

Coffs Ex-Services Memorial and Sporting Club Limited

A.B.N 35 000 875 516

Financial Statements

For the Year Ended 30 June 2009

Coffs Ex-Services Memorial and Sporting Club Limited

A.B.N 35 000 875 516

For the Year Ended 30 June 2009

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Coffs Ex-Services Memorial and Sporting Club Limited

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Directors' Report

30 June 2009

Your directors present their report on the company for the financial year ended June 30, 2009.

Directors

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

Names	Position	Appointed/Resigned
Mr. D. H. Doyle	President	Continuing
Mr. R. E. Humphrys	First Vice President	Continuing
Mr. L. J. Hogno	Second Vice President	Continuing
Mrs. M. R. McKenzie	Director	Continuing
Mr. L. R. Cross	Director	Continuing
Mr D. Christensen	Director	Continuing
Mrs B. L. Piggott	Director	Continuing
Mr T. Holder	Director	Continuing
Mr E. Hodikin	Director	Continuing

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

Company Secretary

The following person held the position of company secretary at the end of the financial year:

John Rafferty.

Principal Activities and Significant Changes in Nature of Activities

The principal activities of Coffs Ex-Services Memorial and Sporting Club Limited during the financial year were that of a licensed club.

There have been no significant changes in the nature of Coffs Ex-Services Memorial and Sporting Club Limited's principal activities during the financial year.

Operating Results

The profit of the company after providing for income tax amounted to \$ 819,954.

Dividends paid or declared

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Coffs Ex-Services Memorial and Sporting Club Limited

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Directors' Report

30 June 2009

Review of operations

A review of the operations of the company during the financial year and the results of those operations show:

This financial year has recorded a significant improvement in the Club's profit due to increases in all areas of our business. Our catering, bar and gaming revenues at C.ex Coffs Harbour have exceeded all expectations.

The opening of the Car Park on 9 November 2008 provided a much needed benefit to our members and visitors and resulted in an immediate impact on our trading revenue.

The Club's cash flow increased substantially, which has allowed the renovation of the Rendezvous Restaurant to be completed, the new smoking areas at our Coffs Harbour, Woolgoolga and Urunga premises along with a new car park at our Urunga premise.

After balance day events

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

The entity expects to maintain their present status and level of operations and hence there are no likely developments in the entities operations.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Auditors Independence Declaration

The lead auditors independence declaration for the year ended 30 June 2009 has been received and can be found on page 5 of the financial report.

Information on Directors

<u>NAME</u>	<u>EXPERIENCE</u>	<u>SPECIAL RESPONSIBILITIES</u>
D H Doyle	19 years service with club 3 years Director 1 year 1st Vice President 15 years President Grazier (Retired)	President Ex officio all Committees

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Directors' Report

30 June 2009

Information on Directors continued

R E Humphrys	19 years service with club 3 years Director 4 years 2nd Vice President 12 years 1st Vice president Retired	First Vice President Finance Committee Building Committee (Convenor) Poker Machine Committee Convenor Constitution Committee Liaison Director Intra Camera Club Sports Touring & Classic Car Club	
L J Hogno	6 years service with club 2 years Director 4 years 2nd Vice President Retired	Second Vice president Membership / Building Committees Liaison Director Intra Euchre, & CEX Fishing Club	
M R McKenzie	16 years service with club 16 years Director Retired	Director Convenor Membership Committee Liaison Director Intra Needlework & Embroidery, C.ex Coffs harbour Ladies Outdoor Bowls, C.ex Woolgoolga Ladies Outdoor Bowls Travel &	
E Hodikin	6 years service with Club 6 years Director	Director Membership Committee / Finance Committee /	Retired
L R Cross JP	21 years service with Club 12 years Director Retired	Director Convenor Finance & Poker Machine Committees, Liaison Director Intra Cricket, Dance, Snooker &	
T W Holder	JP 2 years Director Retired	2 years Service with Club Director Poker Machine Committee WBC Building Committee Liaison Director C.ex Woolgoolga Men's Bowls,	
D R Christensen	2 years service with Club 2 years Director Retired	Director Finance Committee Membership Committee Liaison Director CEX Indoor Bowls and CEX Men's Outdoor Bowls & Table Tennis	
B L Piggott	2 years service with Club 2 years Director Retired	Director Poker Machine Committee Constitution Committee C.ex Urunga Building Committee Liaison Director all Urunga Intra Clubs	

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Directors' Report

30 June 2009

Meetings of Directors

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

	Special	Regular	Total
Mr. D. H. Doyle	8	11	19
Mr. R. E. Humphrys	11	10	21
Mr. L. J. Hogno	12	12	24
Mrs. M. R. McKenzie	12	11	23
Mr. L. R. Cross	12	12	24
Mr D. Christensen	12	12	24
Mrs B. L. Piggott	11	11	22
Mr T. Holder	7	12	19
Mr E Hodikin	11	12	23

Indemnifying Officers

The company has paid premiums of \$7,673 to insure each of the following directors DH Doyle, RE Humphrys, LJ Hogno, MR McKenzie E Hodikin, LR Cross, DR Christensen, TW Holder and BL Piggott and the Managers of each division of the Club; 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 company, other than conduct involving a wilful breach of duty in relation to the company.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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

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

Director:
Mr. D. H. Doyle

Dated 6 October 2009

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Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended June 30, 2009 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.

Mark Davies

Tuesday, 6 October 2009

Coffs Ex-Services Memorial and Sporting Club Limited

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Income Statement

For the Year Ended 30 June 2009

	2009	2008
Note	\$	\$
Revenue	10,044,324	9,138,487
Cost of sales	4,363,143	3,994,111
Gross Profit	5,681,181	5,144,376
Other income	20,259,325	17,105,579
Employee benefits expense	(8,441,051)	(7,614,804)
Advertising & promotions	(3,151,677)	(2,669,223)
Depreciation & amortisation expense	(2,521,988)	(2,086,460)
Borrowing costs expense	(663,178)	(384,122)
Consulting fees	(33,169)	(33,381)
Rental charges	(252,354)	(795,532)
Poker machine duty	(4,297,354)	(3,656,307)
Donations	(255,814)	(325,571)
Utilities	(693,397)	(529,012)
Security costs	(276,353)	(244,310)
Rates and land tax	(206,134)	(174,833)
Insurance	(357,946)	(458,036)
Repairs and maintenance - deductible	(1,420,453)	(1,414,239)
Other expenses	(2,549,684)	(2,453,851)
Profit before income tax	819,954	(589,726)
Profit attributable to members	819,954	(589,726)

The accompanying notes form part of these financial statements.

Coffs Ex-Services Memorial and Sporting Club Limited

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Balance Sheet

30 June 2009

	Note	2009 \$	2008 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	1,098,774	445,661
Trade and other receivables	5	133,738	160,505
Inventories	6	449,746	354,505
Other assets	7	261,185	130,756
Total current assets		1,943,443	1,091,427
Non-current assets			
Property, plant and equipment	8	54,148,525	38,361,833
Other assets	7	108,004	115,000
Total non-current assets		54,256,529	38,476,833
TOTAL ASSETS		56,199,972	39,568,260
LIABILITIES			
Current liabilities			
Trade and other payables	9	2,058,697	2,241,769
Borrowings	10	2,184,126	909,617
Short-term provisions	11	1,338,774	1,388,104
Total current liabilities		5,581,597	4,539,490
Non-current liabilities			
Borrowings	10	8,747,088	5,160,195
Other long-term provisions	11	215,044	141,215
Total non-current liabilities		8,962,132	5,301,410
TOTAL LIABILITIES		14,543,729	9,840,900
NET ASSETS		41,656,243	29,727,360
EQUITY			
Reserves		16,203,384	5,094,455
Retained earnings		25,452,859	24,632,905
TOTAL EQUITY		41,656,243	29,727,360

The accompanying notes form part of these financial statements.

Coffs Ex-Services Memorial and Sporting Club Limited

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Statement of Changes in Equity

For the Year Ended 30 June 2009

	2009		
	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2008	24,632,905	5,094,455	29,727,360
Profit attributable to members	819,954	-	819,954
Asset revaluation reserve	-	11,108,929	11,108,929
Balance at 30 June 2009	25,452,859	16,203,384	41,656,243
	2008		
	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2007	25,004,286	5,094,455	30,098,741
Loss for the year	(589,726)	-	(589,726)
Asset revaluation reserve	218,345	-	218,345
Balance at 30 June 2008	24,632,905	5,094,455	29,727,360

The accompanying notes form part of these financial statements.

Coffs Ex-Services Memorial and Sporting Club Limited

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Cash Flow Statement

For the Year Ended 30 June 2009

	2009	2008
Note	\$	\$
Cash from operating activities:		
Receipts from customers	33,223,040	28,885,650
Payments to suppliers and employees	(29,607,807)	(26,298,572)
Interest received	32,411	17,313
Finance costs	(663,178)	(384,122)
Net cash provided by (used in) operating activities	14(a) 2,984,466	2,220,269
Cash flows from investing activities:		
Purchase of property, plant and equipment	(7,192,755)	(6,162,157)
Net cash provided by (used in) investing activities	(7,192,755)	(6,162,157)
Cash flows from financing activities:		
Proceeds from borrowings	5,835,364	3,731,384
Repayment of borrowings	(973,962)	(666,480)
Net cash provided by (used in) financing activities	4,861,402	3,064,904
Net increase (decreases) in cash held	653,113	(876,984)
Cash at beginning of financial year	445,661	1,322,645
Cash at end of financial year	4 1,098,774	445,661

The accompanying notes form part of these financial statements.

Coffs Ex-Services Memorial and Sporting Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

1 Note 1: Statement of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the *Corporations Act 2001*.

The financial report has been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in notes. The accounting policies have been adopted in the preparation of this report and are as follows:

(a) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

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

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

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the balance sheet as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Coffs Ex-Services Memorial and Sporting Club Limited receives non-reciprocal contributions of assets from the government and other parties for no or a nominal value. These assets are recognised at fair value on the date of acquisition in the balance sheet, with a corresponding amount of income in the income statement.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

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Notes to the Financial Statements

For the Year Ended 30 June 2009

1 Note 1: Statement of Significant Accounting Policies continued

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

(c) Property, plant and equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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Notes to the Financial Statements

For the Year Ended 30 June 2009

1 Note 1: Statement of Significant Accounting Policies continued

(c) Property, plant and equipment continued

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

Class of Fixed Asset

Buildings	2.5 - 4 %
Plant and Equipment	7.5 - 60 %

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(d) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the company commits itself to either purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- the amount in which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows

Coffs Ex-Services Memorial and Sporting Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

1 Note 1: Statement of Significant Accounting Policies continued

(d) Financial Instruments continued

will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost .

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

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Notes to the Financial Statements

For the Year Ended 30 June 2009

1 Note 1: Statement of Significant Accounting Policies continued

(d) Financial Instruments continued

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

(e) Impairment of assets

Assets are tested for recoverability whenever events of changes in circumstances indicate that its carrying value may not be fully recoverable.

The company monitors the recoverability of assets, based on factors such as current market value,

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Notes to the Financial Statements

For the Year Ended 30 June 2009

1 Note 1: Statement of Significant Accounting Policies continued

(e) Impairment of assets continued

future asset utilisation, business climate and future undiscounted cash flows expected to result from the use of the related assets. The company's policy is to record an impairment loss in the period when it is determined that the carrying amount of the asset may not be recoverable. The impairment loss is calculated as the amount by which the carrying amount of the asset exceeds the undiscounted estimate of future cash flows from the asset. To June 30, 2009, no impairment losses have been recorded.

(f) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to Balance Sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on costs. Other employee benefits payable later than one year have been measured at the net present value.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

(g) 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 balance sheet.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Income taxes

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). The company does not apply deferred tax.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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Notes to the Financial Statements

For the Year Ended 30 June 2009

1 Note 1: Statement of Significant Accounting Policies continued

(j) Intangible assets

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years. It is assessed annually for impairment.

Poker machine licenses are recorded at cost. They are then depreciated on a straight line basis over their expected useful lives.

(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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

(l) Comparatives

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of a change in accounting policy.

(m) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the company.

(n) Leases

Finance 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, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

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. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

(o) Rounding of Amounts

The company has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest \$ 1.

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Notes to the Financial Statements

For the Year Ended 30 June 2009

1 Note 1: Statement of Significant Accounting Policies continued

(p) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods and which the company has not adopted early. A discussion of those future requirements and their impact on the company is as follows:

- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the company. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.
- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the company as a policy of capitalising qualifying borrowing costs has been maintained by the company.
- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's 10 annual improvements project. No changes are expected to materially affect the company.

The company does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the company's financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2009

2 Profit Before Income Tax

(a) Expenses

	2009	2008
	\$	\$
The following significant revenue and expense items are relevant in explaining the financial performance:		
Depreciation & amortisation expense	2,521,988	2,086,460
Remuneration of auditor	32,400	33,500

(b) Other Income

Poker Machine Revenue	17,903,812	15,528,301
Keno & TAB commissions	290,696	311,849
Management Fees	309,996	280,996
Members Subscriptions	206,785	110,233
Interest Received	32,411	17,313
Raffles Income	626,418	475,267
Show Receipts	657,356	200,431
Other income	231,851	181,189
Total	20,259,325	17,105,579

3 Income tax expense

(a) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2008: 30%)	245,986	(176,918)
- Less tax effect of mutual income	(316,406)	1,693
- Deferred tax benefit	(70,420)	(175,225)
Less Tax effect of:		
- Deferred tax benefit not brought to account	70,420	175,225
Income tax attributable to entity	-	-

Coffs Ex-Services Memorial and Sporting Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

4 Cash and cash equivalents

	2009	2008
	\$	\$
Cash on hand	324,866	341,256
Cash at bank	773,908	104,405
	<u>1,098,774</u>	<u>445,661</u>

Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	<u>1,098,774</u>	445,661
	<u>1,098,774</u>	<u>445,661</u>

5 Trade and other receivables

CURRENT

Trade receivables	97,518	124,158
Other receivables	36,220	36,347
	<u>133,738</u>	<u>160,505</u>

6 Inventories

CURRENT

At Cost

Liquor & food at cost	<u>449,746</u>	354,505
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7 Other Assets

CURRENT

Prepayments	<u>261,185</u>	130,756
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NON-CURRENT

Intangible assets, net	<u>108,004</u>	115,000
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Coffs Ex-Services Memorial and Sporting Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

8 Property, plant and equipment

	2009	2008
	\$	\$
LAND AND BUILDINGS		
Freehold land		
Total freehold land	8,950,000	8,550,000
Buildings		
Total buildings	<u>40,007,235</u>	25,438,678
Total land and buildings	<u>48,957,235</u>	33,988,678
PLANT AND EQUIPMENT		
Opening balance	21,648,169	18,054,892
Accumulated depreciation	<u>(16,456,879)</u>	<u>(13,681,737)</u>
Total plant and equipment	<u>5,191,290</u>	4,373,155
Total property, plant and equipment	<u>54,148,525</u>	<u>38,361,833</u>

The clubs land and buildings were revalued in June 2009 by independent valuers. Valuations were made on the basis of open market value. The revaluation surplus net of applicable deferred income taxes was credited to an asset revaluation reserve in members equity.

9 Trade and other payables

CURRENT		
Trade payables	794,421	818,095
Members Subscriptions In Advance	189,568	209,413
Sundry payables and accruals	<u>1,074,708</u>	1,214,261
	<u>2,058,697</u>	2,241,769

10 Borrowings

CURRENT		
Commercial bill	1,200,000	-
NAB Equipment loan	984,126	865,181
Bank overdraft	-	44,436
	<u>2,184,126</u>	909,617
NON-CURRENT		
Commercial Bill	8,205,093	3,823,532
NAB Equipment loan	<u>541,995</u>	1,336,663
	<u>8,747,088</u>	5,160,195

Coffs Ex-Services Memorial and Sporting Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

10 Borrowings continued

(a) Total current and non-current secured liabilities

	2009	2008
	\$	\$
Bank overdraft	-	44,436
Commercial bill	9,405,093	3,823,532
NAB Equipment loan	1,526,121	2,201,844
	<u>10,931,214</u>	<u>6,069,812</u>

(b) Assets pledged as security:

The National Australia Bank Bills, equipment loans, and the overdraft facility are secured by Registered Mortgage Debenture over the assets and undertakings of the club. The covenants within the bank bills & overdraft require membership to not fall below 14,500, and earnings before tax and depreciation to be 3 times greater than interest expense.

11 Provisions

CURRENT

Employee benefits	1,175,227	1,224,307
Provision for P/M Link Payouts	82,047	82,047
Provision for Mortality	81,500	81,750
	<u>1,338,774</u>	<u>1,388,104</u>

NON-CURRENT

Employee benefits	<u>215,044</u>	<u>141,215</u>
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12 Reserves

(a) Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non current assets.

13 Members' Guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$ 2 each towards meeting any outstanding and obligations of the company. At 30 June 2009 the number of members was 29,165 (2008: 28,890).

Coffs Ex-Services Memorial and Sporting Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

14 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2009	2008
	\$	\$
Net income/loss for the period	819,954	(589,726)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	2,521,988	2,086,460
Provision for leave	24,749	921
Provision for mortality	(250)	(250)
Provision for P/M payouts	-	11,600
Changes in assets and liabilities		
Increase/(decrease) in payables	(23,674)	269,495
(Increase)/decrease in prepayments	(130,429)	139,846
(Increase)/decrease in inventories	(95,241)	7,489
(Increase)/decrease in income in advance	(19,845)	799
Increase/(decrease) in sundry accrued expenses	(139,553)	268,195
Increase/(decrease) in sundry debtors	26,767	25,440
	<u>2,984,466</u>	<u>2,220,269</u>

15 Company Details

Registered office & principal place of business

The registered office of the company is:

Coffs Ex-Services Memorial and Sporting Club Limited
Vernon Street
Coffs Harbour NSW 2450

Coffs Ex-Services Memorial and Sporting Club Limited

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Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 22, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at June 30, 2009 and of the performance for the year ended on that date of the company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director

Mr. D. H. Doyle

Dated 6 October 2009

Coffs Ex-Services Memorial and Sporting Club Limited

A.B.N 35 000 875 516

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

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Coffs Ex-Services Memorial and Sporting Club Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

The Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the company's constitution and are appropriate to meet the needs of the members. The directors' responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the 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 and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the company's constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Coffs Ex-Services Memorial and Sporting Club Limited

A.B.N 35 000 875 516

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

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 Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Coffs Ex-Services Memorial and Sporting Club Limited as of 30 June 2009 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Mark Davies

6 October 2009