

2018

ANNUAL REPORT

ARMIDALE EX-SERVICES
MEMORIAL CLUB LIMITED

SERVIES
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, 26 September 2018** 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**.

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 27th October 2017.
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.armidaleservices.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, 17th September 2018**. 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 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
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 amounts for the proposed honorariums are the same as were approved last year.
-

SPECIAL RESOLUTION

Procedural Notes on the Special Resolution

- 1. 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.
- 2. **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 Resolution.**
- 3. Under the Registered Clubs Act:
 - (a) members who are employees of the Club are not entitled to vote; and
 - (b) proxy voting is prohibited.
- 4. 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.
- 5. The Board of the Club recommends the Special Resolution to members.

That the Constitution of Armidale Ex Services Memorial Club Limited be amended by **deleting** Rules 48 to 50 inclusive and the headings before those Rules and inserting in their place the following new headings and Rules 48 to 50 inclusive:

“48. MATERIAL PERSONAL INTERESTS OF DIRECTORS

- 48.1 *Any director who has a material personal interest in a matter that relates to the affairs of the Club must, as soon as practicable after the relevant facts have come to the director's knowledge declare the nature of the interest at a meeting of the Board and comply with Rule 48.2.*
- 48.2 *Subject to Section 195 of the Act, a director who has a material personal interest in a matter that is being considered at a meeting of the Board, or of the Directors of the Club:*
 - (a) *must not vote on the matter; and*

- (b) *must not be present while the matter is being considered at the meeting.*

49. REGISTERED CLUBS ACCOUNTABILITY CODE

- 49.1. *The Club must comply with the requirements of the Registered Clubs Accountability Code (as amended from time to time) and the provisions of this Rule 49.*
- 49.2 *For the purposes of this Rule 49, the following terms shall have the meanings assigned to them by the Registered Clubs Act and Registered Clubs Regulations:*
 - (a) *close relative; and*
 - (b) *controlling interest;*
 - (c) *departmental Secretary;*
 - (d) *management contract;*
 - (e) *manager;*
 - (f) *pecuniary interest;*
 - (g) *top executive.*

Contracts With Top Executives

- 49.3 *The Club must ensure that each top executive has entered into a written employment contract with the Club dealing with:*
 - (a) *the top executive's terms of employment; and*
 - (b) *the roles and responsibilities of the top executive;*
 - (c) *the remuneration (including fees for service) of the top executive;*
 - (d) *the termination of the top executive's employment.*
- 49.4 *Contracts of employment with top executives:*
 - (a) *will not have any effect until they approved by the Board; and*
 - (b) *must be reviewed by an independent and qualified adviser before they can be approved by the Board.*

Contracts With Directors Or Top Executives

- 49.5 *The Club must not enter into a commercial arrangement or a contract with a director or top executive or with a company or other body in which a director or top executive has a pecuniary interest, unless the proposed commercial arrangement or contract is first approved by the Board.*
- 49.6 *A "pecuniary interest" in a company for the purposes of Rule 49.5 does not include any interest exempted by the Registered Clubs Act.*

Contracts With Secretary And Managers

- 49.7 *Unless otherwise permitted by the Registered Clubs Act, the Club must not enter into a commercial arrangement or contract with:*
 - (a) *the Secretary or a manager; or*
 - (b) *any close relative of the Secretary or a manager;*
 - (c) *any company or other body in which the Secretary or a manager or a close relative of the Secretary or a manager has a controlling interest .*

Loans To Directors And Employees

- 49.8 *The Club must not:*
 - (a) *lend money to a director of the Club; and*
 - (b) *unless otherwise permitted by the Registered Clubs Act and Regulations, the Club must not lend money to an employee of the Club unless the amount of the proposed loan is ten thousand dollars (\$10,000) or less and the proposed loan has first been approved by the Board.*

Restrictions On The Employment Of Close Relatives Of Directors And Top Executives

- 49.9 *A person who is a close relative of a director or top executive must not be employed by the Club unless their employment is approved by the Board.*
- 49.10 *If a person who is being considered for employment by the Club is a close relative of a director of the Club, the director must not take part in any decision relating to the person's employment.*

Disclosures By Directors And Employees Of The Club

- 49.11 *A director, top executive or employee of the Club must disclose any of the following matters to the Club to the extent that they relate to the director, top executive or employee:*
- (a) any material personal interest that the director has in a matter relating to the affairs of the Club; and*
 - (b) any personal or financial interest of the director or top executive in a contract relating to the procurement of goods or services or any major capital works of the Club;*
 - (c) any financial interest of the director or top executive in a hotel situated within forty (40) kilometres of the Club's premises,*
 - (d) any gift (which includes money, hospitality and discounts) valued at one thousand dollars (\$1,000) or more, or any remuneration (including any fees for service) of an amount of one thousand dollars (\$1,000) or more, received by the director, top executive or employee from an affiliated body of the club or from a person or body that has entered into a contract with the club.*
- 49.12 *The Club must keep a register in an approved form containing details of the disclosures made to the Club in accordance with Rule 49.11.*

PROVISION OF INFORMATION TO MEMBERS

- 50 *The Club must:*
- (a) make the information required by the Registered Clubs Regulations available to the members of the club within four (4) months after the end of each reporting period to which the information relates, and*
 - (b) indicate, by displaying a notice on the Club's premises and on the Club's website (if any), how the members of the club can access the information.*

Notes to Members on the Special Resolution

1. The Special Resolution significantly amends existing provisions relating to corporate governance and accountability to bring the Constitution into line with the recent amendments to the corporate governance and accountability provisions of the Registered Clubs Act

Dated:

By direction of the Board

Scott Sullivan
Chief Executive Officer

Presidents Report

It is with pleasure that I write this annual report sharing some of the activities and successes of what has been both a challenging and productive year.

The Armidale Ex Services club has continued to improve and grow thanks in no small measure to the hard work of Club CEO, Scott Sullivan and Deputy CEO, Troy Gale and their team. The Club is fortunate to have a very qualified and knowledgeable CEO in Scott. He is extremely dedicated to growing the Club and developing a brand and reputation that will continue to be associated with excellent facilities, dining and service. The Board and Management continue to be supported by hardworking and loyal staff across all areas of the club. It is these staff members who assist Scott to ensure the smooth and successful operation of the Club.

“Club spirit” is an important element in the growth and popularity of any club and over the last few years I have been delighted to see the development of a strong club identity and spirit. This is due to a growing recognition amongst the members that they are part of a very successful operation. The Servies has also remained focused on giving back to our members and community with many donations being given sporting groups and community organisations.

Continual improvement has been taking place throughout the club with the refurbishment of the air –conditioning system upstairs, the new and an improved kids play zone and ongoing poker machine upgrades. January saw the Servies bring Ice Skating to Armidale. The ‘pop- up’ skating rink was well received during the warmer months by club members and their guests.

This year I was delighted to be involved in bringing home Hanna Whitton following her treatment in Melbourne as part of The Cross My Heart initiative. The initiative was set up to support members of our local community who are experiencing adversity. The inspiration behind this cause was Hannah, who was our first recipient. It is our promise that Armidale Servies will raise money for Servies Cross My Heart through various fundraisers and by donating 1% of bar and Bistro sales to provide financial support to our members in need



My thanks go to the members of the Board who have contributed to the successful management of the Club.

Brian Everett
President

CEO Report 2018

As the Club's CEO, I am again pleased to advise that the Club has been able to achieve yet another financially stable operating result with the profit (before income tax) for the year being \$644,556 (2017 Profit \$633,528).

This year's result (before income tax) compared to the previous year is as follows:

	<u>2018</u>	<u>2017</u>
• Profit from operations of the Club	\$ 475,294	\$ 455,145
• Profit from operations of Hobbit Pre-School	\$ 83,556	\$ 99,673
• Profit from Cinema lease	<u>\$ 85,706</u>	<u>\$ 78,710</u>
Operating Surplus / (deficit) from company operations	<u>\$ 644,556</u>	<u>\$ 633,528</u>

To ensure the continued viability of the Servies in the future, business diversification opportunities and alternative uses for the land surrounding the club remain a focus. During 2017-18 I have met on various occasions with the Armidale Regional Council and will continue to liaise with Council to find a resolution and way forward to hopefully enable a diversification project for the use of this vacant land.

I would like to take this opportunity to thank and acknowledge the management team of the Servies and all 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.

Our diversified business of Hobbit Pre-School continues to maintain good attendance rates and has again returned a strong financial result. Again, this result can be attributed to the ongoing support of the families who attend Hobbit and the diligent work and efforts of the management team and staff of Hobbit.

The Club has again, for the fifth consecutive year been nominated as a finalist in the 2018 Clubs & Community Awards for two categories 'Disability, Welfare & Social Inclusion' and 'Health and Wellbeing'. It is our PCYC Nanyapura boxing program and our Servies Cross My Heart initiatives which our club has been recognised for in these prestigious industry awards.

Continuing with our focus of "Giving Back", we have this year further extended our focus of not only giving back to our members within the club but staff and management have been encouraged to expand their commitment and focus on "Giving back to the Community". This community development commitment by staff and management has resulted in support to the following community events and initiatives:

- Blood donations.
- Tour de Rocks charity bike ride.
- Bingo with the Autumn Lodges residents and at Seniors Week.
- Daffodil Day, Biggest Morning Tea & Christmas present wrapping.
- Toy donations to Children's Ward at Armidale Hospital
- Drought Muster
- Kylie Walks a Black Dog

The continued success of the Club is always dependent upon the support of our wonderful members. Our member's dedication to the Club is our inspiration for us to offer you the best possible service, products and facilities that we can. I would like to extend a thank you to all of our members for contributing to the Servies success.

Finally, I would like to acknowledge the efforts and commitment of the Board as they continually look at opportunities with Management to advance our club while always adhering to their charter of setting policy and strategy for the betterment of all members.

Scott Sullivan

Chief Executive Officer

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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Your directors present their report on the company for the financial year ended 30 June 2018.

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 \$644,555 (2017: \$633,527).
- Cash flow from operating activities for the financial year was \$1,372,618 (2017: \$1,257,283).
- Membership for the financial year was 6,064.

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2018

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
Peter A Georkas	Director	Appointed 24 January 2018	Self employed real estate agent
John M Hamel	Director	Appointed 17 October 2004	Self employed grazier
Craig Archer	Director	Appointed 24 April 2012 Resigned 11 September 2017	Accountant and former business owner
Grant McCarroll	Director	Appointed 20 August 2014	Self employed motor vehicle dealership proprietor
Paul J Kennedy	Director	Appointed 22 November 2017	Owner and operator of local freight distribution business.
Sue Nelson	Director	Appointed 6 June 2016	Retirement village manager and former business owner

Meetings of Directors

During the financial year, 12 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	12	9
Mark D Bullen	12	11
Paul J Kennedy	7	7
Peter A Georkas	6	6
John M Hamel	12	11
Grant McCarroll	12	9
Craig Archer	3	3
Sue Nelson	12	10

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.

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2018

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	5,828	\$ 1	\$ 5,828
Service Members	235	\$ 1	\$ 235
Life Members	1	\$ 1	\$ 1
Total	6,064	\$ 1	\$ 6,064

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: 22 August 2018

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

Audit & Assurance Services

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

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**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATION ACT 2001
TO THE DIRECTORS OF
ARMIDALE EX-SERVICES MEMORIAL CLUB LIMITED
ABN 61 000 979 377**

I declare that, to the best of my knowledge and belief, during the financial year to 30 June 2018 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



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

Dated: 22 August 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Sales revenue	2	2,836,437	2,889,739
Cost of goods sold	3	(1,812,459)	(1,834,664)
Gross profit		1,023,978	1,055,075
Other revenue	2	5,082,960	4,971,387
Advertising and promotional expenses		(1,103,687)	(1,070,378)
Depreciation expense	3	(689,039)	(686,009)
Loss on disposal of fixed assets		(7,071)	(24,219)
Employee benefits expense		(2,388,447)	(2,294,667)
Finance costs		(20,914)	(30,482)
Occupancy costs		(886,388)	(912,796)
Other expenses		(366,837)	(374,384)
Surplus before income tax expense attributable to members		644,555	633,527
Income tax revenue/(expense)	1(b), 4	(41,888)	(23,012)
Surplus after income tax expense		602,667	610,515
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to members		602,667	610,515

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,004,330	316,189
Trade and other receivables	6	32,973	25,067
Inventories	7	66,872	64,974
Other current assets	8	69,933	64,022
TOTAL CURRENT ASSETS		1,174,108	470,252
NON CURRENT ASSETS			
Property, plant and equipment	9	9,080,932	9,092,563
Deferred tax assets	13	20,315	22,339
Intangible assets	10	60,000	60,000
TOTAL NON CURRENT ASSETS		9,161,247	9,174,902
TOTAL ASSETS		10,335,355	9,645,154
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	709,919	671,838
Current tax liabilities	13	22,971	15,492
Employee benefits	14	143,311	122,927
Other liabilities	15	53,220	27,116
TOTAL CURRENT LIABILITIES		929,421	837,373
NON CURRENT LIABILITIES			
Borrowings	12	5	5
Employee benefits	14	21,667	19,347
Other liabilities	15	9,540	16,374
TOTAL NON CURRENT LIABILITIES		31,212	35,726
TOTAL LIABILITIES		960,633	873,099
NET ASSETS		9,374,722	8,772,055
EQUITY			
Retained surpluses		9,374,722	8,772,055
TOTAL EQUITY		9,374,722	8,772,055

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Retained Surpluses \$	Total \$
Balance at 1 July 2016	8,161,540	8,161,540
Surplus after income tax expense	610,515	610,515
Total other comprehensive income for the year	-	-
Balance at 30 June 2017	<u>8,772,055</u>	<u>8,772,055</u>
Surplus after income tax expense	602,667	602,667
Total other comprehensive loss for the year	-	-
Balance at 30 June 2018	<u>9,374,722</u>	<u>9,374,722</u>

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus from ordinary activities after income tax expense		602,667	610,515
Adjustments for:			
Non cash flows in surplus from ordinary activities:			
Depreciation and amortisation		689,039	686,009
Loss/(profit) on sale of fixed assets		7,071	24,219
Changes in Assets and Liabilities:			
(Increase) in trade and other receivables		(7,906)	(14,473)
Decrease in inventories		(1,898)	(10,224)
Decrease/(increase) in accrued income		(12,836)	11,597
Decrease/(increase) in prepaid expenses		6,925	390
Increase/(Decrease) in creditors and accruals		38,079	18,853
(Decrease) in provisions		22,704	(49,747)
Increase in other liabilities		19,270	(22,562)
Income tax paid	1(b)	9,503	2,706
Net cash provided by operating activities		1,372,618	1,257,283
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		30,606	89,947
Purchase of property, plant and equipment		(715,083)	(807,664)
Net cash (used in)/provided by investing activities		(684,477)	(717,717)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	(539,638)
Net cash provided by/(used in) financing activities		-	(539,638)
Net (decrease)/increase in cash held		688,141	(72)
Cash at the beginning of the financial year		316,189	316,261
Cash at the end of the financial year	5 (a)	1,004,330	316,189

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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 (o).

The financial statements were authorised for issue by the directors on 22 August 2018.

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 2018

(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 with 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 2018**

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 2018

(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.

Business Combinations

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.

(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 2018

	Note	2018 \$	2017 \$
Note 2: Revenue			
Sales revenue:			
Bar sales		996,314	1,055,011
Catering and function sales		1,309,528	1,304,609
Other trading income		530,595	530,119
		2,836,437	2,889,739
Other revenue:			
Interest received from other persons		17,079	16,595
Membership subscriptions		25,808	16,724
Poker machines income		4,223,323	4,076,748
Pre-school fees received		310,639	296,352
Pre-school funding received		319,851	327,367
Rent received		109,064	108,228
Other income - Club		73,654	100,185
Other income - Pre-school		3,542	29,188
Total revenue from operating activities		5,082,960	4,971,387
Total revenue		7,919,397	7,861,126
Note 3: Surplus before Income Tax Expense			
(a) Significant expenses			
Cost of sales		1,812,459	1,834,664
Donations and sponsorships		219,396	229,109
Member benefits		792,244	763,323
Depreciation expense		689,039	686,009
Salary and wages		1,978,445	1,973,585
Superannuation		183,063	177,853
Cleaning and waste removal		290,310	311,228
Electricity and gas		242,518	220,988
Repairs and maintenance		183,663	177,066
(b) Auditors Remuneration			
- audit of the financial statements		20,000	18,000
- 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 surplus from ordinary activities before income tax at 27.5% (2017:30%)		177,253	190,058
Add: Tax effect of;			
Non deductible exempt expenses		1,654,957	1,623,741
Deferred tax asset		2,023	1,558
Less: Tax effect of;			
Exempt income		(1,792,345)	(1,792,345)
Income tax expense/(revenue) attributable to the company		41,888	23,012

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Note 5: Cash and Cash Equivalents			
Cash on hand - Club		240,305	195,966
Cash on hand - Pre-school		200	200
Cash at bank - Club		745,300	87,476
Cash at bank - Pre-school		18,525	32,547
		<u>1,004,330</u>	<u>316,189</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>1,004,330</u>	<u>316,189</u>
		<u>1,004,330</u>	<u>316,189</u>
Note 6: Trade and Other Receivables			
CURRENT			
Trade receivables - Club		8,262	14,472
Trade receivables - Pre-school		12,682	5,142
Other receivables - Pre-school		12,029	5,453
		<u>32,973</u>	<u>25,067</u>
Note 7: Inventories			
CURRENT			
Stock on Hand, at cost - Club		<u>66,872</u>	<u>64,974</u>
Note 8: Other Assets			
CURRENT			
Accrued income - Pre-school		12,836	-
Bonds paid - Club		5,500	5,500
Prepayments - Club		47,324	52,165
Prepayments - Pre-school		4,273	6,357
		<u>69,933</u>	<u>64,022</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Note 9: Property, Plant & Equipment			
Land and Buildings (at cost)			
Capital works in progress - Club		167,207	53,335
Freehold land and buildings - Club		6,640,853	6,640,853
Less: Accumulated depreciation		(885,389)	(673,610)
		5,755,464	5,967,243
Freehold land and buildings - Pre-school		373,634	373,634
Less: Accumulated depreciation		(29,055)	(22,780)
		344,579	350,854
Buildings - Theatre Complex		987,700	987,700
Less: Accumulated depreciation		(555,213)	(544,124)
		432,487	443,576
Total Land and Buildings		6,699,737	6,815,008
Plant and Equipment (at cost)			
Plant and equipment - Club		2,203,050	1,983,866
Less: Accumulated depreciation		(1,249,851)	(1,074,696)
		953,199	909,170
Plant and equipment - Pre-school		69,265	66,515
Less: Accumulated depreciation		(54,996)	(50,003)
		14,269	16,512
Poker machines - Club		2,700,335	2,526,694
Less: Accumulated depreciation		(1,434,161)	(1,339,256)
		1,266,174	1,187,438
Motor vehicles - Club		64,032	64,032
Less: Accumulated depreciation		(22,367)	(16,920)
		41,665	47,112
Bowling greens and equipment - Club		152,068	152,068
Less: Accumulated depreciation		(46,180)	(34,745)
		105,888	117,323
Total Plant and Equipment		2,381,195	2,277,555
Total Property, Plant and Equipment		9,080,932	9,092,563

(a) Movements in carrying amounts

	Land and Buildings \$	Plant and Equipment \$	Total \$
Balance at the beginning of the year	6,815,008	2,277,555	9,092,563
Additions	113,872	601,211	715,083
Disposals	-	(37,675)	(37,675)
Depreciation expense	(229,143)	(459,896)	(689,039)
Carrying amount at the end of the year	6,699,737	2,381,195	9,080,932

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
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 2018.			
Note 11: Trade and Other Payables			
CURRENT			
Unsecured liabilities;			
Trade payables - Club		269,186	222,129
Poker machine duty payable - Club		66,508	66,816
Sundry payables and accrued expenses - Club		195,985	204,327
Sundry payables and accrued expenses - Pre-school		44,108	47,868
GST and PAYG payable - Club		131,790	126,652
GST and PAYG payable - Pre-school		<u>2,342</u>	<u>4,046</u>
		<u>709,919</u>	<u>671,838</u>
Note 12: Borrowings			
CURRENT			
NON-CURRENT			
Secured liabilities:			
Bank loan		<u>5</u>	<u>5</u>
Total Borrowings		<u>5</u>	<u>5</u>
(a) Total current and non-current secured liabilities:			
Bank loan		<u>5</u>	<u>5</u>
		<u>5</u>	<u>5</u>

(b) The amount of the loan not drawn down is \$1,623,524. These funds are readily available to the club. The loan is secured by a first registered mortgage over the property situated at 137 Dumaresq Street Armidale.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Note 13: Tax assets and liabilities			
(a) Liabilities			
CURRENT			
Income tax		<u>22,971</u>	<u>15,492</u>
(b) Assets			
NON-CURRENT			
Deferred tax asset		<u>20,315</u>	<u>22,339</u>
Note 14: Employee Benefits			
CURRENT			
Employee benefits - Club		129,799	113,918
Employee benefits - Pre-school		<u>13,512</u>	<u>9,009</u>
		<u>143,311</u>	<u>122,927</u>
NON-CURRENT			
Employee benefits - Club		16,770	10,332
Employee benefits - Pre-school		<u>4,897</u>	<u>9,015</u>
		<u>21,667</u>	<u>19,347</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		47,044	14,156
Other income received in advance - Pre-school		<u>6,176</u>	<u>12,960</u>
		<u>53,220</u>	<u>27,116</u>
NON-CURRENT			
Other income received in advance - Club		<u>9,540</u>	<u>16,374</u>
		<u>9,540</u>	<u>16,374</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
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Note 16: Capital and Leasing Commitments

During the 2017 financial year 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.

The amounts committed at each year end are as follows;

Architectural and Planning Consultants		75,598	89,503
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The lease of the land which the Club car park is situated has expired during the 2017 financial year 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 or purchasing the land.

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 18: 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	1,004,330	316,189
Loans and receivables	6	32,973	10,594
		1,037,303	326,783

Financial liabilities

Financial liabilities at amortised cost:			
Trade and other payables	11	709,919	671,838
Borrowings	12	5	5
		709,924	671,843

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
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Note 19: 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

662,414	646,683
662,414	646,683

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

2,529	658
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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.

44,752	65,434
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Director, M Bullen, has an interest in a bicycle centre that provides services to the club.

3,905	1,848
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Director, P Kennedy, has an interest in a transport service that provides services to the club.

941	-
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During the year Sophie Gale was employed within the Club in the role of a casual waitress. Sophie is the daughter of Troy Gale, who is a key management personnel of the Club.

Note 20: 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 2018

The directors of the company declare that:

1. the financial statements and notes, as set out in pages 5 to 19, 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 2018 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: 22 August 2018

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

Audit & Assurance Services

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ARMIDALE EX-SERVICES MEMORIAL CLUB LIMITED
ABN 61 000 979 377**

Opinion

We have audited the financial report of Armidale Ex-Services Memorial Club Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

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

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

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

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ARMIDALE EX-SERVICES MEMORIAL CLUB LIMITED
ABN 61 000 979 377**

Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Company's Directors Report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Audit & Assurance Services

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ARMIDALE EX-SERVICES MEMORIAL CLUB LIMITED
ABN 61 000 979 377**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

CROWE HORWATH CENTRAL NORTH



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

Dated: 24 August 2018

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**DISCLAIMER
TO THE MEMBERS OF
ARMIDALE EX-SERVICES MEMORIAL CLUB LIMITED
ABN 61 000 979 377**

The additional financial data presented on pages 25 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the company for the financial year ended 30 June 2018. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Armidale Ex-Services Memorial Club Limited) in respect of such data, including any errors of omissions therein however caused.

CROWE HORWATH CENTRAL NORTH



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

Dated: 24 August 2018

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
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	4,016,279	747,731	148,545	1,568,197	675,488	608,958
2018	10,448,860	1,074,134	9,374,726	8,003,748	3,854,909	842,119	203,158	1,264,790	687,857	604,693

