ARMIDALE EX SERVICES MEMORIAL CLUB LIMITED
ACN 000 979 377

NOTICE OF ANNUAL GENERAL MEETING AND RESOLUTIONS

NOTICE is hereby given of the Annual General Meeting of **ARMIDALE EX SERVICES MEMORIAL CLUB LIMITED** to be held on **Sunday 26th October 2014** commencing at the hour of **10:00 am** at the premises of the Club, Dumaresq Street, Armidale, New South Wales.

Note:

- Registrations will commence at **9:15 am** and finish at **9:59 am**.
- Doors will close at **10:00 am**.

BUSINESS

The business of the meeting will be as follows:

1. Apologies.
2. To confirm the minutes of the previous Annual General Meeting held on 27 October 2013.
3. To receive and consider the President's Report, Chief Executive Officer's Report, Directors' Report, Financial Report and Auditor's Report. Copies of these reports are available on the Club's website (www.armidaleservies.com.au) or on request at the Club.

   Note:
   Members who have any questions in relation to any report are requested to submit their questions in writing to the Chief Executive Officer by 5:00pm on **Friday 17 October 2014**. If questions are not submitted in this manner, the Club may not be able to provide a complete answer at the Annual General Meeting.
4. To consider the Ordinary Resolutions set out in this Notice.
5. To consider the Special Resolutions set out in this Notice.
6. To conduct the election of the Board.
7. To deal with any other business of which due notice has been given to members.
8. General business.

ORDINARY RESOLUTIONS

Procedural Notes on Ordinary Resolutions

1. Each Ordinary Resolution will be considered separately.
2. To be passed, an Ordinary Resolution must receive votes in favour from a majority (50% plus 1) of those members who, being eligible to do so, vote in person on the Ordinary Resolution at the meeting.
3. **Only Life members, financial Service members and financial General members are eligible to vote on the Ordinary Resolutions.**
4. The Registered Clubs Act provides that:
   (a) members who are employees of the Club are not entitled to vote; and
   (b) proxy voting is prohibited.

FIRST ORDINARY RESOLUTION

That:

(a) The Members hereby approve and agree to expenditure by the Club in a sum not exceeding twenty thousand dollars ($20,000.00) until the next Annual General Meeting of the Club for the following activities:

(i) The reasonable costs of directors attending seminars, lectures and other educational activities as determined by the Board from time to time.

(ii) The reasonable costs (including meal, travel and accommodation expenses) of directors and their spouses/partners attending meetings, conferences, trade shows and functions conducted by ClubsNSW, the Club Managers Association and the RSL & Services Clubs Association and such other conferences and trade shows as determined by the Board from time to time.

(iii) The reasonable cost of a meal and beverage for each director immediately before or immediately after, a Board or Committee Meeting on the day of that meeting, when that meeting corresponds with a normal mealtime.

(iv) Reasonable expenditure by the Club on an annual dinner to give thanks to directors of the Club and their spouses/partners.

(v) The reasonable expenses incurred by directors either within the Club or elsewhere in relation to such other duties including entertainment of special guests of the Club and other promotional activities approved by the Board on production of documentary evidence of such expenditure.

(vi) The reasonable cost of an electronic device (such as an iPad, tablet or other similar device) and internet access (if required) being made available to directors of the Club.

(vii) The reasonable cost of directors attending any other registered club for the purpose of viewing and assessing its facilities as determined by the Board as being necessary for the benefit of the Club.

(viii) The reasonable cost of directors (and their spouses/partners if required) attending any club, community or charity function as the representatives of the Club and authorised by the Board to do so.

(ix) The reasonable cost of Club uniforms being provided to directors as required.

(x) The provision of one (1) designated car parking space in the Club's car park for use by the President.

(xi) The provision of one (1) designated car parking space in the Club's car park for use by the Vice President and ordinary directors.

(b) The members acknowledge that the benefits in paragraph (a) are not available for members generally but are only for those who are directors (and their spouses/partners in certain circumstances) of the Club.

Notes to Members on First Ordinary Resolution

1. The First Ordinary Resolution is to have the members in general meeting approve expenditure by the Club on directors (and their spouses/partners in certain circumstances) for a maximum amount of twenty thousand dollars ($20,000.00) in respect of the matters set out in the First Ordinary Resolution.

2. Included in the First Ordinary Resolution is the cost of directors attending seminars, lectures, trade displays and other similar events to be kept abreast of current trends and developments which may have a significant bearing on the Club.

SECOND ORDINARY RESOLUTION

That the members hereby approve:

(a) The payment of the following honorariums to directors of the Club for services as directors of the Club until the next Annual General Meeting:

(i) President - $6,000.00.

(ii) Vice President - $2,000.00.

(iii) Ordinary Directors - $1,500.00 each.

(b) Such honorariums to be paid quarterly in arrears or in such other instalments as the Club and the President, Vice President or directors may agree from time to time.

(c) If the President, Vice President or a director only holds office for part of the term, the honorarium shall be paid on a pro-rata basis.

Notes to Members on Second Ordinary Resolution

1. The Second Ordinary Resolution is to have the members approve honorariums for the directors of the Club for duties to be performed by them until the next Annual General Meeting.
2. The honorariums will be paid on a pro-rata basis which means that if the President, Vice President or a director only holds office for part of the year, that person will only receive part of the honorarium.

SPECIAL RESOLUTIONS

Procedural Notes on Special Resolutions

1. Each Special Resolution will be considered separately.
2. To be passed, a Special Resolution must receive votes in favour from not less than three-quarters (75%) of those members who, being eligible to do so, vote in person on the Special Resolution at the meeting.
3. **Only Life members, financial Service members and financial General members (who have been members of the Club for the ten (10) calendar years immediately preceding the date on which the Special Resolutions are to be considered) are eligible to vote on the Special Resolutions.**
4. Under the Registered Clubs Act:

   (a) members who are employees of the Club are not entitled to vote; and

   (b) proxy voting is prohibited.

FIRST SPECIAL RESOLUTION

[The First Special Resolution is to be read in conjunction with the notes to members set out below]

That the Constitution of Armidale Ex Services Memorial Club Limited be amended by:

(a) **inserting** at the beginning of Rule 31(a) the words “Subject to Rule 31A,”.

(b) **inserting** the following new Rule 31A and **renumbering** the existing Rule 31A as Rule 31B:

“31A. Without limiting the provisions of section 77 of the Liquor Act:

(a) If, in the opinion of the Secretary (or, in the Secretary’s absence, the Secretary’s delegate), a member has engaged in conduct that is sufficient to warrant a notice of charge being issued to the member pursuant to Rule 31, then the Secretary (or, in the Secretary’s absence, the Secretary’s delegate) may either:

(i) issue a notice of charge for the purposes of Rule 31; or

(ii) suspend the member from some or all rights and privileges as a member of the Club for a period of up to twelve (12) months.

(b) In respect of any suspension pursuant to Rule 31A(a)(ii), the requirements of Rule 31 shall not apply.

(c) *If the Secretary (or, in the Secretary's absence, the Secretary's delegate) exercises the power pursuant to Rule 31A(a)(ii), the Secretary (or, in the Secretary's absence, the Secretary's delegate) must notify the member (by notice in writing sent by post to the member's last known address) that:*

(i) *the member has been suspended as a member of the Club and the period of suspension; and*

(ii) *if the member wishes to do so, the member may request (by notice in writing sent to the Secretary) the matter be dealt with by the Board pursuant to Rule 31.*

(d) *If a member submits a request under Rule 31A(c)(ii):*

(i) *the member shall remain suspended until such time as the charge is heard and determined by the Board and the provisions of Rule 31(b) shall not apply; and*

(ii) *the Club must commence disciplinary proceedings against the member in accordance with the requirements of Rule 31(a);*

(iii) *the determination of the Board in respect of those disciplinary proceedings shall be in substitution for and to the exclusion of any suspension imposed by the Secretary (or the Secretary's delegate)."*

(c) **inserting** into Rule 31B (the existing Rule 31A) the words "*or Rule 31A*" after the words "*Rule 31*".

Notes to Members on the First Special Resolution

1. The First Special Resolution proposes to amend the disciplinary provisions contained in the Club's Constitution.
2. At present, if a person engages in conduct that is unbecoming of a member then:
   (a) a notice of disciplinary charge and hearing is issued to the member; and
   (b) the disciplinary matter is heard by the Board;
   (c) if the person is found guilty, the Board may impose a penalty (including reprimand, suspension or expulsion).
3. The Board believes the above procedure is time-consuming and cumbersome and recommends the Secretary be provided with greater disciplinary powers.
4. The First Special Resolution proposes to provide the Secretary (or, in the Secretary's absence, the Secretary's delegate) with the power to suspend any person (who has engaged in conduct that is unbecoming of a member) for a period of up to 12 months.
5. If the Secretary (or, in the Secretary's absence, the Secretary's delegate) exercises the power then the Club must notify the member that:
   (a) their membership has been suspended and the period of suspension; and
   (b) the member may request the matter be dealt with by the Board (in the manner set out in paragraph number 2 above).
6. If a member elects to have the matter dealt with by the Board then the decision of the Board shall be in substitution of and to the exclusion of the penalty imposed by the Secretary (or the Secretary's delegate).
7. The Board believes the above procedure provides the Club with greater flexibility (in respect of disciplining members who have engaged in conduct that is unbecoming of a member) whilst also providing any member (who considers any penalty imposed by the Secretary or delegate to be unreasonable) to have their matter determined by the Board.

SECOND SPECIAL RESOLUTION

[The Second Special Resolution is to be read in conjunction with the notes to members set out below]

That the Constitution of Armidale Ex Services Memorial Club Limited be amended by **inserting** the following new Rule 36C(d):

> *"(d) was an employee of the Club during the ten (10) preceding calendar years."*

Notes to Members on the Second Special Resolution

1. The Second Special Resolution proposes to introduce an additional eligibility requirement for standing for and being elected or appointed to the Board.
2. If the Second Special Resolution is passed, a member who was an employee of the Club during the preceding ten (10) calendar years will not be entitled to stand for or be elected or appointed to the Board.

Dated:

By direction of the Board

Scott Sullivan
Chief Executive Officer

Presidents Report

It is with a sense of satisfaction that I write this annual report sharing some of the activities and success of the past year.

I would firstly like to take this opportunity on behalf of all the members of the club to thank Armidale Ex-Services Club CEO, Scott Sullivan and Deputy CEO, Troy Gale for their efforts this year. I would also like to acknowledge the contribution of all our staff, who by their efforts make the Armidale Ex Services Memorial Club the club that it is.

In addition to providing a bigger and better club to our members the board has been busy with efforts to strengthen the Armidale Ex-Services Memorial Club in 2014 by investing in new gaming machines, upgrades and improvements to the IT infrastructure and the purchase of a new courtesy bus. These improvements have seen an increase in patronage by our members and inturn an increase in profit for the financial year.

The club will continue to grow in the coming year with a complete renovation of the ground floor of the club to commence, worth $2,500,000. Network Constructions, a family owned & operated company specialising in club renovations has been engaged to undertake the renovations but the majority of the specialist contract work has been awarded to local businesses. The Armidale Ex-Services Memorial Club believes in investing back in the community.

It was with much sadness that the club lost long serving employee Allan Edmond in June this year. Allan was a popular figure at the club and served as a duty manager for many years. Our thoughts are with Sue and her family during this time.

Finally I would like to thank the Board of Directors for their enthusiasm and support this year and I must also thank our members and guests for their continuing patronage of the club, without you we would not exist.

Brian Everett
President

Chief Executive Officers Report

The Armidale Ex Services Memorial Club has experienced another challenging, yet very rewarding year, which was again a direct result of the hard work by all concerned.

As the Club's CEO, I am pleased to report that we have had a significant turnaround in the financial result from that of the previous year with the operating financial result (before income tax) for the year being a profit of $156,950 (2013 – Loss of $255,049). The Club's diversified business, the Hobbit Pre School & Child Care Centre, has also had an improved financial year of operation contributing to the above result.

We have had an improved year and all members deserve a special thank you for their loyal and continued support.

I would like to take this opportunity to thank and acknowledge the management team of the Servies (of both the Club and Hobbit Pre-School) and all of the staff for their work and effort over the year. It is because of all your efforts that we can achieve such results and all staff should be very proud of the results that have been achieved during the year.

Throughout the 2014 financial year there has been a management focus on endeavouring to stabilize and strengthen operations. The overall aim is to financially secure the Club for the foreseeable future. This will be achieved through opportunities to increase and diversify our income streams, along with looking at ways to increase patronage to the club facilities and maintaining strong attendance rates at the preschool by providing facilities and services for both that are modern and progressive in very competitive markets.

With the change of focus, we hope that you, our members, have enjoyed the variety of amenities, promotions, entertainment and services that the Club has provided during the year. We have been mindful to maintain many of our original members' favourite activities (bingo, raffles and free entertainment) but have endeavoured to enhance our array of live ticketed concerts and entertainment at the Club and promotions (i.e. holiday, cash or car giveaway), as well as reintroducing facilities such as the snooker tables.

During the year we have also continued our strong level of community support and involvement. As a first for our Club, the Club was nominated as a finalist in the 2014 Clubs & Community Awards being for our story "Riding to Inspire Communities to Cure Cancer". Our story and submission was around the Clubs involvement and support to the "Tour de Rocks" over the last couple of years. For many of us, cancer has touched us in some way or another, affecting our families, staff and members and it is for this reason that the Club continues to support this special cause – Tour De Rocks.

As many of our members may be aware the Club has been working on a plan to undertake extensive refurbishment works to the ground floor of the Club which will result in a more open, modern and up to date facilities and will, in turn, increase the seating capacity of the Club overall. The Board was presented with the refurbishment idea by management in September 2013, followed by conceptual drawings given to them in December 2013, outlining what designers thought could be done with the Club. Since the initial conceptual drawings, the Board and management have performed extensive reviews and given due diligence to the refurbishment works and also to the financing required to fund these works, in order to achieve the best outcome for this once in a lifetime opportunity for the Club.

The refurbishments will involve a twenty six (26) week building program, which should see the works completed hopefully by early 2015. These refurbishments are going to require a significant amount of time and management and also the continued support of our members, not only during the works period but also after the works are completed, in order to ensure the Clubs viability into the future.

An update on the Clubs previously reported business diversification of a Motel, is that both the Board and I have had, during the course of the year, various meetings and discussions with Council and we are continuing to liaise with Council to hopefully find a suitable resolution to enable a Motel development to proceed. A business diversification opportunity of this nature would not only further enhance the amenities and services provided by our Club but it is also a proven model to assist clubs financially into the future.

I would like to acknowledge and thank the Board of Directors for their support, dedication and commitment to their roles as Directors of the Club. They are a great team and operate with professionalism and enthusiasm in the oversight of the governance of the organisation.

Lastly, I would again like to thank you, our members, for your continued patronage and support of the Club. I hope and trust that you continue to feel honoured and proud to call the Armidale Ex Services Memorial Club "Your Club" for many years to come.

Scott Sullivan

Chief Executive Officer

Your directors present their report on the company for the financial year ended 30 June 2014.

Principal Activities

The company's principal activities are the operation of a licensed registered club providing amenities to members.

These principal activities assist in achieving the short term and long term objectives of the company by:

- providing entertainment, dining, gaming and social facilities for members and the community
- providing sporting facilities for the members and the community
- providing turnover, cash flow and profit to meet the financial objectives of the company

Short and Long Term Objectives of the Company

The company has identified the following short term objectives:

- to maintain the clubs core business growth
- to provide services to members commensurate with industry needs and regulatory requirements
- to provide child care services through the Hobbit Preschool and Child Care Centre
- to continue to improve the clubs facilities for members
- to continue to develop the IT within the club

The company has identified the following long term objectives:

- to continue to investigate all aspects for a motel development
- to continue to explore business diversification avenues to reduce reliance on current core business revenue

Strategies

The company has adopted the followings strategies in order to achieve these objectives:

- the preparation of an annual budget for financial performance and the regular review of the company performance against the budget by management and directors
- the preparation of a business strategic plan to identify the opportunities and strengths of the company to provide for a sustainable future
- close monitoring of current business activities and cashflow returns to financially plan the strategies

Performance Measurement

The company uses the following key performance indicators to measure performance:

- Surplus, before income tax expense, for the financial year was $580,351 (2013: deficit $478,200)

The surplus can be attributed per the following table;	**2014**	**2013**
Operating surplus/(deficit) from company operations	156,950	(255,049)
Gain on business combination	423,401	-
Impairment loss	-	(223,151)
Surplus, before income tax expense	580,351	(478,200)

- Cash flow from operating activities for the financial year was $669,005 (2013: $396,509)
- Membership for the financial year was 9,503

Directors Information

Directors

The names of the directors in office at any time during, or since the end of, the year and the period that each director has been in office:

Directors Name	Special Responsibilities	Period as Director	Qualifications and Experience
Brian D Everett	President	Appointed 29 July 2009	Self employed fire, safety and security business proprietor. Appointed as President on 28 November 2012.
Mark D Bullen	Vice President	Appointed 12 October 2007	Self employed bicycle shop proprietor
Ashley Clee	Treasurer	Appointed 29 February 2012	Chartered Accountant Treasurer from 27 November 2013
Thomas (Bill) W Knight	Director	Appointed 26 October 2003	Retired transport proprietor and brick and tile wholesaler Treasurer until 27 November 2013
John M Hamel	Director	Appointed 17 October 2004	Self employed grazier
Craig Archer	Director	Appointed 24 April 2012	Accountant and former business owner
Grant McCarroll	Director	Appointed 20 August 2014	Self employed motor vehicle dealership proprietor

Meetings of Directors

During the financial year, 14 meetings of directors (including committees of directors) were held and the attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Brian D Everett	14	11
Mark D Bullen	14	13
Ashley Clee	14	12
Thomas (Bill) W Knight	14	10
John M Hamel	14	14
Craig Archer	14	14

Company Secretary

Scott Sullivan was appointed as the Company Secretary on 5 February 2013. Scott is a Chartered Accountant with a Bachelor of Financial Administration.

Membership Details

The Armidale Ex-Services Memorial Club Ltd is a public company limited by guarantee and no shares or options are issued. If the company 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 company.

Membership Class	Number of Members	Individual Members Contribution on winding up of Company	Total Members Contribution on winding up of Company
General Members	9,170	$ 1	$ 9,170
Service Members	327	$ 1	$ 327
Junior Members	4	$ 1	$ 4
Life Members	2	$ 1	$ 2
Total	9,503	$ 1	$ 9,503

Auditors' Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to these financial statements.

Signed in accordance with a resolution of the Board of Directors

Brian D Everett
President

Mark D Bullen
Vice President

Dated: 10 September 2014

Crowe Horwath Central North
ABN 91 680 058 554
Member Crowe Horwath International

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AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATION ACT 2001
TO THE DIRECTORS OF
ARMIDALE EX-SERVICES MEMORIAL CLUB LTD

ABN 61 000 979 377

I declare that, to the best of my knowledge and belief, during the financial year to 30 June 2014 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.

Crowe Horwath Central North

CROWE HORWATH CENTRAL NORTH

L Russell

Leah J Russell
Audit Partner
90 Rusden Street
ARMIDALE NSW 2350

Dated: 10 September 2014

ARMIDALE EX-SERVICES MEMORIAL CLUB LTD
ABN 61 000 979 377

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	**2014** **$**	2013 $
Sales revenue	3	**2,796,639**	2,653,813
Cost of goods sold	4	**(1,723,466)**	(1,638,215)
Gross profit		**1,073,173**	1,015,598
Other revenue	3	**4,236,177**	3,594,320
Gain on business combination	3, 23	**423,401**	-
Advertising and promotional expenses	4	**(952,567)**	(821,043)
Depreciation expense	4	**(490,876)**	(433,167)
Impairment Loss	4	**-**	(223,151)
Employee benefits expense	4	**(2,512,488)**	(2,457,452)
Finance costs	4	**(78,547)**	(67,422)
Occupancy costs	4	**(747,532)**	(759,155)
Other expenses	4	**(370,390)**	(326,728)
Surplus/(deficit) before income tax expense attributable to members		**580,351**	(478,200)
Income tax revenue	1(a), 5	**38,043**	94,076
Surplus/(deficit) after income tax expense		**618,394**	(384,124)
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year attributable to members		**$ 618,394**	$ (384,124)

The accompanying notes form part of these financial statements.

ARMIDALE EX-SERVICES MEMORIAL CLUB LTD
ABN 61 000 979 377

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 $	2013 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**879,545**	337,182
Trade and other receivables	7	**28,883**	28,669
Inventories	8	**64,017**	64,967
Financial assets	9	**664,423**	1,051,472
Other current assets	10	**69,768**	42,882
TOTAL CURRENT ASSETS		**1,706,636**	1,525,172
NON CURRENT ASSETS			
Property, plant and equipment	11	**7,568,470**	7,220,799
Deferred tax assets	15	**206,659**	168,615
Intangible assets	12	**60,000**	60,000
TOTAL NON CURRENT ASSETS		**7,835,129**	7,449,414
TOTAL ASSETS		**9,541,765**	8,974,586
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	**673,261**	574,139
Borrowings	14	**76,131**	69,479
Current tax liabilities	15	**-**	-
Employee benefits	16	**217,860**	278,398
Other liabilities	17	**19,881**	14,733
TOTAL CURRENT LIABILITIES		**987,133**	936,749
NON CURRENT LIABILITIES			
Borrowings	14	**386,082**	462,257
Employee benefits	16	**26,115**	49,734
Other liabilities	17	**21,616**	23,421
TOTAL NON CURRENT LIABILITIES		**433,813**	535,412
TOTAL LIABILITIES		**1,420,946**	1,472,161
NET ASSETS		**$ 8,120,819**	$ 7,502,425
EQUITY			
Retained surpluses		**8,120,819**	7,502,425
TOTAL EQUITY		**$ 8,120,819**	$ 7,502,425

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Retained Surpluses $	Total $
Balance at 1 July 2012	7,886,549	7,886,549
Deficit after income tax expense	(384,124)	(384,124)
Total other comprehensive income for the year	-	-
Derecognition of deferred tax asset	-	-
Balance at 30 June 2013	$ 7,502,425	$ 7,502,425
Surplus after income tax expense	618,394	618,394
Total other comprehensive income for the year	-	-
Derecognition of deferred tax asset	-	-
Balance at 30 June 2014	$ 8,120,819	$ 8,120,819

The accompanying notes form part of these financial statements.

ARMIDALE EX-SERVICES MEMORIAL CLUB LTD
ABN 61 000 979 377

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(deficit) from ordinary activities after income tax expense		**618,394**	(384,124)
Adjustments for:			
Non cash flows in surplus/(deficit) from ordinary activities:			
Depreciation and amortisation		**490,876**	433,167
Impairment loss		**-**	223,151
(Profit)/Loss on sale of fixed assets		**(27,480)**	7,340
Fair value of fixed assets acquired through business combination		**(366,899)**	-
Changes in Assets and Liabilities:			
(Increase)/decrease in trade and other receivables		**(214)**	(6,740)
(Increase)/decrease in inventories		**950**	(14,169)
(Increase)/decrease in accrued income		**(6,129)**	13,956
(Increase)/decrease in prepaid expenses		**(20,757)**	(2,026)
Increase/(decrease) in creditors and accruals		**99,122**	187,958
Increase/(decrease) in provisions		**(84,158)**	26,941
Increase/(decrease) in other liabilities		**3,343**	5,131
Income tax paid	1(a), 5	**(38,043)**	(94,076)
Net cash provided by operating activities		**669,005**	396,509
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		**96,774**	2,254
Purchase of property, plant and equipment		**(540,942)**	(1,009,706)
Net receipt from investments		**387,049**	813,438
Net cash used in investing activities		**(57,119)**	(194,014)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		**(69,523)**	(133,595)
Net cash used in financing activities		**(69,523)**	(133,595)
Net increase in cash held		**542,363**	68,900
Cash at the beginning of the financial year		**337,182**	268,282
Cash at the end of the financial year	6 (a)	**$ 879,545**	$ 337,182

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements cover Armidale Ex-Services Memorial Club Limited as an individual entity. Armidale Ex-Services Memorial Club Limited is a public company limited by guarantee, incorporated and domiciled in Australia.

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

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

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1 (q).

The financial statements were authorised for issue by the directors on 10 September 2014.

Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right to set-off exists and is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, and the deferred tax assets and liabilities relates to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended tat net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value on a first in first out basis.

(c) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at cost less depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining the recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives 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.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5 - 13%
Plant and equipment	5 - 40%
Poker machines	20%
Bowling greens and equipment	5 - 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Financial Instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified as 'fair value through profit and loss' in which case transactions costs are expensed to the statement of comprehensive income immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate 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 at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the different between that initial amount and the maturity amount calculated used the effective interest rate method.

The effective interest rate 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 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 will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of comprehensive income.

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(i) Financial assets at fair value through profit and loss.

Financial assets are classified as 'fair value through profit and loss' when they are 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 the 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. Gains or losses are recognised in the profit or loss through the amortisation process and when the financial asset is derecognised.

(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 the company's intention to held these investment to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial asserts 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 not fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into the profit or loss.

Available-for-sale financial assets are included in non-current assets except for those which are expected to be disposed with 12 months after the end of the reporting period, which will be classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, 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 significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire 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 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 the statement of comprehensive income.

(e) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value of its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the receivable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for intangible assets with indefinite lives.

(f) Intangibles

Poker Machine Entitlements

The poker machine entitlements shown in the accounts represent licences purchased by the club. The company holds other poker machine entitlements that have a market value. If the company were to be wound up or the number of entitlements were in excess of requirements then the poker machine entitlements would be able to be sold at the prevailing market price. Poker machine entitlements are intangible assets classified with an indefinite life. The intangible asset is subject to annual impairment testing to the higher of fair value less related costs to sell and value in use. Currently they are carried at cost.

(g) Employee Benefits

Provision is made for the company’s liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year 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 not satisfy vesting requirements.

(h) 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 are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(j) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvements in those goods.

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 received a divided has been established.

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

(k) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collects with 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Note 1(d) for further discussion on the determination of impairment losses.

(l) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(n) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian 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 statement of financial position are shown inclusive of GST.

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

(o) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(p) Business Combination

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

(q) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

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

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1 (g), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Business Combinations

As discussed in note 1(p), business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 2: New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the company from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 1053 Application of Tiers of Australian Accounting Standards

The company has applied AASB 1053 from 1 May 2013. This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements, being Tier 1 Australian Accounting Standards and Tier 2 Australian Accounting Standards - Reduced Disclosure Requirements. The company being classed as Tier 2 continues to apply the full recognition and measurements requirements of Australian Accounting Standards with substantially reduced disclosure in accordance with AASB 2010-2 and later amending Standards, as relevant.

AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements

The company has applied AASB 2010-2 from 1 May 2013. These amendments make numerous modifications to a range of Australian Accounting Standards and Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities in preparing general purpose financial statements. The adoption of these amendments has significantly reduced the company's disclosure requirements.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

The company has applied AASB 13 and its consequential amendments from 1 May 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The company has applied AASB 2012-5 from 1 May 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities.

	Note	2014 $	2013 $
Note 3: Revenue			
Sales revenue:			
Bar sales		**1,010,218**	962,327
Catering and function sales		**1,338,604**	1,310,213
Other trading income		**447,817**	381,273
		$ 2,796,639	$ 2,653,813
Other revenue:			
Interest received from other persons		**78,530**	92,807
Membership subscriptions		**18,734**	15,435
Poker machines income		**3,429,372**	3,367,944
Pre-school fees received		**190,834**	-
Pre-school funding received		**304,589**	-
Profit/(loss) on sale of fixed assets		**27,480**	(7,340)
Rent received		**91,898**	91,898
Other income - Club		**73,605**	33,576
Other income - Pre-school		**21,135**	-
Total revenue from operating activities		**$ 4,236,177**	$ 3,594,320
Non-operating activities:			
Gain on business combination	23	**423,401**	-
Total revenue from non-operating activities		**$ 423,401**	$ -
Total revenue		**$ 7,456,217**	$ 6,248,133
Note 4: Surplus/(Deficit) before Income Tax Expense			
Expenses			
Cost of sales		**$ 1,723,466**	$ 1,638,215
Advertising and promotional expenses			
Advertising and promotions		**156,530**	150,191
Donations and sponsorships		**182,933**	159,126
Member benefits		**613,104**	511,726
		$ 952,567	$ 821,043
Depreciation expense		**$ 490,876**	$ 433,167
Impairment loss	19	**$ -**	$ 223,151
Employee benefits expense			
Payroll tax		**93,386**	78,879
Provision for employee entitlements		**(110,243)**	26,942
Salary and wages		**2,204,328**	2,040,790
Superannuation		**210,811**	181,873
Other staff costs		**60,339**	72,050
Workers compensation insurance		**53,867**	56,918
		$ 2,512,488	$ 2,457,452
Finance costs		**$ 78,547**	$ 67,422

	Note	2014 $	2013 $
Occupancy expenses			
Cleaning and waste removal		**109,323**	94,046
Electricity and gas		**301,346**	350,631
Insurance		**79,925**	62,063
Rates		**49,440**	31,422
Repairs and maintenance		**135,651**	127,466
Other occupancy expenses		**71,847**	93,527
		$ 747,532	$ 759,155
Other expenses			
Bad and doubtful debts		**-**	5,901
Computer expenses		**55,399**	40,090
Directors expenses and honorariums		**18,640**	18,235
Printing, postage and stationery		**68,060**	65,195
Professional fees		**77,127**	98,439
Subscriptions		**47,632**	50,727
Telephone		**25,788**	22,176
Other operating expenses		**77,744**	25,965
		$ 370,390	$ 326,728

Note 5: Income Tax Expense

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

	2014 $	2013 $
Prima facie tax payable on surplus/(deficit) from ordinary activities before income tax at 30% (2012:30%)	**47,085**	(143,460)
Add: Tax effect of;		
Non deductible exempt expenses	**1,432,844**	1,484,292
Non deductible expenses	**91,077**	49,622
Overprovision for tax in previous year	**-**	34,400
Less: Tax effect of;		
Exempt income	**(1,579,865)**	(1,516,611)
Loss brought to account	**(29,184)**	(2,319)
Income tax expense/(revenue) attributable to the company	**$ (38,043)**	$ (94,076)

(b) Deferred tax assets not brought to account, the benefits of which will only be recognised if the conditions for deductibility set out in Note 1(a) occur:

	2014 $	2013 $
Current tax	**-**	-
Deferred tax	**(38,043)**	(59,676)
Overprovision for tax in previous year	**-**	(34,400)
	$ (38,043)	$ (94,076)

	Note	2014 $	2013 $

Note 6: Cash and Cash Equivalents

Cash on hand - Club		**101,842**	108,882
Cash on hand - Pre-school		**200**	-
Cash at bank - Club		**750,706**	228,300
Cash at bank - Pre-school		**26,797**	-
		$ 879,545	$ 337,182

(a) Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents		**879,545**	337,182
		$ 879,545	$ 337,182

Note 7: Trade and Other Receivables

CURRENT

Trade receivables - Club		**22,863**	28,669
Trade receivables - Pre-school		**5,247**	-
Other receivables - Pre-school		**773**	-
		$ 28,883	$ 28,669

Note 8: Inventories

CURRENT

Stock on Hand, at cost - Club		**$ 64,017**	$ 64,967

Note 9: Financial assets

CURRENT

Held-to-maturity financial assets			
- term deposits - Club		**589,423**	1,051,472
- term deposits - Pre-school		**75,000**	-
		$ 664,423	$ 1,051,472

Held-to-maturity assets comprise term deposits and unsecured notes with financial institutions. There are fixed rate returns upon maturity of these assets.

Note 10: Other Assets

CURRENT

Accrued income - Club		**9,492**	15,556
Accrued income - Pre-school		**12,193**	-
Bonds paid - Club		**5,000**	5,500
Prepayments - Club		**36,556**	21,826
Prepayments - Pre-school		**6,527**	-
		$ 69,768	$ 42,882

	Note	**2014 $**	2013 $
Note 11: Property, Plant & Equipment			
Land and Buildings (at cost)			
Capital works in progress - Club		**149,336**	79,945
Freehold land and buildings - Club		**7,980,941**	7,976,791
Less: Accumulated depreciation		**(3,294,939)**	(3,124,075)
		4,686,002	4,852,716
Freehold land and buildings - Pre-school		**365,925**	-
Less: Accumulated depreciation		**(5,180)**	-
		360,745	-
Buildings - Theatre Complex		**987,699**	987,699
Less: Accumulated depreciation		**(509,120)**	(496,848)
		478,579	490,851
Total Land and Buildings		**5,674,662**	5,423,512
Plant and Equipment (at cost)			
Plant and equipment - Club		**1,979,129**	1,933,524
Less: Accumulated depreciation		**(1,334,703)**	(1,256,532)
		644,426	676,992
Plant and equipment - Pre-school		**49,415**	-
Less: Accumulated depreciation		**(37,771)**	-
		11,644	-
Poker machines - Club		**2,202,156**	2,023,425
Less: Accumulated depreciation		**(1,241,775)**	(1,180,445)
		960,381	842,980
Motor vehicles - Club		**65,188**	79,950
Less: Accumulated depreciation		**(6,817)**	(38,287)
		58,371	41,663
Bowling greens and equipment - Club		**356,218**	356,218
Less: Accumulated depreciation		**(137,232)**	(120,566)
		218,986	235,652
Total Plant and Equipment		**1,893,808**	1,797,287
Total Property, Plant and Equipment		**$ 7,568,470**	$ 7,220,799

(a) Movements in carrying amounts

	Land and Buildings	Plant and Equipment	Total
Balance at the beginning of the year	5,423,512	1,797,287	7,220,799
Additions	79,466	461,476	540,942
Additions through business combination	360,000	6,899	366,899
Disposals	-	(69,294)	(69,294)
Depreciation expense	(188,316)	(302,560)	(490,876)
Carrying amount at the end of the year	$ 5,674,662	$ 1,893,808	$ 7,568,470

(b) No impairment has been recognised in respect of plant and equipment.

	Note	**2014** **$**	2013 $

Note 12: Intangible Assets

Poker machine entitlements (at cost)		**60,000**	60,000
Less: accumulated impairment losses		**-**	-
		$ 60,000	$ 60,000

Poker Machine Entitlements

Poker machine entitlements are assessed as having an indefinite useful life. The measurement and recognition criteria is outlined in note 1 to the financial statements

Poker machine entitlements have been impairment tested using calculations of the higher of fair value, less costs to realise, and value in use. The directors believe that the carrying amount of poker machine entitlements are not impaired and annual impairment testing will be conducted at 30 June 2015.

Note 13: Trade and Other Payables

CURRENT			
Unsecured liabilities;			
Trade payables - Club		**341,252**	379,786
Poker machine duty payable - Club		**46,428**	44,939
Sundry payables and accrued expenses - Club		**155,463**	85,650
Sundry payables and accrued expenses - Pre-school		**19,107**	-
GST and PAYG payable - Club		**107,862**	63,764
GST and PAYG payable - Pre-school		**3,149**	-
		$ 673,261	$ 574,139

Note 14: Borrowings

CURRENT			
Secured liabilities:			
Hire purchase liability - Club		**76,131**	69,479
		76,131	69,479
NON-CURRENT			
Secured liabilities:			
Hire purchase liability - Club		**386,082**	462,257
		386,082	462,257
Total Borrowings		**$ 462,213**	$ 531,736
(a) Total current and non-current secured liabilities:			
Hire purchase liability		**462,213**	531,736
		$ 462,213	$ 531,736

(b) Hire purchase liabilities are secured by the underlying leased assets.

	Note	2014 $	2013 $
Note 15: Tax assets and liabilities			
(a) Liabilities			
CURRENT			
Income tax		**$ -**	$ -
(b) Assets			
NON-CURRENT			
Deferred tax asset		**$ 206,659**	$ 168,615
Note 16: Employee Benefits			
CURRENT			
Employee benefits - Club		**182,562**	278,398
Employee benefits - Pre-school		**35,298**	-
		$ 217,860	$ 278,398
NON-CURRENT			
Employee benefits - Club		**21,054**	49,734
Employee benefits - Pre-school		**5,061**	-
		$ 26,115	$ 49,734

Provision for employee benefits

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in note 1 to this report.

	Note	2014 $	2013 $
Note 17: Other Liabilities			
CURRENT			
Other income received in advance - Club		**17,518**	14,733
Other income received in advance - Pre-school		**2,363**	-
		$ 19,881	$ 14,733
NON-CURRENT			
Other income received in advance - Club		**21,616**	23,421
		$ 21,616	$ 23,421

	Note	2014 $	2013 $
Note 18: Capital and Leasing Commitments			
(a) Finance Lease Commitments			
Payable - minimum lease payments:			
- not later than 12 months		**74,986**	115,455
- between 12 months and five years		**456,202**	531,221
Minimum lease payments		**531,188**	646,676
Less: future finance charges		**(68,975)**	(114,940)
Present value of minimum lease payments	14 (a)	**$ 462,213**	$ 531,736

The club has a number of hire purchase liabilities in place.

(b) Capital Expenditure Commitments

As at 30 June 2014, the company did not have any capital expenditure commitments.

Note 19: Motel Development

Whilst no contracts have been exchanged, the company is currently continuing to negotiate with Council for the construction of a motel complex. As at 30 June 2014, the company had spent $303,096 on plans and applications for this development which has been funded through cashflow. Given the period of time that had passed since the initial development application was lodged, the company undertook an assessment of expenditure during 2013 and it was identified that the useful life of the initial plans and development costs had largely expired. As such an amount of $223,151 was expensed during the 2013 period. An amount of $79,945 remains as a component of the capital works in progress. A further assessment of impairment was conducted by the directors for the year ended 30 June 2014 and no further impairment was noted.

Note 20: Events After the End of the Reporting Period

Subsequent to the end of the financial year, the directors approved a budget of $2.5 million to undertake the Club's capital refurbishment plan. The Company is in the process of finalising finance arrangements for $2 million to assist in the funding of these capital works.

	Note	2014 $	2013 $

Note 21: Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and leases.

The totals for each category of financial instruments measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2014 $	2013 $
Financial assets			
Cash and cash equivalents	6	**879,545**	337,182
Loans and receivables	7	**28,883**	28,669
Held-to-maturity financial assets	9	**664,423**	1,051,472
		$ 1,572,851	$ 1,417,323
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	13	**673,261**	574,139
Borrowings	14	**462,213**	531,736
		$ 1,135,474	$ 1,105,875

Note 22: Related Party Transactions

Key Management Personnel

The totals of remuneration paid to key management personnel (KMP) during the year are as follows:

Key management personnel compensation	2014 $	2013 $
Short term benefits	**484,248**	480,660
Post employment benefits	**45,569**	78,976
	$ 529,817	$ 559,636

Other Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties were:

	2014 $	2013 $
Director, B Everett, has an interest in a fire and safety business and a security business that provides services to the club.	**$ 30,151**	$ 49,470

Note 23: Business Combinations

On 1 July 2013, Armidale Ex Services Memorial Club Limited, acquired the operations of Hobbit New England Pre-school and Child Care Centre Inc. The combination resulted in a gain of $423,401 being the fair value of the net assets acquired under the Business Combination. The business combination was undertaken on a contract alone basis and no consideration was paid to Hobbit New England Pre-School and Child Care Centre Inc for the purchase of the pre-school business.

Details of the acquisition are as follows:

Cash and cash equivalents	**86,191**
Trade receivables	**9,814**
Land and buildings	**360,000**
Plant and equipment	**6,899**
Trade payables	**(11,411)**
Employee benefits	**(26,085)**
Income in advance	**(2,007)**
Net assets acquired	**423,401**
Goodwill	**-**
Acquisition-date fair value of the total consideration transferred	**$ 423,401**
Representing:	
Transfer of net assets	**$ 423,401**

Note 24: Company Details

The club is incorporated and domiciled in Australia as a company limited by guarantee.

The registered office and principal place of business is:

Armidale Ex Services Memorial Club Limited
137 Dumaresq Street
ARMIDALE NSW 2350

DIRECTORS' DECLARATION
FDR THE YEAR ENDED 30 JUNE 2014

The directors of the company declare that:

1. the financial statements and notes, as set out in pages 5 to 24, are in accordance with the Corporations Act 2001, and:
   (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   (b) give a true and fair view of the financial position as at 30 June 2014 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.

Brian D Everett
President

Mark D Bullen
Vice President

Dated: 10 September 2014

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ARMIDALE EX-SERVICES MEMORIAL CLUB LTD

ABN 61 000 979 377

Report on the financial report

We have audited the accompanying financial report of Armidale Ex-Services Memorial Club Ltd, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been provided to the directors of Armidale Ex-Services Memorial Club Ltd, would be in the same terms if given to the directors as at the time of this auditors' report.

Crowe Horwath Central North
ABN 91 680 058 554
Member Crowe Horwath International

90 Rusden Street
Armidale NSW 2350 Australia
PO Box 660
Armidale NSW 2350 Australia

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARMIDALE EX-SERVICES MEMORIAL CLUB LTD

ABN 61 000 979 377

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been provided to the directors of Armidale Ex-Services Memorial Club Ltd, would be in the same terms if given to the directors as at the time of this auditors' report.

Audit Opinion

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

a) giving a true and fair view of the company's financial position as at 30 June 2014 and of their performance for the year ended on that date; and

b) complying with Australian Accounting Standards Reduced Disclosure Requirements as described in Note 1 and the Corporations Regulations 2001.

Crowe Horwath Central North

CROWE HORWATH CENTRAL NORTH

L J Russell

Leah J Russell
Audit Partner
90 Rusden Street
ARMIDALE NSW 2350

Dated: 12 September 2014

SUMMARY OF 10 YEAR HISTORY

Year	Assets	Liabilities	Net Assets	Gross Receipts	Administrative & General Expenses	Taxes & Licence Fees	Donations Welfare & Sports Grants	Cash Flow Operating Surplus	Depreciation & Provisions	Net Profit After Tax
2005	8,070,223	868,364	7,201,860	5,858,483	3,859,412	536,537	28,400	680,652	402,379	139,207
2006	8,365,742	724,199	7,641,543	6,257,386	3,845,935	621,035	13,396	789,997	364,864	439,683
2007	8,949,661	1,005,534	7,944,127	6,615,757	1,786,611	715,794	47,159	1,018,531	430,170	302,584
2008	8,741,182	878,093	7,863,089	6,689,176	2,040,619	655,736	47,216	176,751	550,475	(81,037)
2009	8,628,920	844,685	7,784,235	6,045,896	2,591,287	617,397	40,621	259,835	450,925	(78,854)
2010	8,609,155	728,474	7,880,681	5,408,821	3,019,981	599,089	97,097	434,559	334,286	96,446
2011	9,321,296	1,542,277	7,779,019	5,265,956	3,051,344	594,218	89,338	233,518	380,320	(74,206)
2012	9,306,675	1,420,126	7,886,549	5,531,269	2,971,373	629,074	137,357	560,878	450,916	107,530
2013	8,974,586	1,472,181	7,502,425	6,248,133	3,584,096	557,560	159,126	396,509	693,260	(384,124)
2014	9,541,765	1,420,946	8,120,819	7,456,217	3,455,338	642,621	182,932	669,004	380,633	618,394