COFFS EX-SERVICES MEMORIAL AND SPORTING CLUB LTD

ABN 85 000 875 516

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

Contents

For the Year Ended 30 June 2021

General information

The financial statements cover Coffs Ex-Services Memorial and Sporting Club Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Coffs Ex-Services Memorial and Sporting Club Ltd's functional and presentation currency.

Coffs Ex-Services Memorial and Sporting Club Ltd is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 September 2021. The directors have the power to amend and reissue the financial statements.

Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

Directors' Report
30 June 2021

The directors present their report on Coffs Ex-Services Memorial and Sporting Club Ltd for the financial year ended 30 June 2021

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Names	Position	Appointed/Resigned
Mr. D. H. Doyle	President	Continuing
Mr. L. J. Hogno	First Vice President	Continuing
Mr. R. E. Humphrys	Second Vice President	Continuing
Mr. H. Katala	Director	Continuing
Mrs. B. L. Piggott	Director	Continuing
Mr. J. Burnett	Director	Continuing
Mr. W. Edwards	Director	Continuing

Objectives

The Company's short term objectives are to:

- Continue providing first class facilities and services for the benefit of its members and their guests

The Company's long term objectives are to:

- Continue updating the Company's facilities and amenities to ensure the ongoing profitability and future viability of the Company.

Strategy for achieving the objectives

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

The strategy to achieve the short and long term objectives of the Company is through the provision of effective corporate governance including

- Making decisions that are consistent with the Company's role/purpose and the interests of members
- Ensuring the Company's business is conducted ethically and transparently
- Compliance with any relevant legislative industrial and administrative requirements.
- Through support of the community.
- Measuring/Monitoring the profitability and efficiency of core trading activities.
- Obtaining value for Company money spent by avoiding waste and extravagance in the use of Company resources.
- Providing value for Members and Guests.
- Providing a safe, healthy and discrimination-free club environment.
- Retaining quality staff, by promoting a culture of continuous professional development and training.

Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

Directors' Report

30 June 2021

Principal activities

The principal activity of Coffs Ex-Services Memorial and Sporting Club Ltd during the financial year was that of a licensed club.

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

Performance measures

The following measures are used within the Company to monitor performance:

- Assessing profitability through EBITDA
- Membership numbers
- Revenue centre profit benchmarking such as GP%
- Wage as a percentage of sales
- Assessing Return on Investment with regards to all expenditure.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Mr. D. H. Doyle

Experience	31 years service with Club 3 years Director 1 year 1st Vice President 27 years President Grazier (Retired)
Special responsibilities	President Ex Officio all committees

Mr. L. J. Hogno

Experience	18 years service with Club 2 years Director 8 years First Vice President 8 years 2nd Vice President Retired
Special responsibilities	1st Vice President Membership/Building Committees (C.ex Coffs/C.ex Woolgoolga) Liaison Director C.ex Coffs Men’s & Women's Bowls and Golf Club. Remuneration Committee. Representative on the Club Grants Committee (Local Council)

Directors' Report
30 June 2021

Information on directors

Mr. R. E. Humphrys

Experience	31 years service with Club 4 years Director 10 years 2nd Vice President 17 years 1st Vice President Retired
Special responsibilities	Second Vice President Club Grants Committee Poker Machine Committee Building Committees (C.ex Coffs/C.ex Urunga) Convenor Constitution Committee Liaison Director C.ex Sports Touring & Classic Car Club Liaison Director C.ex Camera Club

Mr. H. Katala

Experience	8 years service with Club 8 years as Director Retired
Special responsibilities	Director Membership Committee, Club Grants Committee C.ex Woolgoolga Building Committee Audit/Risk Committee Liaison Director C.ex Woolgoolga Intra Clubs

Mrs. B. L. Piggott

Experience	10 years service with Club 8 years as Director 2 years second Vice President Retired
Special responsibilities	Director Poker Machine Committee,Building Committees (C.ex Coffs/C.ex Urunga) Remuneration Committee, Audit/Risk Committee Liaison Director C.ex Urunga Intra Clubs

Mr. J. Burnett

Experience	5 years of service with club 5 years as director Company director (Real Estate)
Special responsibilities	Director Audit/Risk Committee Club Grants Committee

Mr. W. Edwards

Experience	5 years of service with club 5 years as director Retired Bank Manager
Special responsibilities	Director Audit/Risk Committee Remuneration Committee

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of $2 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is $64,068 (2020: $67,102), based on 32,034 (2020: 33,551) current ordinary members.

Meetings of directors

During the financial year, 12 general meetings of directors were held, and 2 special meetings. Attendances by each director during the year were as follows:

	Directors' Meetings		Special Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr. D. H. Doyle	12	11	1	1
Mr. L. J. Hogno	12	11	1	1
Mr. R. E. Humphrys	12	10	1	1
Mr. H. Katala	12	11	1	1
Mrs. B. L. Piggott	12	9	1	1
Mr. J. Burnett	12	12	1	1
Mr. W. Edwards	12	11	1	1

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2021 has been received and can be found on page 5 of the financial report.

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

Director: ....
Mr. D. H. Doyle

Coffs Harbour

Dated: 28 September 2021

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Coffs Ex-Services Memorial and Sporting Club Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, 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.

....	....
Murray McDonald	Moore Australia Audit (QLD/NNSW)
Director - Audit and Assurance	Chartered Accountants

Brisbane

Dated: 28 September 2021

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 $	2020 $
Sales revenue	3	**8,793,713**	8,244,605
Cost of sales		**(3,680,935)**	(3,540,667)
Gross Profit		**5,112,778**	4,703,938
Other revenue	3	**24,539,233**	17,324,092
Other income	3	**4,608,972**	2,596,860
Employee benefits expense		**(8,746,658)**	(9,197,712)
Poker machine duty and expenses		**(5,915,854)**	(4,159,264)
Depreciation and amortisation expense		**(3,816,230)**	(4,139,285)
Advertising, shows and promotions		**(1,369,367)**	(2,662,530)
Repairs and maintenance		**(1,333,546)**	(1,096,433)
Cleaning costs		**(770,900)**	(715,567)
Electricity and gas		**(737,792)**	(768,205)
Members promotions and costs		**(591,147)**	(340,865)
Insurance		**(513,121)**	(440,063)
Payroll tax		**(460,210)**	(358,281)
Donations		**(431,705)**	(363,706)
Rates and taxes		**(389,559)**	(462,157)
Borrowing cost expense		**(240,083)**	(376,561)
Security costs		**(337,102)**	(282,809)
Consulting and professional fees		**(30,212)**	(57,581)
Loss on disposal of assets		**(521,692)**	-
Impairment expense		**-**	(622,072)
Other expenses		**(1,492,047)**	(1,643,273)
Surplus/(Deficit) before income tax expense		**6,563,758**	(3,061,474)
Income tax expense	5	**-**	-
Surplus/(deficit) after income tax expense for the year attributable to the members		**6,563,758**	(3,061,474)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Revaluation changes for land and buildings		**(814,216)**	-
Other comprehensive income for the year, net of tax		**(814,216)**	-
Total comprehensive income for the year		**5,749,542**	(3,061,474)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As At 30 June 2021

	Note	2021 $	2020 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**6,431,485**	1,773,712
Trade and other receivables	7	**135,610**	167,834
Inventories	8	**324,222**	315,280
Other financial assets	9	**150,000**	150,000
TOTAL CURRENT ASSETS		**7,041,317**	2,406,826
NON-CURRENT ASSETS			
Property, plant and equipment	10	**68,968,506**	72,026,140
Investment properties	11	**10,478,030**	8,415,706
Other assets	12	**80,000**	80,000
TOTAL NON-CURRENT ASSETS		**79,526,536**	80,521,846
TOTAL ASSETS		**86,567,853**	82,928,672
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	**2,012,959**	2,507,045
Borrowings	14	**1,484,300**	14,683,688
Short-term provisions	16	**77,442**	68,458
Employee benefits	15	**1,106,718**	1,275,007
Other liabilities	17	**69,972**	68,196
TOTAL CURRENT LIABILITIES		**4,751,391**	18,602,394
NON-CURRENT LIABILITIES			
Borrowings	14	**11,528,325**	-
Employee benefits	15	**240,591**	210,478
Other liabilities	17	**311,738**	129,534
TOTAL NON-CURRENT LIABILITIES		**12,080,654**	340,012
TOTAL LIABILITIES		**16,832,045**	18,942,406
NET ASSETS		**69,735,808**	63,986,266
EQUITY			
Reserves		**29,178,420**	29,992,636
Retained earnings		**40,557,388**	33,993,630
TOTAL EQUITY		**69,735,808**	63,986,266

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2021

2021

	Retained Earnings	Asset Revaluation Surplus (a)	Total
	$	$	$
Balance at 1 July 2020	**33,993,630**	**29,992,636**	**63,986,266**
Surplus/(Deficit) attributable to members	**6,563,758**	**-**	**6,563,758**
Other comprehensive income	**-**	**(814,216)**	**(814,216)**
Balance at 30 June 2021	**40,557,388**	**29,178,420**	**69,735,808**

2020

	Retained Earnings	Asset Revaluation Surplus (a)	Total
	$	$	$
Balance at 1 July 2019	37,055,104	29,992,636	67,047,740
Surplus/(Deficit) attributable to members	(3,061,474)	-	(3,061,474)
Balance at 30 June 2020	33,993,630	29,992,636	63,986,266

a. Asset Revaluation Reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

Statement of Cash Flows
For the Year Ended 30 June 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**40,791,841**	30,771,753
Payments to suppliers and employees		**(30,707,467)**	(27,287,361)
Interest received		**5,505**	6,688
Interest paid		**(240,083)**	(376,561)
Net cash provided by operating activities		**9,849,796**	3,114,519
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(3,520,960)**	(8,539,558)
Purchase of investments		**-**	(100,000)
Net cash used by investing activities		**(3,520,960)**	(8,639,558)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		**-**	6,615,989
Repayment of borrowings		**(1,671,063)**	(763,491)
Net cash provided by (used by) financing activities		**(1,671,063)**	5,852,498
Net increase (decrease) in cash and cash equivalents held		**4,657,773**	327,459
Cash and cash equivalents at beginning of year		**1,773,712**	1,446,253
Cash and cash equivalents at end of financial year	6	**6,431,485**	1,773,712

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 30 June 2021

1 Summary of Significant 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) Basis of Preparation

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 and associated regulations, as appropriate for not for profit oriented entities.

Critical accounting estimates

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 2.

(b) Income Tax

Current income tax expense

The tax expense recognised in the statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

- Taxable temporary differences arising on the initial recognition of goodwill.

- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

1 Summary of Significant Accounting Policies

(b) Income Tax

Deferred tax assets and liabilities

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

Non-member income

Non-member net income of the association is only assessable for tax, as member income is excluded under the principle of mutuality.

(c) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration

This involves an assessment of whether:
The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.

The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Notes to the Financial Statements
For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(c) Leases

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(d) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Sales

Sales income, including bar, poker machine, and general sales is recognised on transfer of goods or services to the client upon providing as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods. Payments are cash at point of sale, and there is no specific ongoing performance obligation connected to the revenue received.

Events & functions

Events & functions income is recognised on transfer of goods or services to the client as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods. Payments are received generally in advance. When the event occurs the income is recognised and there is no specific ongoing performance obligation connected to the revenue received past that point. A receivable in relation to these services is recognised when a bill or claim has been invoiced or submitted, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

1 Summary of Significant Accounting Policies

(d) Revenue and other income

Specific revenue streams

Membership

Membership subscriptions are recognised in the year to which they relate to as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods. Payments are received generally in advance, if paid prior to the year commencing this is shown in the balance sheet as a liability, and there is no specific ongoing performance obligation connected to the revenue received that overlaps reporting periods.

Rental Income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

(e) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Land and buildings

Land and buildings are measured using the revaluation model.

Freehold land and buildings that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured using the cost model.

1 Summary of Significant Accounting Policies

(f) Property, Plant and Equipment

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Investment properties	40 years
Plant and Equipment	5 - 30 years
Improvements	40 years
Other Property, Plant and Equipment	4 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Investment property

Investment property is carried at fair value, determined every 3 years (unless there is a material change) by independent valuers. Changes to fair value are recorded in the statement of profit or loss and other comprehensive income as other income/expenses.

(h) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

1 Summary of Significant Accounting Policies

(h) Financial instruments

Financial assets

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost less provision for impairment.

Financial assets through profit or loss

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 90 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

If required the amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

1 Summary of Significant Accounting Policies

(h) Financial instruments

Financial assets

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flow are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans.

(i) 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 current when: it is 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 twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

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

Deferred tax assets and liabilities are always classified as non-current.

(j) 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.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Notes to the Financial Statements
For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

2 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Employee benefits provision

As discussed in note 1, 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 not been taken into account.

Key estimates - fair value of investment properties

The fair value of investment properties was determined using a discounted cash flow model which used a number of unobservable inputs. Information about the inputs and assumptions used are included in the fair value and investment property notes.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Critical Accounting Estimates and Judgments

Key judgments - taxes

Deferred tax assets

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable revenues being generated against which tax losses will be available for offset based on budgets, current and future expected economic conditions.

3 Revenue and Other Income

	2021	2020
	$	$
Sales Revenue		
- Food and beverage sales	**8,793,713**	8,244,605
Other revenue		
- Poker machine revenue	**23,753,117**	16,250,570
- Show receipts	**227,964**	432,653
- Raffles	**254,859**	357,103
- Bingo	**148,099**	162,158
- Golf Fees	**155,195**	121,608
	24,539,234	17,324,092
Total Revenue	**33,332,947**	25,568,697
Other Income		
- Fair value adjustment of investment properties	**792,625**	-
- Rental income	**409,204**	320,722
- Interest received	**5,505**	6,688
- Members subscriptions	**172,492**	202,819
- Other income	**834,488**	605,634
-Government Subsidies	**1,916,429**	1,096,571
-Keno & TAB commissions	**478,229**	364,426
	4,608,972	2,596,860

4 Result for the Year

Surplus/(deficit) before income tax includes the following specific items:

Fair value adjustment - investment properties Increase/(Decrease)	**792,625**	(622,072)
Superannuation	**(746,384)**	(890,543)

Notes to the Financial Statements

For the Year Ended 30 June 2021

5 Income Tax Expense

Reconciliation of income tax to accounting profit:

	2021	2020
	$	$
Prima facie tax payable on profit from ordinary activities before income tax at 26% (2020: 27.5%)	**1,706,577**	(841,905)
Less - Tax effect of: non-taxable member income arising from principle of mutuality	**1,706,577**	(841,905)
Income tax expense	**-**	-
Deferred tax asset not brought to account		
Prior year tax losses available 25% (2020: 26%)	**450,961**	630,353

6 Cash and cash equivalents

	2021	2020
Cash on hand	**538,197**	408,000
Cash at bank	**5,893,288**	1,365,712
	6,431,485	1,773,712

7 Trade and other receivables

	2021	2020
CURRENT		
Trade receivables	**135,610**	167,834
	135,610	167,834

8 Inventories

	2021	2020
CURRENT		
At cost:		
Inventories	**324,222**	315,280

9 Other Financial Assets

	2021	2020
CURRENT		
Shares	**150,000**	150,000

Notes to the Financial Statements
For the Year Ended 30 June 2021

10 Property, plant and equipment

	2021 $	2020 $
LAND AND BUILDINGS	**-**	-
Freehold land, at fair value	**18,880,000**	17,800,000
Buildings		
Buildings and improvements, at fair value	**44,660,000**	52,717,942
Accumulated depreciation	**-**	(3,802,957)
Total buildings & improvements	**44,660,000**	48,914,985
Total land, buildings & improvements	**63,540,000**	66,714,985
PLANT AND EQUIPMENT		
Plant and equipment	**27,401,049**	38,195,431
Accumulated depreciation	**(21,972,543)**	(32,884,276)
Total plant and equipment	**5,428,506**	5,311,155
Total property, plant and equipment	**68,968,506**	72,026,140

Notes to the Financial Statements
For the Year Ended 30 June 2021

10 Property, plant and equipment

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land	Plant and Equipment	Buildings and improvements	Total
	$	$	$	$
Year ended 30 June 2021				
Balance at the beginning of year	17,800,000	5,311,155	48,914,985	72,026,140
Additions	-	1,549,164	683,766	2,232,930
Disposals	-	(630,861)	(29,257)	(660,118)
Transfers	-	900,030	(900,030)	-
Depreciation expense	-	(1,700,982)	(2,115,248)	(3,816,230)
Revaluation increase recognised in other comprehensive income & equity	1,080,000	-	(1,894,216)	(814,216)
Balance at the end of the year	18,880,000	5,428,506	44,660,000	68,968,506

(b) Land and Building valuation

The Company's land and buildings were revalued at 30 June 2021 by independent valuers. The revaluation surplus net of applicable deferred income taxes was credited to an asset revaluation reserve in members equity. The previous valuation was performed on 30 June 2018.

Notes to the Financial Statements
For the Year Ended 30 June 2021

11 Investment Properties

	2021	2020
	$	$
At fair value		
Owned Property		
Balance at beginning of the period	**8,415,706**	7,342,802
Additions	**1,288,030**	1,711,522
Impairment	**-**	(622,072)
Depreciation	**(18,331)**	(16,546)
Fair value adjustment	**792,625**	-
Balance at end of the period	**10,478,030**	8,415,706

12 Intangible Assets

Licenses, at cost	**80,000**	80,000

13 Trade and other payables

CURRENT		
Trade payables	**1,454,518**	538,937
Sundry payables and accruals	**558,441**	1,968,108
	2,012,959	2,507,045

14 Borrowings

CURRENT		
ANZ business loan - Investment	**500,000**	4,900,000
ANZ business loan - Improvements	**984,300**	9,596,925
	1,484,300	14,496,925
ANZ - Equipment Lease	**-**	186,763
	1,484,300	14,683,688
NON-CURRENT		
ANZ business loan - Investment	**3,900,000**	-
ANZ business loan - Improvements	**7,628,325**	-
	11,528,325	-

The bank debt is secured by a registered mortgage over the land and buildings, and investment properties owned by the Company.

The financial assets pledged as collateral represent a floating charge and cannot be disposed of without consent of the financier.

Notes to the Financial Statements
For the Year Ended 30 June 2021

14 Borrowings

(a) Defaults and breaches

There were no issues with covenants during the current year ended 30 June 2021, and borrowings have been split between current and non-current accordingly.

During the previous year ended 30 June 2020, the unforeseeable event of Covid-19 caused the Club to be shut down and unable to operate normally. As a result, the Club did not meet the Debt to EBITDA ratio financial covenant required under its arrangement with the bank as at 30 June 2020. However, the Club has received confirmation from the bank that no action will be taken in respect of this. However, in these circumstances, Australian accounting standards require that all loans be disclosed as a current liability even though the bank will not require that the loans be repaid in the next twelve months (other than the regular repayments previously agreed). There were no issues with covenants during the current year ended 30 June 2021, and borrowings have been split between current and non-current accordingly.

(b) Financing arrangements

Unused borrowing facilities at the reporting date:

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.

	2021 $	2020 $
ANZ Total facility Business lending		
Total facility	**(4,450,000)**	(4,950,000)
Total facility used	**4,400,000**	4,900,000
Unused at balance date	**(50,000)**	(50,000)
Total facility	**(8,612,625)**	(9,843,000)
Total facility used	**8,612,625**	9,596,925
Unused at balance date	**-**	(246,075)
ANZ Business lending		
Total facility - Overdraft	**(200,000)**	(200,000)
Total facility - Commercial card	**(50,000)**	(50,000)
Total Facility - Asset Finance	**(500,000)**	(315,739)
Total facility - Guarantee	**(20,000)**	(20,000)
Unused at balance date	**(770,000)**	(585,739)

15 Employee Benefits

	2021	2020
CURRENT		
Employee benefits	**1,106,718**	1,275,007
NON-CURRENT		
Employee benefits	**240,591**	210,478

16 Provisions

	2021	2020
	$	$
CURRENT		
Provision for Poker Machine link payouts	**47,442**	38,458
Provision for mortality	**30,000**	30,000
	77,442	68,458

17 Income in Advance

	2021	2020
CURRENT		
Members subscriptions in advance	**69,972**	68,196
NON-CURRENT		
Members subscriptions in advance	**311,738**	129,534

18 Key Management Personnel Disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2021	2020
Aggregate compensation	**900,876**	810,166

19 Capital commitments

Contracted Commitments

Contracted commitments for:

	2021	2020
Development C.ex Group Investments - Apartments		
Contracted Commitment	**2,948,455**	-
Less: Amounts paid	**(1,413,735)**	-
Remaining commitment as at 30 June	**1,534,720**	-
Development C.ex Woolgoolga Bowling Club		
Committed by Board and Management	**188,000**	-
Less: Amounts paid	**-**	-
Remaining commitment as at 30 June	**188,000**	-
	1,722,720	-

20 Lessor Commitments

Operating lease commitments receivable

Operating lease commitments receivable - Company as lessor

Coffs Ex-Services Memorial and Sporting Club Ltd leases out its investment property (see note 11) under commercial leases. These non-cancellable leases have terms between 1 and 16 months. All leases include an option for Coffs Ex-Services Memorial and Sporting Club Ltd to increase rent to current market rental or via CPI on an annual basis.

The future minimum lease payments under non-cancellable leases are:

	2021	2020
	$	$
- no later than 1 year	**196,890**	249,211
- between 1 year and 5 years	**11,186**	153,630
Total minimum lease receivable	**208,076**	402,841

21 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2021 (30 June 2020:None).

22 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel - refer to Note 18.

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

(b) Transactions with 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.

The following transactions occurred with related parties:

	2021	2020
	$	$
Entities over which the entity has control, joint control or significant influence		
C.ex Community Crew Foundation		
Donations made	**(190,000)**	(25,022)
Donations received	**155,000**	-

Notes to the Financial Statements
For the Year Ended 30 June 2021

23 COVID-19

As at balance date, the Coronavirus (COVID-19) pandemic continues to impact communities and businesses. This pandemic will have a financial impact on the club in the 2022 financial year with a forced closure.

The board along with management have evaluated the impact of the outbreak of Coronavirus since the end of the financial year, particularly in regards to economic volatility, and other associated events that may impact on the entity. The board conclude though that, due to the rapid and ongoing changes, a reasonable estimate of the full extent of the impact cannot be made at this time.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

Directors' Declaration

In the directors' opinion:

1. the accompanying financial statements and notes, are in accordance with the *Corporations Act 2001*, including:
   (a) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the *Corporations Act 2001* and other mandatory professional reporting requirements; and
   (b) giving a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

2. 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 directors.

Director: ....

Mr. D. H. Doyle

Dated: 28 September 2021
Coffs Harbour

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Coffs Ex-Services Memorial and Sporting Club Ltd (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards 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.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the directors report, (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 on the other information obtained prior to the date of this auditor's report, 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 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 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

....
Murray McDonald
Director - Audit & Assurance

Moore Australia

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Moore Australia Audit (QLD/NNSW)
Chartered Accountants

Brisbane

28 September 2021