



ARMIDALE EX-SERVICES
MEMORIAL CLUB LIMITED

2017
Annual
report

SERVICES

Giving More
back to our members

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 **Wednesday 27th September 2017** commencing at the hour of **6:00 pm** at the premises of the Club, Dumaresq Street, Armidale, New South Wales.

Note:

- Registrations will commence at **5:15 pm** and finish at **5:59 pm**.
 - Doors will close at **6:00 pm**.
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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 28th September 2016.
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 **Monday, 18th September 2017**. 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 Resolution set out in this Notice.
 6. To deal with any other business of which due notice has been given to members.
 7. General business.
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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.
5. Amendments to the Ordinary Resolutions (other than minor typographical corrections which do not change the substance or effect of the Ordinary Resolutions) will not be permitted from the floor of the meeting.
6. The Board of the Club recommends the Ordinary Resolutions to members.

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 - \$7,000.00.
 - (ii) Vice President - \$3,000.00.
 - (iii) Ordinary Directors - \$2,500.00 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.
 3. The honorariums have been increased by \$500.00 from those approved last year
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SPECIAL RESOLUTION

Procedural Notes on the Special Resolution

1. The Special Resolution should be read in conjunction with the explanatory notes which follow the Special Resolution.
2. To be passed, the 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 Resolution is to be considered) are eligible to vote on the Special Resolution.**
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.
5. Amendments to the Special Resolution (other than minor typographical corrections which do not change the substance or effect of the Special Resolution) will not be permitted from the floor of the meeting.
6. The Board of the Club recommends the Special Resolution to members.

SPECIAL RESOLUTION

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

- (a) **deleting** Rule 9(a) and **renumbering** Rule 9(b) as Rule 9.
- (b) **deleting** Rule 16(c) and in its place **inserting** the following new Rule 16(c);
 - “(c) *When Honorary membership is conferred on any person (except for any person admitted to Honorary membership pursuant to Rule 16(a)(iii)), the following particulars shall be entered into the Club’s Register of Honorary members:*
 - (i) *the full name or surname and initials of the Honorary member; and*
 - (ii) *the address of the Honorary member.*”
- (c) **deleting** Rule 52(a) and in its place **inserting** the following new Rule 52(a):
 - “(a) *If he or she is disqualified for any reason referred to in Section 206B of the Act.*”

Notes to Members on the Special Resolution

1. The Special Resolution proposes some minor amendments to the Club's Constitution to bring the Constitution into line with the requirements of the *Corporations Act* and *Registered Clubs Act*.
2. **Paragraph (a)** deletes a provision which is no longer required. Previously, the maximum number of members of the Club was restricted by the *Registered Clubs Act*. The *Registered Clubs Act* no longer prescribes a maximum number of members for clubs.
3. **Paragraph (b)** amends an existing provision relating to the register of Honorary members to bring the Constitution into line with the *Registered Clubs Act*. In this regard, the *Registered Clubs Act* no longer requires the Club to obtain the signature of a current or former member of the Australian Defence Force who is admitted to Honorary membership of the Club.
4. **Paragraph (c)** clarifies that a director shall automatically vacate their office as a director of the Club if he or she is disqualified for any reason referred to in Section 206B of the *Corporations Act*.

Dated:

By direction of the Board

Scott Sullivan

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 successes of what has been both a challenging and productive year.

I would firstly like to take this opportunity, on behalf of all the members of the club, to thank Armidale Ex-Services Memorial 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 a wonderful club.

My fellow board members are all from a strong business background and are keen to invest in improving the club and securing its future. This year we have continued our ongoing improvements to the infrastructure of the club including the renovating the upstairs function areas. The board is continually looking for more strategies for business diversification.

The club is in a strong financial position and has recorded a profit for the 2016/2017 financial year. We can thank increased patronage by our members for this ongoing growth. Where other clubs are struggling financially the Servies continues to grow supporting local sporting groups, charities and ex-service personnel while fostering a great community spirit.

I am pleased to report that the Hobbit Child Care facility is also continuing to grow and is being well patronised by Armidale families. It is another excellent example of Armidale Ex-Services Memorial Clubs investment in the local community.

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

CEO Report 2017

As the Club's CEO, I am pleased to advise that the Club has again been able to achieve another financially stable operating result with the profit (before income tax) for the year being \$633,528 (2016 Profit \$462,101) 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.

A break up of this year financial result is as follows:

	<u>2017</u>	<u>2016</u>
• Profit from operations of the Club	\$ 455,145	\$ 407,120
• Profit from operations of Hobbit Pre-School	\$ 99,673	\$ 51,939
• Profit from Cinema lease	\$ 78,710	\$ 86,106
• Write off costs associated with motel development	<u>\$ -</u>	<u>\$ (83,064)</u>
Operating Surplus / (deficit) from company operations	<u>\$ 633,528</u>	<u>\$462,101</u>

During the financial year, there has been a continual management focus on endeavouring to stabilise and strengthen operations given that the industry will face some increased business pressures in the forthcoming year in relation to increased cost of goods (food and bar) and rising electricity costs. The overall aim is to financially secure the Club for the foreseeable future.

I would like to take this opportunity to thank and acknowledge the management team of the Servies (both the Club and Hobbit Pre-School) and all the staff for their work, effort and dedication over the year. It is with this team effort that we can continue to achieve our financially stable results and all staff should be very proud of the results that have been achieved.

The Servies has also continued our strong level of community support and involvement, with our focus on giving back to our members and our community resulting in the following contributions being made:

- Sponsorships \$ 80,564
- Donations \$ 84,413
- Contributions to Community events, projects & programs \$64,132
- Member Benefits (i.e. App giveaways, promotions, member rewards etc.) \$295,958

The Club for the fourth consecutive year has again been nominated as a finalist in the 2017 Clubs & Community Awards for our story "St Albie's Servies Road Realities Program". Our story and submission is around the PCYC Driver Awareness program that we run for the students of St Alberts College to educate them on the fatal realities of the consequences to drink driving and driver fatigue.

As many of our members may be aware the Club has been working for several years on a potential business diversification of a Motel. An update on this proposed project is that both the Board and I have had, during the year, various meetings and discussions with Armidale Regional Council and we are continuing to liaise with Council. Further due diligence around the motel project has also been performed this year, in the following areas:

- a flood engineer's report to identify the level of flooding on and around the proposed motel site, along with the risks associated with these flood levels, and to develop an appropriate emergency evacuation plan to address the risks identified.
- an architectural pre-concept feasibility report, and
- a financial & economic feasibility report of a proposed motel within the Armidale district.

The Board has recently resolved to proceed with a renewed Motel development application which will hopefully be submitted to council by the end of the year. A motel business diversification opportunity of this nature would not only further enhance the amenities and services provided by the Servies but it is also seen as a diversification to assist the club financially into the future.

The Club's Board Members have again contributed their time in ensuring that the Board fulfils its responsibilities as stewards of the Club's assets in a professional and compliant manner. I extend my appreciation to all Board members for their commitment, contribution and assistance throughout the year.

Finally, I'd like to again thank all members for their ongoing support and patronage of the Club. Without the continued support of our members we are unable to reinvest back into our facilities, and indeed the community.

Scott Sullivan

Chief Executive Officer

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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2017

Your directors present their report on the company for the financial year ended 30 June 2017.

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.
- to consolidate debt using new finance and existing cash reserves in order to reduce the company's exposure to interest rates

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:

- Profit, before income tax expense, for the financial year was \$633,528 (2016: \$462,101).
- Cash flow from operating activities for the financial year was \$1,257,285 (2016: \$1,404,868).
- Membership for the financial year was 7,777.

ARMIDALE EX-SERVICES MEMORIAL CLUB LTD
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DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2017

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 Resigned 26 October 2016	Chartered Accountant Treasurer from 27 November 2013
Craig Archer	Treasurer	Appointed 24 April 2012	Accountant and former business owner Appointed as Treasurer from 26 October 2016
John M Hamel	Director	Appointed 17 October 2004	Self employed grazier
Grant McCarroll	Director	Appointed 20 August 2014	Self employed motor vehicle dealership proprietor
Sue Nelson	Director	Appointed 6 June 2016	Store Manager

Meetings of Directors

During the financial year, 13 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	13	11
Mark D Bullen	13	12
Ashley Clee	3	3
Craig Archer	13	9
John M Hamel	13	13
Grant McCarroll	13	9
Sue Nelson	13	11

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.

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

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2017

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	7,506	\$ 1	\$ 7,506
Service Members	270	\$ 1	\$ 270
Life Members	1	\$ 1	\$ 1
Total	7,777	\$ 1	\$ 7,777

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: 23 August 2017

**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 2017 there has 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



Kylie Ellis
Audit Partner
Registered Company Auditor (ASIC RAN 483424)
90 Rusden St
ARMIDALE NSW 2350

Dated: 23 August 2017

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 2017

	Note	2017 \$	2016 \$
Sales revenue	2	2,889,335	2,918,221
Cost of goods sold	3	<u>(1,834,088)</u>	<u>(1,869,306)</u>
Gross profit		<u>1,055,247</u>	<u>1,048,915</u>
Other revenue	2	4,971,388	4,826,626
Advertising and promotional expenses		(1,070,378)	(1,008,479)
Depreciation expense	3	(686,009)	(679,805)
Impairment Loss		-	(83,064)
Loss on disposal of fixed assets		(24,219)	(44,200)
Employee benefits expense		(2,294,668)	(2,243,476)
Finance costs		(30,481)	(62,349)
Occupancy costs		(912,791)	(952,962)
Other expenses		<u>(374,561)</u>	<u>(339,105)</u>
Surplus before income tax expense attributable to members		633,528	462,101
Income tax revenue/(expense)	1(b), 4	<u>(23,012)</u>	<u>(26,920)</u>
Surplus after income tax expense		<u>610,516</u>	<u>435,181</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to members		<u>\$ 610,516</u>	<u>\$ 435,181</u>

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	316,189	316,261
Trade and other receivables	6	19,614	10,594
Inventories	7	64,974	54,750
Other current assets	8	69,475	76,009
TOTAL CURRENT ASSETS		470,252	457,614
NON CURRENT ASSETS			
Property, plant and equipment	9	9,092,564	9,131,963
Deferred tax assets	13	22,339	20,781
Intangible assets	10	60,000	60,000
TOTAL NON CURRENT ASSETS		9,174,903	9,212,744
TOTAL ASSETS		9,645,155	9,670,358
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	671,837	699,875
Borrowings	12	-	73,991
Current tax liabilities	13	15,492	11,227
Employee benefits	14	122,927	168,557
Other liabilities	15	27,116	45,829
TOTAL CURRENT LIABILITIES		837,372	999,479
NON CURRENT LIABILITIES			
Borrowings	12	5	465,652
Employee benefits	14	19,347	23,463
Other liabilities	15	16,374	20,223
TOTAL NON CURRENT LIABILITIES		35,726	509,338
TOTAL LIABILITIES		873,098	1,508,817
NET ASSETS		\$ 8,772,057	\$ 8,161,541
EQUITY			
Retained surpluses		8,772,057	8,161,541
TOTAL EQUITY		\$ 8,772,057	\$ 8,161,541

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Retained Surpluses \$	Total \$
Balance at 1 July 2015	7,726,360	7,726,360
Surplus after income tax expense	435,181	435,181
Total other comprehensive income for the year	-	-
Balance at 30 June 2016	<u>\$ 8,161,541</u>	<u>\$ 8,161,541</u>
Surplus after income tax expense	610,516	610,516
Total other comprehensive loss for the year	-	-
Balance at 30 June 2017	<u>\$ 8,772,057</u>	<u>\$ 8,772,057</u>

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit)/surplus from ordinary activities after income tax expense		610,516	435,181
Adjustments for:			
Non cash flows in (deficit)/surplus from ordinary activities:			
Depreciation and amortisation		686,009	679,805
Impairment loss		-	83,064
Loss/(profit) on sale of fixed assets		24,219	44,200
Fair value of fixed assets acquired through business combination		-	-
Changes in Assets and Liabilities:			
(Increase) in trade and other receivables		(9,020)	34,332
Decrease in inventories		(10,224)	5,135
Decrease/(increase) in accrued income		6,144	(4,106)
Decrease/(increase) in prepaid expenses		390	(24,109)
Increase/(Decrease) in creditors and accruals		18,852	121,672
(Decrease) in provisions		(49,746)	(10,451)
Increase in other liabilities		(22,562)	20,768
Income tax paid	1(b)	2,707	19,377
Net cash provided by operating activities		1,257,285	1,404,868
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		89,945	31,900
Purchase of property, plant and equipment		(807,664)	(970,035)
Net receipt from investments		-	119,832
Net cash (used in)/provided by investing activities		(717,719)	(818,303)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(539,638)	(503,885)
Net cash provided by/(used in) financing activities		(539,638)	(503,885)
Net (decrease)/increase in cash held		(72)	82,680
Cash at the beginning of the financial year		316,261	233,581
Cash at the end of the financial year	5 (a)	\$ 316,189	\$ 316,261

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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 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 (p).

The financial statements were authorised for issue by the directors on 23 August 2017.

Accounting Policies

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

(a) 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.

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

(b) 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 that 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

(c) Current and non-current classification

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

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchange or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(d) 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.

(e) 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 collected within 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(i) for further discussion on the determination of impairment losses.

(f) Inventories

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

(g) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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.

(h) 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.

(i) 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.

(j) 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.

(k) Borrowing Costs

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

(l) Provisions

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

(m) 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.

(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) 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 indefinite life intangible assets

The company assesses impairment of 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 (m), 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

(p) Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the company will be able to continue their trading activities. The company has recognised a surplus after income tax of \$610,516 and positive net operating cash flows of \$1,257,285 for the year ended 30 June 2017 and as at that date, current liabilities exceed current assets by \$367,120.

The company has a pre-approved finance facility with a limit of \$1,905,882 at 30 June 2017, of which an amount of \$1,905,877 was unused, allowing for ready access to short terms funds if considered necessary by the directors and management. This facility expires on 30 April 2024.

In the unlikely event that the above results in a negative outcome, then the going concern basis may not be appropriate. No allowance for such circumstances has been made in the financial report.

(q) 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.

There were no new standards this year that had a significant impact on the company. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Note 2: Revenue			
Sales revenue:			
Bar sales		1,055,011	1,068,154
Catering and function sales		1,304,609	1,344,969
Other trading income		529,715	505,098
		<u>\$ 2,889,335</u>	<u>\$ 2,918,221</u>
Other revenue:			
Interest received from other persons		16,596	19,680
Membership subscriptions		16,724	18,334
Poker machines income		4,076,748	4,058,002
Pre-school fees received		296,352	219,377
Pre-school funding received		327,367	304,848
Rent received		108,228	103,823
Other income - Club		100,185	80,222
Other income - Pre-school		29,188	22,340
		<u>\$ 4,971,388</u>	<u>\$ 4,826,626</u>
Total revenue from operating activities		<u>\$ 4,971,388</u>	<u>\$ 4,826,626</u>
Total revenue		<u>\$ 7,860,723</u>	<u>\$ 7,744,847</u>
Note 3: Surplus before Income Tax Expense			
(a) Significant expenses			
Cost of sales		1,834,088	1,869,306
Donations and sponsorships		229,109	194,718
Member benefits		763,323	739,846
Depreciation expense		686,009	679,805
Salary and wages		1,973,584	1,900,613
Superannuation		177,852	170,321
Cleaning and waste removal		311,228	310,436
Electricity and gas		220,988	207,694
Repairs and maintenance		177,066	184,537
(b) Auditors Remuneration			
- audit of the financial statements		18,000	16,940
- other services		2,800	2,800
Note 4: Income Tax Expense			
(a) The prima facie tax on surplus from ordinary activities before income tax is reconciled to the income tax as follows:			
Prima facie tax payable on (deficit)/surplus from ordinary activities before income tax at 30% (2016:30%)		190,058	138,630
Add: Tax effect of;			
Non deductible exempt expenses		1,623,741	1,650,524
Deferred tax asset		1,558	7,756
Less: Tax effect of;			
Exempt income		(1,792,345)	(1,769,990)
Income tax expense/(revenue) attributable to the company		<u>\$ 23,012</u>	<u>\$ 26,920</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Note 5: Cash and Cash Equivalents			
Cash on hand - Club		195,966	182,989
Cash on hand - Pre-school		200	200
Cash at bank - Club		87,477	115,144
Cash at bank - Pre-school		32,546	17,928
		<u>\$ 316,189</u>	<u>\$ 316,261</u>
(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		<u>316,189</u>	<u>316,261</u>
		<u>\$ 316,189</u>	<u>\$ 316,261</u>
Note 6: Trade and Other Receivables			
CURRENT			
Trade receivables - Club		14,472	9,795
Trade receivables - Pre-school		5,142	1,491
Other receivables - Pre-school		-	(692)
		<u>\$ 19,614</u>	<u>\$ 10,594</u>
Note 7: Inventories			
CURRENT			
Stock on Hand, at cost - Club		<u>\$ 64,974</u>	<u>\$ 54,750</u>
Note 8: Other Assets			
CURRENT			
Accrued income - Pre-school		5,453	11,597
Bonds paid - Club		5,500	5,500
Prepayments - Club		52,165	54,712
Prepayments - Pre-school		6,357	4,200
		<u>\$ 69,475</u>	<u>\$ 76,009</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Note 9: Property, Plant & Equipment			
Land and Buildings (at cost)			
Capital works in progress - Club		<u>53,335</u>	<u>7,781</u>
Freehold land and buildings - Club		<u>6,640,853</u>	<u>6,555,655</u>
Less: Accumulated depreciation		<u>(673,610)</u>	<u>(462,622)</u>
		<u>5,967,243</u>	<u>6,093,033</u>
Freehold land and buildings - Pre-school		<u>373,634</u>	<u>373,634</u>
Less: Accumulated depreciation		<u>(22,780)</u>	<u>(16,505)</u>
		<u>350,854</u>	<u>357,129</u>
Buildings - Theatre Complex		<u>987,700</u>	<u>987,700</u>
Less: Accumulated depreciation		<u>(544,124)</u>	<u>(532,751)</u>
		<u>443,576</u>	<u>454,949</u>
Total Land and Buildings		<u>6,815,008</u>	<u>6,912,892</u>
Plant and Equipment (at cost)			
Plant and equipment - Club		<u>1,983,866</u>	<u>1,795,570</u>
Less: Accumulated depreciation		<u>(1,074,696)</u>	<u>(879,515)</u>
		<u>909,170</u>	<u>916,055</u>
Plant and equipment - Pre-school		<u>66,515</u>	<u>61,734</u>
Less: Accumulated depreciation		<u>(50,003)</u>	<u>(45,757)</u>
		<u>16,512</u>	<u>15,977</u>
Poker machines - Club		<u>2,526,694</u>	<u>2,335,149</u>
Less: Accumulated depreciation		<u>(1,339,255)</u>	<u>(1,213,190)</u>
		<u>1,187,439</u>	<u>1,121,959</u>
Motor vehicles - Club		<u>64,032</u>	<u>64,032</u>
Less: Accumulated depreciation		<u>(16,920)</u>	<u>(11,472)</u>
		<u>47,112</u>	<u>52,560</u>
Bowling greens and equipment - Club		<u>152,068</u>	<u>239,753</u>
Less: Accumulated depreciation		<u>(34,745)</u>	<u>(127,233)</u>
		<u>117,323</u>	<u>112,520</u>
Total Plant and Equipment		<u>2,277,556</u>	<u>2,219,071</u>
Total Property, Plant and Equipment		<u>\$ 9,092,564</u>	<u>\$ 9,131,963</u>

(a) Movements in carrying amounts

	Land and Buildings \$	Plant and Equipment \$	Total \$
Balance at the beginning of the year	6,912,892	2,219,071	9,131,963
Additions	130,752	630,022	760,774
Disposals	-	(114,164)	(114,164)
Depreciation expense	(228,636)	(457,373)	(686,009)
Impairment expense	-	-	-
Carrying amount at the end of the year	<u>\$ 6,815,008</u>	<u>\$ 2,277,556</u>	<u>\$ 9,092,564</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Note 10: Intangible Assets			
Poker machine entitlements (at cost)		<u>60,000</u>	<u>60,000</u>
		<u>\$ 60,000</u>	<u>\$ 60,000</u>
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 2017.			
Note 11: Trade and Other Payables			
CURRENT			
Unsecured liabilities;			
Trade payables - Club		222,128	309,812
Capital works payables - Club		-	46,890
Poker machine duty payable - Club		66,816	57,245
Sundry payables and accrued expenses - Club		204,327	130,023
Sundry payables and accrued expenses - Pre-school		47,868	19,441
GST and PAYG payable - Club		126,652	130,833
GST and PAYG payable - Pre-school		4,046	5,631
		<u>\$ 671,837</u>	<u>\$ 699,875</u>
Note 13: Borrowings			
CURRENT			
Secured liabilities:			
Bank loan		<u>-</u>	<u>73,991</u>
		<u>-</u>	<u>73,991</u>
NON-CURRENT			
Secured liabilities:			
Bank loan		<u>5</u>	<u>465,652</u>
		<u>5</u>	<u>465,652</u>
Total Borrowings		<u>\$ 5</u>	<u>\$ 539,643</u>
(a) Total current and non-current secured liabilities:			
Bank loan		<u>5</u>	<u>539,643</u>
		<u>\$ 5</u>	<u>\$ 539,643</u>

(b) The amount of the loan not drawn down is \$1,905,877. These funds are readily available to the club.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Note 13: Tax assets and liabilities			
(a) Liabilities			
CURRENT			
Income tax		<u>\$ 15,492</u>	<u>\$ 11,227</u>
(a) Assets			
NON-CURRENT			
Deferred tax asset		<u>\$ 22,339</u>	<u>\$ 20,781</u>
Note 14: Employee Benefits			
CURRENT			
Employee benefits - Club		113,918	147,119
Employee benefits - Pre-school		<u>9,009</u>	<u>21,438</u>
		<u>\$ 122,927</u>	<u>\$ 168,557</u>
NON-CURRENT			
Employee benefits - Club		10,332	16,945
Employee benefits - Pre-school		<u>9,015</u>	<u>6,518</u>
		<u>\$ 19,347</u>	<u>\$ 23,463</u>
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 15: Other Liabilities			
CURRENT			
Other income received in advance - Club		14,156	18,276
Other income received in advance - Pre-school		<u>12,960</u>	<u>27,553</u>
		<u>\$ 27,116</u>	<u>\$ 45,829</u>
NON-CURRENT			
Other income received in advance - Club		<u>16,374</u>	<u>20,223</u>
		<u>\$ 16,374</u>	<u>\$ 20,223</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
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Note 16: Capital and Leasing Commitments

As at 30 June 2017, the company had:

- Resolved to approve progression of a Development Application for a proposed motel project on the land situated between the Club and the Cinema Complex. This resolution was made after extensive economic, architectural and flood feasibility studies. a number of consultants have been contracted to assist with the progression of the project. the full amount of these contracts are only payable if Armidale Ex-Services Memorial Club Ltd continues with the development.

Architectural and Planning Consultants		\$ 89,503	\$ -
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- The lease of the land which the Club car park is situated has expired and is now ongoing on a month by month basis. This lease was a peppercorn lease requiring payment of \$1 per year. The Club is currently in negotiation with Council in respect of renewing the lease at commercial rates.

Note 17: Events After the End of the Reporting Period

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.

Note 19: 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:

Financial assets

Cash and cash equivalents	5	316,189	316,261
Loans and receivables	6	19,614	10,594
		\$ 335,803	\$ 326,855

Financial liabilities

Financial liabilities at amortised cost:			
Trade and other payables	11	671,837	699,875
Borrowings	12	5	539,643
		\$ 671,842	\$ 1,239,518

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
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Note 20: 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

Short term benefits

646,683	718,316
\$ 646,683	\$ 718,316

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:

Director, G McCarroll, has an interest in a motor dealership that provides services to the club

\$ 658	\$ 2,894
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Director, B Everett, has an interest in a fire and safety business and a security business that provides services to the club.

\$ 65,434	\$ 78,146
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Director, M Bullen, has an interest in a bicycle centre that provides services to the club.

\$ 1,848	\$ 4,250
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Note 21: 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

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

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2017

The directors of the company declare that:

1. the financial statements and notes, as set out in pages 5 to 21, 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 2017 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: 23 August 2017

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

ABN 61 000 979 377

Opinion

We have audited the accompanying financial report of Armidale Ex-Services Memorial Club Ltd (the Company), which comprises the statement of financial position as at 30 June 2017, 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.

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 2017 and of its 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.

Basis for Opinion

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

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

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

ABN 61 000 979 377

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

CROWE HORWATH CENTRAL NORTH



Kylie Ellis
Audit Partner
Registered Company Auditor (ASIC RAN 483424)
90 Rusden St
ARMIDALE NSW 2350

Dated: 25 August 2017

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
2008	8,741,182	878,093	7,863,089	6,689,176	2,040,619	655,736	47,216	176,751	550,475	-81037
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	2,248,823	599,089	97,097	434,559	334,286	96,446
2011	9,321,296	1,542,277	7,779,019	5,265,956	3,443,849	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
2015	10,055,048	2,328,688	7,726,360	6,929,598	3,483,365	838,999	272,016	625,102	457,595	-394,459
2016	9,670,358	1,508,817	8,161,541	7,744,847	3,516,939	825,811	194,717	1,404,868	669,358	435,181
2017	9,768,197	971,068	8,797,129	7,939,141	3,978,416	747,731	148,545	1,568,197	675,488	608,958

