
Cash and cash equivalents at beginning of year	<u>920,912</u>	940,267
Cash and cash equivalents at end of financial year	6 <u>752,620</u>	<u>920,912</u>

The accompanying notes form part of these financial statements.

## Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

### Notes to the Financial Statements

For the Year Ended 30 June 2016

#### 1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **New, revised or amending Accounting Standards and Interpretations adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods. The company's assessment is that these new standards and interpretations will have no material impact on the company's financial statements.

##### **(a) Basis of Preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), and the *Corporations Act 2001* and associated regulations, as appropriate for not for profit oriented entities.

##### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

##### **(b) Income Tax**

##### **Current income tax expense**

The tax expense recognised in the statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

##### **Deferred tax assets and liabilities**

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

## Coffs Ex-Services Memorial and Sporting Club Ltd

A. B.N 35 000 875 516

### Notes to the Financial Statements

For the Year Ended 30 June 2016

#### Summary of Significant Accounting Policies continued

##### (b) Income Tax continued

###### Deferred tax assets and liabilities continued

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

###### Non-member income

Non-member net income of the association is only assessable for tax, as member income is excluded under the principle of mutuality.

##### (c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

**Coffs Ex-Services Memorial and Sporting Club Ltd**

**A.B.N 35 000 875 516**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2016**

**1 Summary of Significant Accounting Policies continued**

**(c) Leases continued**

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**(d) Revenue and other income**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, duties and amount of Goods and Services Tax GST. Revenue is recognised for the major business activities as follows:

**Food, beverage and other goods sales**

Food, beverage and other goods sale revenue is recognised when the goods are delivered.

**Interest revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to financial assets.

**Commission revenue**

Commission revenue is recognised when control of the right to receive consideration for the provision of the services has been attained.

**Poker machine takings**

Poker machine revenue is recognised when net takings from poker machines are recorded.

**Rendering of services**

Revenue from rendering of services comprises revenue from gaming machine facilities together with other services to members and other patrons of the company and is recognised when services are provided.

**(e) Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### Summary of Significant Accounting Policies continued

(f) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

#### Land and buildings

Land and buildings are measured using the revaluation model.

Freehold land and buildings 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.

#### Plant and equipment

Plant and equipment are measured using the revaluation model.

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.

#### Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	40 years
Plant and Equipment	5 - 30 years
Improvements	40 years
Other Property, Plant and Equipment	4 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### Summary of Significant Accounting Policies continued

#### (g) Current and non-current classification continued

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

#### (h) 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.

#### (i) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

#### (j) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (k) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.



## Notes to the Financial Statements

For the Year Ended 30 June 2016

### Summary of Significant Accounting Policies continued

#### {k) Provisions continued

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### {l) Employee benefits

##### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

##### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

## 2 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

### Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

### Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have not been taken into account.

Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

Notes to the Financial Statements

For the Year Ended 30 June 2016

3 Revenue and Other Income

	2016	2015
	\$	\$
<b>Revenue</b>		
- Food and beverage sales	9,502,406	9,180,130
- Poker machine revenue	19,304,660	19,333,644
	<u>28,180,710</u>	<u>28,513,774</u>
<b>Other Income</b>		
Interest received	8,915	15,328
Members subscriptions	175,645	197,386
Raffles income	507,680	505,807
Show receipts	810,277	805,020
Other income	1,176,789	1,081,687
Capital profit on sale	96,560	
Keno & TAB commissions	498,257	459,943
	<u>3,274,123</u>	<u>3,065,171</u>

4 Result for the Year

Expenses

Surplus before income tax includes the following specific items:

Gain/(Loss) on disposal of plant and equipment

96,560

5 Income Tax Expense

Reconciliation of income tax to accounting profit:

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2015: 30%)

841,319 822,886

Less:

Tax effect of:

- non-taxable member income arising from principle of mutuality

789,544 641,518

- recoupment of prior year tax losses not previously brought to account

51,775 181,368

Income tax expense

Carry forward tax losses

Prior year tax losses available to offset against future profit

2,364,503 2,537,087

Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

## Notes to the Financial Statements

For the Year Ended 30 June 2016

6	Cash and cash equivalents	2016	2015
		\$	\$
	Cash on hand	495,441	372,622
	Cash at bank	257,179	548,290
		<u>752,620</u>	<u>920,912</u>
7	Trade and other receivables		
	CURRENT		
	Trade receivables	542,742	64,858
	Other receivables	82,000	75,965
	Total current trade and other receivables	624,742	-
8	Inventories		
	CURRENT		
	At cost:		
	Inventories	301,578	222,345
9	Current assets - other		
	CURRENT		
	Prepayments	79,708	4,800

Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

Notes to the Financial Statements

For the Year Ended 30 June 2016

10 Property, plant and equipment

	2016	2015
	\$	\$
Freehold land, at fair value	12,118,000	12,528,000
Buildings & improvements, at cost or fair value	42,825,696	37,273,000
Accumulated depreciation	(5,762,109)	
Total buildings & improvements	37,063,587	37,273,000
Total land, buildings & improvements	49,181,587	49,801,000
Plant and equipment		
At cost	32,092,901	29,556,895
Accumulated depreciation	(25,122,893)	(23,461,958)
Total plant and equipment	6,970,008	6,094,937
Total property, plant and equipment	56,151,595	55,895,937

The Company's land and buildings were revalued at 30 June 2015 by independent valuers. The revaluation surplus net of applicable deferred income taxes was credited to an asset revaluation reserve in members equity.

(a) 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	Plant and Equipment	Buildings & improvements	Total
	\$	\$	\$	\$
Year ended 30 June 2016				
Balance at the beginning of year	12,528,000	6,094,937	37,273,000	55,895,937
Additions		2,536,386	958,492	3,494,878
Disposals - written down value	(410,000)			(410,000)
Depreciation expense		(1,661,315)	(1,167,905)	(2,829,220)
Balance at the end of the year	12,118,000	6,970,008	37,063,587	56,151,595

11 Non-current assets - intangibles

Intangible assets, net	80,020	87,016
------------------------	--------	--------

Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

**Notes to the Financial Statements**

For the Year Ended 30 June 2016

**12 Trade and other payables**

	2016	2015
	\$	\$
CURRENT		
Trade payables	956,771	617,623
Sundry payables and accruals	447,997	659,026
	<b>1,404,768</b>	<b>1,276,649</b>

**13 Borrowings**

CURRENT		
Bank loans		1,371,428
Other financial liabilities		7,399
		<u>1,378,827</u>
NON-CURRENT		
Bank loans		911,429
		<u>911,429</u>

*Assets pledged as security.* The bank overdraft and loans are secured by first mortgages over the consolidated entity's land and buildings.

- (a) Financing arrangements  
Unused borrowing facilities at the reporting date:

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.

Business term lending		2,282,857
Total facility		<u>(3,142,857)</u>
<b>Unused at balance date</b>		<u>(860,000)</u>
<b>Asset finance leasing NAB</b>		
Total facility	<b>(500,000)</b>	(500,000)
<b>Unused at balance date</b>	<b>(500,000)</b>	<u>(500,000)</u>
<b>Business lending overdrafts</b>		
Total facility	<b>(200,000)</b>	(200,000)
<b>Unused at balance date</b>	<b>(200,000)</b>	<u>(200,000)</u>

## Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

### Notes to the Financial Statements

For the Year Ended 30 June 2016

#### 14 Employee Benefits

	2016	2015
	\$	\$
Current liabilities		
Employee benefits	<b>983,027</b>	906,656
Non-current liabilities		
Employee benefits	<b>185,371</b>	175,393

#### 15 Provisions

##### CURRENT

Provision for Poker Machine link payouts

69,361      69,361

Provision for mortality

42,572      42,572

**111,933**      111,933

#### 16 Income in Advance

Members subscriptions in advance

**296,748**      306,928

#### 17 Leasing Commitments

##### (a) Operating leases

Minimum lease payments under non-cancellable operating leases:

- not later than one year

21,664      51,993

- between one year and five years

21,664

**21,664**      73,657

Operating Leases relate to property located at 1st floor, City Boulevard, 15-21 Harbour Drive Coffs Harbour, the commitment expires on 31 October 2016.

#### 18 Key Management Personnel Disclosures

##### Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

Aggregate compensation      **721,301**      723,099

**Coffs Ex-Services Memorial and Sporting Club Ltd**

**A.B.N 35 000 875 516**

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2016**

### **19 Reserves**

#### **Asset revaluation reserve**

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

### **20 Contingencies**

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2016 (30 June 2015:None).

### **21 Events Occurring After the Reporting Date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

**Coffs Ex-Services Memorial and Sporting Club Ltd**

**A.B.N 35 000 875 516**

**Directors' Declaration**

In the directors' opinion:

1. The accompanying financial statements and notes, are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the *Corporations Act 2001* and other mandatory professional reporting requirements; and
  - (b) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
2. 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 declaration is made in accordance with a resolution of the directors



Director: .....

**Mr. D. H Doyle**

Dated: 27 September 2016





**Davies Knox  
Maynards**

"Helping you create and  
manage your wealth"

## Coffs Ex-Services Memorial and Sporting Club Ltd

**A.B.N 35 000 875 516**

# Independent Audit Report to the members of Coffs Ex-Services Memorial and Sporting Club Ltd

### Report on the Financial Report

We have audited the accompanying financial report of Coffs Ex-Services Memorial and Sporting Club Ltd, which comprises the statement of financial position as at 30 June 2016, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### *Directors' Responsibility 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.

#### *Auditor's 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 auditor's 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 Company's preparation of the financial report that gives a true and fair view 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 Company'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*.

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under Professional Standards Legislation"

Davies Knox Maynards Pty Ltd ABN 40 116 137 798

Accounting  
Business Advisory

Taxation  
Insurance

Audit & Assurance  
Risk Management

Superannuation  
Valuations

Financial Planning & Investment Advice  
Finance



**Coffs Ex-Services Memorial and Sporting Club Ltd**

**A.B.N 35 000 875 516**

**Independent Audit Report to the members of Coffs Ex-Services Memorial and Sporting Club Ltd**

*Opinion*

In our opinion the financial report of Coffs Ex-Services Memorial and Sporting Club Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

.....

Murray McDonald  
Davies Knox Maynards  
10 Moonee Street Coffs Harbour NSW 2450

27 September 2016

