

**COOTAMUNDRA EX-SERVICEMEN'S & CITIZENS'
MEMORIAL CLUB LIMITED**

A.C.N 001 055 778

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

COOTAMUNDRA EX-SERVICEMEN'S & CITIZENS' MEMORIAL CLUB LIMITED

A.C.N 001 055 778

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COOTAMUNDRA EX-SERVICEMEN'S & CITIZENS' MEMORIAL CLUB LIMITED
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CLUB PROPERTY DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2019

Pursuant to Section 41J(2) of the *Registered Clubs Act 1976* the Directors declare that, for the financial year ended 31 December 2019, the classification of freehold land is as follows:

Property Address	Current Usage	Classification
299 Parker Street, COOTAMUNDRA NSW 2590	Clubhouse, Carpark, Facilities	Core

Notes to Members

Section 41J(2) of the *Registered Clubs Act 1976* requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.

Core property is 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 the use of its members and their guests; or
- c) any other property declared by a resolution passed by a majority of the members present at a general meeting of Ordinary members of the Club to be core property of the Club.

Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.

The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:

- a) the property has been valued by a registered valuer within the meaning of the *Valuers Act 2003*; and
- b) the disposal has been approved at a general meeting of the ordinary members of the Club at which the majority of the voters cast support the approval; and
- c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.

These disposal provisions and what constitutes a disposal for the purposes of section 41J are to some extent modified by regulations made under the *Registered Clubs Act 1976* and Section 41J itself. For example, the years on terms that have been the subject of a valuation by a registered valuer.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their report on Cootamundra Ex-Servicemen's & Citizens' Memorial Club Limited for the financial year ended 31 December 2019.

Directors information

The names of the Directors in office at any time during or since the end of the year are:

- Mr Michael Willis
- Ms Lynne Cudmore
- Mr Patrick Sullivan
- Mr Kenneth Stapleton
- Mr David Clark
- Ms Samantha Jennings
- Ms Elaine Armstrong
- Mr Gerrard O'Brien
- Mr Geoffrey Manwaring
- Mr Greg Field

Meeting attendance

During the financial year, 12 meetings of Directors and Finance Committee meetings were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr Michael Willis	12	12
Ms Lynne Cudmore	12	10
Mr Patrick Sullivan	12	12
Mr Kenneth Stapleton	12	12
Mr David Clark	12	12
Ms Samantha Jennings	12	10
Ms Elaine Armstrong	12	12
Mr Gerrard O'Brien	3	3
Mr Geoffrey Manwaring	12	12
Mr Greg Field	9	7

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Directors information (continued)

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

Mr Michael Willis	President
Experience	Has been a Director since 1986
Special Responsibilities	Member of the Finance Committee
Ms Lynne Cudmore	Vice President
Experience	Has been a Director since 2009
Special Responsibilities	Member of the Finance Committee
Mr Patrick Sullivan	Treasurer
Experience	Has been a Director since 2000, Abattoir Management and WH&S Management
Special Responsibilities	Member of the Finance Committee
Mr Kenneth Stapleton	Director
Experience	Has been a Director since 1995
Mr David Clark	Director
Experience	Has been a Director since 2002
Ms Samantha Jennings	Director
Qualifications	Director Foundation and Management Collaboration Certificate of Completion from Clubs NSW
Experience	Has been a Director since 2013
Ms Elaine Armstrong	Director
Qualifications	Director Foundation and Management Collaboration Certificate of Completion from Clubs NSW
Experience	Has been a Director since April 2017
Mr Gerrard O'Brien	Director - Resigned April 2019
Qualifications	Director Foundation and Management Collaboration Certificate of Completion from Clubs NSW
Experience	Has been a Director since April 2017
Special Responsibilities	Welfare Officer for the RSL Sub Branch
Mr Geoffrey Manwaring	Director
Qualifications	Studying Directors courses with Clubs NSW
Experience	Has been a Director since April 2018
Mr Greg Field	Director - Appointed April 2019

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Principal activities

The principal activities of Cootamundra Ex-Servicemen's & Citizens' Memorial Club Limited during the financial year were to:

- Promote and conduct such sports, games, amusements and entertainment, pastimes and recreations, indoor and outdoor, as the Club may deem appropriate;
- Construct, establish, provide, maintain and conduct playing areas and grounds as the Club may determine and to construct, provide, establish, furnish and maintain clubhouses, pavilions and other buildings containing such amenities conveniences and accommodation, either residential or otherwise, as the Club may from time to time determine; and
- Raise money by entrance fees subscriptions and other payments payable by members and to grant any rights and privileges to subscribers.

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

Short term objectives

The Company's short term objectives are to:

- Provide modern facilities;
- Support local organisations; and
- Be an integral part of the community.

Long term objectives

The Company's long term objectives are to:

- Establish and maintain a strong relationship with the local community;
- Be sustainable and strive for continuous improvements so far as to offer the best possible outcomes for the Club's members and guests whilst continuing to operate on a not-for-profit basis; and
- Ensure all surpluses are preserved for the benefit of the Club's members.

Strategy for achieving the objectives

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

- To attract and retain quality staff;
- Seek to provide a wide range of entertainment and events for the local community;
- Establish and foster working partnerships with a range of community stakeholders;
- Continue to upgrade facilities; and
- Maintain compliance with relevant legislation.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Members guarantee

The Club is an incorporated Company under the *Corporations Act 2001* and is a Company limited by guarantee. If the Club 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 Club.

Payments and other benefits

Subject to the provisions of the *Registered Clubs Act*, a member of the Club, whether a member of the Board or of any Committee of the Club, shall not be entitled under the Rules of the Club or otherwise, to derive, directly or indirectly, any profit, benefit or advantage from the Club that is not offered equally to every member of the Club.

Provided that nothing contained within the Rules of the Club shall be construed as to prevent the allowance of an honorarium as determined by the Board to any member in respect of special honorary services rendered to the Club and payment of such honorarium shall be approved by the members of the Club at a general meeting prior to the payment being made.

No payments or benefits of a pecuniary value were received by any officers of the Club during the financial year.

Operating results

The profit of the Company after providing for income tax amounted to \$370,560 (2018: \$247,986).

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events 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.

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia other than the *Smoke-Free Environment Act 2000*, *Smoke-Free Environment Amendment Regulation 2009*, and the *Smoke-Free Environment Regulation 2007* which bans and regulates smoking in enclosed public places as well as specified public places.

Indemnification

The Club has paid premiums to insure each of its Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Club, other than the conduct involving a willful breach of duty in relations to the Club.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Auditor's independence declaration


The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2019 has been received and can be found on page 7 of the financial report.

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



Director:

Mr Michael Willis



Director:

Mr Patrick Sullivan

Dated 26 February 2020

COOTAMUNDRA EX-SERVICEMEN'S & CITIZENS' MEMORIAL CLUB LIMITED
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AUDITOR'S INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2019

We declare that, to the best of our knowledge and belief, during the year ended 31 December 2019, 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.

National Audits Group Pty Ltd
Authorised Audit Company



Steven J Watson
Managing Director

Wagga Wagga

Dated: 26 February 2020

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Revenue	4	3,143,844	2,942,341
Board allowances and honorariums		(16,337)	(15,616)
Cleaning		(100,927)	(97,946)
Depreciation and amortisation		(406,981)	(387,011)
Donations and sponsorship		(43,843)	(30,168)
Electricity and gas		(89,012)	(82,931)
Entertainment and promotions		(268,305)	(252,372)
Insurance		(58,325)	(41,387)
Member points and cash		(89,197)	(102,175)
Other expenses		(260,671)	(244,305)
Purchases		(459,771)	(461,661)
Repairs and maintenance		(166,363)	(204,679)
Employee benefits expense		(813,552)	(774,104)
Profit before income tax		370,560	247,986
Income tax expense	2(b)	-	-
Profit for the year		370,560	247,986
Other comprehensive income		-	-
Total comprehensive income for the year		370,560	247,986

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,932,097	1,477,702
Trade and other receivables		1,458	4,056
Inventories		67,061	69,289
Prepayments		49,617	41,158
TOTAL CURRENT ASSETS		2,050,233	1,592,205
NON-CURRENT ASSETS			
Intangible assets	6	169,201	169,201
Property, plant and equipment	7	4,153,134	4,252,470
TOTAL NON-CURRENT ASSETS		4,322,335	4,421,671
TOTAL ASSETS		6,372,568	6,013,876
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	173,504	201,085
Employee benefits	9	188,737	163,904
TOTAL CURRENT LIABILITIES		362,241	364,989
NON-CURRENT LIABILITIES			
Employee benefits	9	2,609	11,729
TOTAL NON-CURRENT LIABILITIES		2,609	11,729
TOTAL LIABILITIES		364,850	376,718
NET ASSETS		6,007,718	5,637,158
EQUITY			
Retained earnings		6,007,718	5,637,158
TOTAL EQUITY		6,007,718	5,637,158

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018
		\$	\$
Retained earnings at the beginning of the year		5,637,158	5,389,172
Profit for the year		370,560	247,986
Retained earnings at the end of the year		<u>6,007,718</u>	<u>5,637,158</u>

The accompanying notes form part of these financial statements.

COOTAMUNDRA EX-SERVICEMEN'S & CITIZENS' MEMORIAL CLUB LIMITED
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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		3,118,399	2,936,333
Payments to suppliers and employees		(2,384,402)	(2,355,650)
Interest received		28,043	23,135
Net cash provided by operating activities		762,040	603,818
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(307,645)	(318,490)
Net cash used in investing activities		(307,645)	(318,490)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		-	(4,550)
Net cash used in financing activities		-	(4,550)
Net increase in cash and cash equivalents held		454,395	280,778
Cash and cash equivalents at beginning of year		1,477,702	1,196,924
Cash and cash equivalents at end of financial year	5	1,932,097	1,477,702

The accompanying notes form part of these financial statements.

COOTAMUNDRA EX-SERVICEMEN'S & CITIZENS' MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

The financial report covers Cootamundra Ex-Servicemen's & Citizens' Memorial Club Limited (the Company) as an individual entity. Cootamundra Ex-Servicemen's & Citizens' Memorial Club Limited is a not-for-profit Company limited by Guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Cootamundra Ex-Servicemen's & Citizens' Memorial Club Limited is Australian dollars (\$AUD) and all amounts have been rounded to the nearest dollar.

The financial report was authorised for issue by the Directors on 26 February 2020.

1 BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, *Corporations Act 2001* and *Corporations Regulations 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Adoption of new and revised accounting standards

The Company has adopted the following standards which became effective for the first time as of 1 January 2019:

- AASB 15 *Revenue from Contracts with Customers*;
- AASB 1058 *Income for Not-for-Profit Entities*; and
- AASB 16 *Leases*.

The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

(b) Income Tax

The mutuality principle has been applied to the calculation of the Company's income tax. The Company has estimated that the assessable portion of mutual income represented by results of trading attributable to non-members of the Company is 23.14% (2018: 23.10%).

Cootamundra Ex-Servicemen's & Citizens' Memorial Club Limited does not recognise deferred tax assets as the Company has incurred historical tax losses and therefore, the carried forward tax losses are unlikely to be recovered.

(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 the period.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Leases (continued)

The Board has determined that the Company's operating leases are short-term and for low valued assets. Therefore, the Company has elected to apply the exceptions to lease accounting and recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(d) Revenue and other income

For comparative year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

For current year

The Company recognises revenue on a basis that reflects the transfer of promised goods or services to patrons at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model for each applicable revenue stream as follows:

1. Identify the contract with the customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognise revenue as and when control of the performance obligations is transferred.

The Company's accounting policies for recognising revenue is outlined in further detail below.

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

Gaming machine takings

For comparative year

Gaming machine takings is recognised as revenue when received and shown in the statement of profit or loss and other comprehensive income, net of payouts and gaming tax.

For current year

Gaming machine takings is recognised as revenue on receipt of the funds as there are no enforceable performance obligations contained within a contract between the Company and the patron. Revenue from gaming machine takings is shown in the statement of profit or loss and other comprehensive income net of payouts and gaming tax.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue and other income (continued)

Sales revenue

For comparative year

Revenue derived through sales is recognised on transfer of goods to the patron as this is deemed to be the point in time when all the risks and rewards associated with the goods are transferred and there is no longer any ownership or effective control over the inventory.

For current year

Revenue derived through sales is recognised on transfer of goods to the patron as this is deemed to be the point in time when all the risks and rewards associated with the goods are transferred, there is no longer any ownership or effective control over the inventory and the Company's performance obligations have been met.

Fundraising activities

For comparative year

Revenue from fundraising activities is recognised as revenue on receipt of the funds.

For current year

Receipts from fundraising activities are recognised as revenue when the fundraising activity has been held and prizes have been distributed.

Commissions

For comparative year

Revenue from commissions is recognised as revenue on receipt of the funds.

For current year

Commissions are recognised as revenue on receipt of the funds as there are no enforceable performance obligations contained within a contract between the Company and the patron. The Commission income is earned on a percentage of the sales generated by the Company using third-party property.

Rental income

For comparative year

Rental income from kitchen caterers is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the contractual agreement.

For current year

Rental income from kitchen caterers is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of fulfilling the performance obligations contained within the contractual agreement.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue and other income (continued)

Membership subscriptions

For comparative year

Membership subscriptions represent the amounts received from the Company's members in accordance with the Rules of the Company, and are recognised in the year to which they were received.

For current year

Membership subscriptions represent the amounts received from the Company's members in accordance with the Rules of the Company. Membership subscriptions received in advance incur an obligation for the Company to honour the terms and conditions of the membership for the term of the membership.

This represents a constructive obligation to provide all benefits associated with the membership to the members. Therefore, membership subscriptions received in advance are recognised on the statement of financial position as a contract liability and subsequently recognised as revenue in the year to which they relate, on a straight-line basis.

Interest revenue

For comparative year

Interest is recognised using the effective interest method.

For current year

Interest is recognised using the effective interest method.

Other income

For comparative year

Other income is recognised on an accruals basis when the Company is entitled to it.

For current year

Other income is recognised as revenue when the Company has fulfilled its performance obligations.

(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 payables 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 an exclusive 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.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Inventories

Inventories for bar stock are measured at the lower of cost and net realisable value. Cost of inventory is determined using the individual item basis which is inclusive of freight and delivery charges and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written off in the statement of profit or loss and other comprehensive income when deemed to be damaged or obsolete.

(g) Property, plant and equipment

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

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	5% - 50%

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.

(h) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is evidence of an impairment indicator for non-financial assets. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(i) Intangible Assets

Gaming Machine Licences:

Under the *Gaming Machines Act 2001*, a tradeable asset titled gaming machine entitlement was created. Gaming machine entitlements are able to be sold to other registered clubs within the state of New South Wales (NSW) provided certain statutory requirements are met. The Act came into effect on 2 April 2001.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Intangible Assets (continued)

Seventeen (17) gaming machine licences out of forty-two (42) gaming machine licences are recognised as assets of the Company at year end. Each gaming machine licence recognised, has been recorded at either cost or deemed cost and has an indefinite useful life.

At the end of each reporting period the Company determines whether there is evidence of impairment indicators by comparing the cost reported for each individual poker machine licence with the market values provided by PKF Consulting Pty Ltd. In the event the cost reported exceeds the market value provided by PKF Consulting Pty Ltd it is immediately reduced to the recoverable amount by recognising an impairment through the statement of profit or loss and other comprehensive income.

(j) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, cash at bank and short-term deposits which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(k) Employee benefits

A liability is made for the Company's employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

(l) 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.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Director's 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.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers.

During August 2018, the Company obtained an independent valuation on its property, plant and equipment for insurance purposes. The valuation provided falls part of a three year tender performed by Andrew Nock Valuers which ended during the year.

The Director's used the estimated recoverable amounts provided by the independent valuer and compared them to the carrying amounts reported at year end. The estimated recoverable amounts exceeded the carrying amounts reported and no adjustment for impairment was required to be made at year end.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - inventory

Each item of inventory is reviewed on an annual basis to determine whether it is being carried at higher than its net realisable value. During the year, management have written down inventory based on best estimate of the net realisable value, although until the time that inventory is sold this is an estimate.

4 REVENUE AND OTHER INCOME

	2019	2018
	\$	\$
Gaming machine takings	1,690,012	1,527,486
Sales revenue	1,022,067	1,011,585
Fundraising activities	156,942	154,467
Commissions	102,465	99,945
Rental income	15,621	13,157
Membership subscriptions	15,428	17,581
Interest income	28,043	23,135
Other income	113,266	94,985
	3,143,844	2,942,341

COOTAMUNDRA EX-SERVICEMEN'S & CITIZENS' MEMORIAL CLUB LIMITED
A.C.N 001 055 778

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
5 CASH AND CASH EQUIVALENTS		
CURRENT		
Cash on hand	127,720	124,780
Cash at bank	833,424	649,586
Short-term deposits	970,953	703,336
	1,932,097	1,477,702
	1,932,097	1,477,702
6 INTANGIBLE ASSETS		
NON-CURRENT		
Gaming machine licences	169,201	169,201
	169,201	169,201
	169,201	169,201
7 PROPERTY, PLANT AND EQUIPMENT		
NON-CURRENT		
Freehold land		
At cost	247,792	247,792
	247,792	247,792
Buildings		
At cost	5,693,841	5,547,319
Accumulated depreciation	(2,502,090)	(2,334,448)
	3,191,751	3,212,871
Plant and equipment		
At cost	3,749,377	3,711,377
Accumulated depreciation	(3,035,786)	(2,919,570)
	713,591	791,807
	4,153,134	4,252,470

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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:

	Freehold Land \$	Buildings \$	Plant and Equipment \$	Total \$
Year ended 31 December 2019				
Balance at the beginning of year	247,792	3,212,871	791,807	4,252,470
Additions	-	146,522	161,124	307,646
Depreciation expense	-	(167,642)	(239,340)	(406,982)
Balance at the end of the year	247,792	3,191,751	713,591	4,153,134

8 TRADE AND OTHER PAYABLES

CURRENT

	2019 \$	2018 \$
Trade payables	136,948	159,151
Accrued expenses	18,800	26,956
Other payables	17,756	14,978
	173,504	201,085

9 EMPLOYEE BENEFITS

CURRENT

Annual leave	60,427	49,271
Long service leave	128,310	114,633
	188,737	163,904

NON-CURRENT

Long service leave	2,609	11,729
	2,609	11,729

COOTAMUNDRA EX-SERVICEMEN'S & CITIZENS' MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

10 CONTINGENCIES

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2019 (31 December 2018: None).

11 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.

12 KEY MANAGEMENT PERSONNEL REMUNERATION

The total remuneration paid to key management personnel of the Company was in the range of \$0 - \$150,000 (2018: \$0 - \$150,000). Total remuneration consists of wages and salaries paid to key management as well as honorariums and allowances paid to the Directors during the year.

For details of other transactions with key management personnel, refer to Note 13: Related Party Transactions.

13 RELATED PARTY TRANSACTIONS

Entities the Club exercises control over

The Cootamundra Ex-Servicemen's & Citizens' Memorial Club Limited was deemed to have the power and authority to exercise control over its subsidiary Clubs. The subsidiary Clubs operating during the year were as follows:

- Cootamundra Ex-Servicemen's & Citizens' Memorial Club Limited: Women's Bowling Club;
- Cootamundra Ex-Servicemen's & Citizens' Memorial Club Limited: Men's Bowling Club; and
- Cootamundra Ex-Servicemen's & Citizens' Memorial Club Limited: Indoor Bowling Club.

The Directors have assessed the financial position of each subsidiary as at 31 December 2019 and their financial performance for the year ended on that date to determine whether the exclusion of the subsidiaries would materially misstate the Company's financial report.

In the Directors opinion, only the Women's Bowling Club and the Men's Bowling Club were deemed to be material to the Company's overall operations and therefore have been included in the financial report.

In the Directors opinion, Indoor Bowling Club was deemed to be immaterial to the Company's overall operations and therefore has been excluded from the financial report.

COOTAMUNDRA EX-SERVICEMEN'S & CITIZENS' MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

13 RELATED PARTY TRANSACTIONS (CONTINUED)

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) of that entity are considered key management personnel. Key management personnel of the Company during the year were as follows:

- Mr Michael Willis (President)
- Ms Lynne Cudmore (Vice President)
- Mr Patrick Sullivan (Treasurer)
- Mr Kenneth Stapleton (Director)
- Mr David Clark (Director)
- Ms Samantha Jennings (Director)
- Ms Elaine Armstrong (Director)
- Mr Gerrard O'Brien (Director)
- Mr Geoffrey Manwaring (Director)
- Mr Greg Field (Director)
- Mr Gregory Bruce (Secretary Manager)

For details of remuneration disclosures relating to key management personnel, refer to Note 12: Key Management Personnel Remuneration.

Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Transactions with related parties

In the opinion of the Directors, the Company did not have any related party transactions during the year ended 31 December 2019.

14 COMPANY DETAILS

The registered office and principal place of business of the Company is:

Cootamundra Ex-Servicemen's & Citizens' Memorial Club Limited
299 Parker Street
COOTAMUNDRA NSW 2590

COOTAMUNDRA EX-SERVICEMEN'S & CITIZENS' MEMORIAL CLUB LIMITED
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DIRECTORS' DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 to 22, are in accordance with the *Corporations Act 2001*, *Corporations Regulations 2001* and the accounting policies outlined in Note 2 of the financial statements, and:
 - a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b) give a true and fair view of the financial position as at 31 December 2019 and of the performance of the Company for the year then ended.
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 declaration is made in accordance with a resolution of the Board of Directors.



Director
Mr Michael Willis



Director
Mr Patrick Sullivan

Dated 26 February 2020

COOTAMUNDRA EX-SERVICEMEN'S & CITIZENS' MEMORIAL CLUB LIMITED
A.C.N 001 055 778

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cootamundra Ex-Servicemen's & Citizens' Memorial Club Limited (the Company), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

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

Basis for Opinion

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

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

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

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

The Directors are responsible for the other information. The other information comprises the information included within the Company's annual report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial report or our knowledge obtained in the audit or otherwise other information, we are required to report the fact. We have nothing to report in this regard.

COOTAMUNDRA EX-SERVICEMEN'S & CITIZENS' MEMORIAL CLUB LIMITED
A.C.N 001 055 778

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Responsibilities of Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Responsibilities of Directors for the Financial Report (Continued)

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit 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 audit 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.
- 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 audit 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 auditor'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 audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

COOTAMUNDRA EX-SERVICEMEN'S & CITIZENS' MEMORIAL CLUB LIMITED
A.C.N 001 055 778

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

- 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.

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

National Audits Group Pty Ltd
Authorised Audit Company



Steven J Watson
Managing Director

Dated: 26 February 2020

Wagga Wagga

COOTAMUNDRA EX-SERVICEMEN'S & CITIZENS' MEMORIAL CLUB LIMITED
A.C.N 001 055 778

DISCLAIMER

FOR THE YEAR ENDED 31 DECEMBER 2019

The additional financial data presented on page 28 is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 31 December 2019.

It should be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided.

Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Cootamundra Ex-Servicemen's & Citizens' Memorial Club Limited) in respect of such data, including any errors of omissions therein however caused.

National Audits Group Pty Ltd
Authorised Audit Company



Steven J Watson
Managing Director

Dated: 26 February 2020

Wagga Wagga

COOTAMUNDRA EX-SERVICEMEN'S & CITIZENS' MEMORIAL CLUB LIMITED
A.C.N 001 055 778

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Income		
Gaming machine takings	1,690,012	1,527,486
Sales revenue	1,022,067	1,011,585
Fundraising activities	156,942	154,467
Commissions	102,465	99,945
Rental income	15,621	13,157
Membership subscriptions	15,428	17,581
Interest income	28,043	23,135
Other income	113,266	94,985
	<u>3,143,844</u>	<u>2,942,341</u>
Expenses		
Advertising	19,186	21,655
Board allowances and honorariums	16,337	15,616
Cleaning	100,927	97,946
Dance studio demolition	-	28,500
Depreciation	406,981	387,011
Donations and sponsorships	43,843	30,168
Electricity and gas	89,012	82,931
Entertainment	223,550	217,961
Insurance	58,325	41,387
Licences and permits	22,076	16,515
Member points and cash	89,237	102,175
Men's bowling club expenses	30,631	27,864
Other employee expenses	10,245	8,220
Other expenses	115,080	93,612
Professional services	13,450	21,130
Promotions	71,797	61,449
Purchases	463,095	462,544
Rates	12,059	11,596
Repairs and maintenance	171,901	185,401
Superannuation	65,775	64,410
Wages and salaries	716,522	684,566
Women's bowling club expenses	12,395	14,790
Workers compensation	20,860	16,908
	<u>2,773,284</u>	<u>2,694,355</u>
Profit for the year	<u>370,560</u>	<u>247,986</u>