



2023

Annual REPORT

**2023 ANNUAL
REPORT OF
FINANCIAL
STATEMENTS FOR
THE YEAR ENDED
30 JUNE 2023**

**COFFS EX SERVICES MEMORIAL
& SPORTING CLUB LTD
ABN 35 000 875 516**

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Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

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For the Year Ended 30 June 2023

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Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

Directors' Report

30 June 2023

The directors present their report on Coffs Ex-Services Memorial and Sporting Club Ltd for the financial year ended 30 June 2023.

Directors

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

Names	Position	Appointed/Resigned
Mr. D. H. Doyle	President	Continuing
Mr. L. J. Hogno	1st Vice President	Continuing
Mr. W. Edwards	2nd Vice President	Continuing
Mr. R. E. Humphrys	Director	Continuing
Mr. H. Katala	Director	Continuing
Mrs. B. L. Piggott	Director	Continuing
Mr. J. Burnett	Director	Continuing
Ms J Jardine	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.

Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

Directors' Report

30 June 2023

Strategy for achieving the objectives

- Providing a safe, healthy and discrimination-free club environment.
- Retaining quality staff, by promoting a culture of continuous professional development and training.

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

Qualifications 33 years service with Club
3 years Director
1 year 1st Vice President
29 years President
Grazier (Retired)

Special responsibilities President
Ex Officio all committees

Mr. L. J. Hognio

Experience 20 years service with Club
2 years Director
9 years First Vice President
9 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)

Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

Directors' Report

30 June 2023

Information on directors

Mr. W. Edwards

Experience	7 years of service with club 6 years as Director 1 year 2nd Vice President Retired Bank Manager
Special responsibilities	2nd Vice President Audit/Risk Committee Remuneration Committee, Development Committee

Mr. R. E. Humphrys

Experience	33 years service with Club 5 years Director 11 years 2nd Vice President 17 years 1st Vice President Retired
Special responsibilities	Director 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	10 years service with Club 10 years as Director Retired
Special responsibilities	Director Membership Committee, Club Grants Committee C.ex Woolgoolga Building Committee Audit/Risk Committee, Development Committee Liaison Director C.ex Woolgoolga Intra Clubs

Mrs. B. L. Piggott

Experience	12 years service with Club 10 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	7 years of service with club 7 years as director Company director (Real Estate)
Special responsibilities	Director Audit/Risk Committee Club Grants Committee

Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

Directors' Report

30 June 2023

Information on directors

Ms J Jardine

Experience 18 months service with club
 18 months as director
 Retired

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 \$52,426 (2022: \$55,346), based on 26,213 (2022: 27,673) current ordinary members.

Meetings of directors

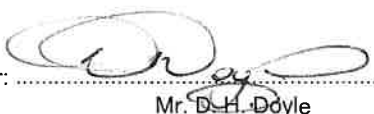
During the financial year, 12 meetings of directors (including committees of directors) were held, and 1 special meetings. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr. D. H. Doyle	13	13
Mr. L. J. Hogno	13	13
Mr. W. Edwards	13	10
Mr. R. E. Humphrys	13	11
Mr. H. Katala	13	12
Mrs. B. L. Piggott	13	12
Mr. J. Burnett	13	13
Ms J Jardine	13	8

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2023 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 26 September 2023



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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 2023, 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.

A handwritten signature in black ink, appearing to read 'Murray McDonald', positioned above a dotted line.

Murray McDonald
Partner - Audit and Assurance

A handwritten signature in black ink, appearing to read 'Moore Australia', positioned above a dotted line.

Moore Australia Audit (QLD/NNSW)
Chartered Accountants

Brisbane

Dated: 26 September 2023

Coffs Ex-Services Memorial and Sporting Club Ltd

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Sales Revenue	5	10,025,912	7,339,373
Cost of sales		(4,261,133)	(3,204,054)
Gross Profit		5,764,779	4,135,319
Other Revenue	5	23,219,526	20,461,582
Other income	5	1,538,179	2,244,080
Employee benefits expense		(9,527,891)	(8,096,842)
Poker machine duty and expenses		(5,695,166)	(4,980,433)
Depreciation and amortisation expense		(3,454,713)	(3,522,101)
Advertising, shows and promotions		(1,620,757)	(1,057,345)
Repairs and maintenance		(1,240,525)	(966,036)
Cleaning costs		(715,724)	(700,023)
Electricity and gas		(918,308)	(674,191)
Members promotions and costs		(690,976)	(628,162)
Insurance		(641,898)	(608,140)
Payroll Tax		(504,546)	(425,478)
Donations		(487,736)	(204,675)
Rates and taxes		(442,383)	(367,589)
Borrowing cost expense		(546,235)	(209,769)
Security costs		(368,206)	(316,659)
Consulting and professional fees		(29,220)	(25,980)
Other Expenses		(2,309,308)	(2,259,547)
Surplus/(deficit) before income tax expense		1,328,892	1,798,011
Income tax expense	8	-	-
Surplus/(Deficit) after income tax expense for the year attributable to the members		1,328,892	1,798,011
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		1,328,892	1,798,011

The accompanying notes form part of these financial statements.

Coffs Ex-Services Memorial and Sporting Club Ltd

Statement of Financial Position

As At 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	2,317,409	5,551,143
Trade and other receivables	10	54,150	125,785
Inventories	11	410,381	320,752
Other financial assets	12	150,000	150,000
TOTAL CURRENT ASSETS		2,931,940	6,147,680
NON-CURRENT ASSETS			
Property, plant and equipment	13	65,922,650	67,306,231
Investment properties	14	17,913,128	13,519,435
Intangible assets	15	80,000	80,000
TOTAL NON-CURRENT ASSETS		83,915,778	80,905,666
TOTAL ASSETS		86,847,718	87,053,346
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	1,607,017	1,930,185
Borrowings	17	1,484,300	1,484,300
Short-term provisions	18	107,429	91,034
Employee benefits	20	1,228,438	1,112,920
Other liabilities	19	148,134	127,920
TOTAL CURRENT LIABILITIES		4,575,318	4,746,359
NON-CURRENT LIABILITIES			
Borrowings	17	9,059,725	10,294,025
Employee benefits	20	107,836	139,832
Other liabilities	19	242,128	339,311
TOTAL NON-CURRENT LIABILITIES		9,409,689	10,773,168
TOTAL LIABILITIES		13,985,007	15,519,527
NET ASSETS		72,862,711	71,533,819
EQUITY			
Reserves		29,178,420	29,178,420
Retained earnings		43,684,291	42,355,399
TOTAL EQUITY		72,862,711	71,533,819

The accompanying notes form part of these financial statements.

Coffs Ex-Services Memorial and Sporting Club Ltd

Statement of Changes in Equity

For the Year Ended 30 June 2023

2023

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2022	42,355,399	29,178,420	71,533,819
Surplus/(Deficit) attributable to members	1,328,892	-	1,328,892
Balance at 30 June 2023	43,684,291	29,178,420	72,862,711

2022

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2021	40,557,388	29,178,420	69,735,808
Surplus/(Deficit) attributable to members	1,798,011	-	1,798,011
Balance at 30 June 2022	42,355,399	29,178,420	71,533,819

Coffs Ex-Services Memorial and Sporting Club Ltd

Statement of Cash Flows For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	38,086,996	32,967,937
Payments to suppliers and employees	(33,113,252)	(27,503,409)
Interest received	37,882	431
Interest paid	(546,235)	(209,769)
Net cash provided by/(used in) operating activities	26 4,465,391	5,255,190
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	4,296
Purchase of property, plant and equipment	(2,071,132)	(1,864,123)
Payments for CODA development	(3,484,835)	(3,041,405)
Purchase of investment property	(908,858)	-
Net cash provided by/(used in) investing activities	(6,464,825)	(4,901,232)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(1,234,300)	(1,234,300)
Net cash provided by/(used in) financing activities	(1,234,300)	(1,234,300)
Net increase/(decrease) in cash and cash equivalents held	(3,233,734)	(880,342)
Cash and cash equivalents at beginning of year	5,551,143	6,431,485
Cash and cash equivalents at end of financial year	9 2,317,409	5,551,143

The accompanying notes form part of these financial statements.

Coffs Ex-Services Memorial and Sporting Club Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Introductions

The financial report covers Coffs Ex-Services Memorial and Sporting Club Ltd as an individual entity. Coffs Ex-Services Memorial and Sporting Club Ltd is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Coffs Ex-Services Memorial and Sporting Club Ltd is Australian dollars.

The financial report was authorised for issue by the Directors on the date as signed in Director's Declaration.

Comparatives are consistent with prior years, unless otherwise stated.

2 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

The financial statements 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

3 Summary of Significant Accounting Policies

(a) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

3 Summary of Significant Accounting Policies

(a) Revenue and other income **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.

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.

(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 not provided for the following:

Notes to the Financial Statements

For the Year Ended 30 June 2023

3 Summary of Significant Accounting Policies

(b) Income Tax

Deferred tax assets and liabilities

- 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 Group 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 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.

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.

(c) 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.

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.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value.

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

(e) 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.

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Notes to the Financial Statements

For the Year Ended 30 June 2023

3 Summary of Significant Accounting Policies

(e) Property, plant and equipment

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Buildings	40 years
Plant and Equipment	5-30 years
Improvements	40 years
Property, Plant and Equipment UD5	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.

(f) Investment property

Investment property is held at fair value. The investment properties are depreciated on a straight line basis over 40 years.

(g) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

3 Summary of Significant Accounting Policies

(g) Financial instruments

Financial assets

Classification

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

- amortised cost
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

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

Amortised cost

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 using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVOCI.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

3 Summary of Significant Accounting Policies

(g) Financial instruments

Financial assets

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.

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.

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

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 and lease liabilities.

(h) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Notes to the Financial Statements

For the Year Ended 30 June 2023

3 Summary of Significant Accounting Policies

(h) Impairment of non-financial assets

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(i) Intangible assets

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(k) Employee benefits

Provision is made for the Company's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period 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 satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(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 at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

Notes to the Financial Statements

For the Year Ended 30 June 2023

4 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.

Key estimates - Employee benefits provisions

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.

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.

Coffs Ex-Services Memorial and Sporting Club Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2023

5 Revenue and Other Income

	2023	2022
	\$	\$
Sales Revenue		
- Food and beverage sales	10,025,912	7,339,373
Other revenue		
- Poker machine revenue	22,276,491	19,792,309
- Show receipts	325,262	287,605
- Raffles	378,297	191,549
- Bingo	78,157	68,927
- Golf fees	161,319	121,192
	23,219,526	20,461,582
Total Revenue	33,245,438	27,800,955
Other Income		
- Rental income	30,815	189,529
- Interest received	37,882	431
- Members subscriptions	189,987	207,243
- other income	834,271	1,400,860
- Keno & TAB commissions	445,224	446,017
	1,538,179	2,244,080

6 Finance Income and Expenses

Finance expenses

Borrowing cost expense	546,235	209,769
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7 Result for the Year

The result for the year includes the following specific expenses:
Superannuation contributions

939,786	766,175
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8 Income Tax Expense

Reconciliation of income tax to accounting profit:

Prima facie tax payable on profit from ordinary activities before income tax at 25% (2022: 25%)

332,223	449,503
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Less Tax effect of:

- non-taxable member income arising from principle of mutuality

332,223	449,503
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Income tax expense

-	-
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Coffs Ex-Services Memorial and Sporting Club Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2023

9 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash on hand	611,815	575,040
Cash at bank	1,705,594	4,976,103
	<u>2,317,409</u>	<u>5,551,143</u>

10 Trade and Other Receivables

CURRENT		
Trade receivables	<u>54,150</u>	<u>125,785</u>

11 Inventories

CURRENT		
At cost:		
Inventories	<u>410,381</u>	<u>320,752</u>

12 Other Financial Assets

CURRENT		
Shares	<u>150,000</u>	<u>150,000</u>

13 Property, plant and equipment

LAND AND BUILDINGS		
At fair value	<u>18,880,000</u>	<u>18,880,000</u>
Buildings		
Buildings and improvements, at fair value	46,072,288	45,146,376
Accumulated depreciation	<u>(3,764,337)</u>	<u>(1,880,778)</u>
Total buildings & improvements	<u>42,307,951</u>	<u>43,265,598</u>
Total land, buildings & improvements	<u>61,187,951</u>	<u>62,145,598</u>
PLANT AND EQUIPMENT		
Plant and equipment	29,866,068	28,720,849
Accumulated depreciation	<u>(25,131,369)</u>	<u>(23,560,216)</u>
Total plant and equipment	<u>4,734,699</u>	<u>5,160,633</u>
Total property, plant and equipment	<u>65,922,650</u>	<u>67,306,231</u>

Coffs Ex-Services Memorial and Sporting Club Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2023

13 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 improvement \$	Total \$
Year ended 30 June 2023				
Balance at the beginning of year	18,880,000	5,160,633	43,265,598	67,306,231
Additions	-	1,145,220	925,912	2,071,132
Depreciation expense	-	(1,571,154)	(1,883,559)	(3,454,713)
Balance at the end of the year	18,880,000	4,734,699	42,307,951	65,922,650

(b) Land and Building valuation

The Company's land and building are revalued every 3 years with the last occurring as 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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

14 Investment Properties

	2023	2022
	\$	\$
At fair value		
CODA Development		
Balance at beginning of year	13,079,435	9,266,840
Additions	3,484,835	3,812,595
	<u>16,564,270</u>	<u>13,079,435</u>
Other Investments		
Balance at beginning of year	440,000	440,000
Additions	908,858	-
	<u>1,348,858</u>	<u>440,000</u>
Balance at end of year	<u>17,913,128</u>	<u>13,519,435</u>

15 Intangible Assets

Licenses, at cost	80,000	80,000
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16 Trade and Other Payables

CURRENT		
Trade payables	1,025,965	1,260,948
Sundry payables and accruals	581,052	669,237
	<u>1,607,017</u>	<u>1,930,185</u>

17 Borrowings

CURRENT		
ANZ business loan - Investment	500,000	500,000
ANZ business loan - improvements	984,300	984,300
	<u>1,484,300</u>	<u>1,484,300</u>
NON-CURRENT		
ANZ business loan - Investments	3,400,000	3,650,000
ANZ business loan - Improvements	5,659,725	6,644,025
	<u>9,059,725</u>	<u>10,294,025</u>
First Mortgage:		
- freehold land and buildings	61,187,952	62,145,598
- Investment properties	17,913,128	13,519,435
	<u>79,101,080</u>	<u>75,665,033</u>

Coffs Ex-Services Memorial and Sporting Club Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2023

17 Borrowings

The bank debt is secured by a registered first mortgage over the freehold properties owned by the Company.

Summary of borrowings

Bank facility and borrowings are in place to fund building development projects.

Defaults and breaches

Financial covenants include Debt to EBITDA ratio not to exceed 3.25 to 1 and EBITDA Interest Cover Ratio not to be less than 4 to 1.

The improvements loan facility totalling \$6,644,025 has has payment terms of principal \$984,300 per annum, with a rate as at 30 June 2023 of 5.77%. The original repayment terms of the facility were ten years, paid quarterly at \$246,075 with 6.75 years remaining at balance date. The facility is reviewed annually on 15 November.

The Investment loan facility totalling \$3,900,000 has payment terms of principal \$500,000 per annum, with a rate at 30 June 2023 of 5.77%. The facility terminates on 13 January 2027.

There was no issues with covenants during the current year ended 30 June 2023, and borrowings have been split between current and non-current accordingly.

During the previous year ended 30 June 2023 there were no issues with covenants.

18 Provisions

	2023 \$	2022 \$
CURRENT		
Provision for poker machine link payouts	77,429	61,034
Provisions for mortality	30,000	30,000
	<u>107,429</u>	<u>91,034</u>

19 Other Liabilities

CURRENT		
Members subscriptions in advance	148,134	127,920
NON-CURRENT		
Members subscriptions in advance	242,128	339,311

20 Employee Benefits

CURRENT		
Employee benefits	1,228,438	1,112,920
NON-CURRENT		
Employee benefits	107,836	139,832

Notes to the Financial Statements

For the Year Ended 30 June 2023

21 Contracted Commitments & Subsequent Events

	2023	2022
	\$	\$
Contracted commitments for:		
Development C.ex Group Investments - Apartments		
Contracted commitment	73,852,467	-
Less: Amounts paid	(7,702,426)	-
Remaining commitment as at 30 June	66,150,041	-

Contracted commitments will be funded from a mixture of operational cashflow, and borrowings for which contracts have been signed and exchanged, post balance date.

Post balance date the Club negotiated a loan facility to finance the ongoing development of the CODA project. The facility limit available for drawdown is \$60,450,000. The new terms include financial covenants requiring an EBITDA Interest Cover Ratio not to be less than 3 to 1, the loan to cost ratio not to exceed 61%, and the loan to value ratio - as if complete, not to exceed 61%. The Facility continues to be reviewed annually on 15 November. There is no ongoing payments required, and the interest at 5.77% will be capitalised. The Facility terminates and is repayable, or would require renegotiation on 30 June 2025. The facility used is expected to be paid from proceeds of the investment sales.

Post balance date a loan was obtained from Rydes-Eastwood Leagues Club Ltd, for \$5,000,000. The terms are for 2 years from date of advance 22 September 2023 to 22 September 2025. The facility used is expected to be paid from proceeds of the investment sales.

22 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company is \$ 1,001,247 (2022: \$ 948,026).

23 Auditors' Remuneration

Remuneration of the auditor Moore Australia, for:

- auditing or reviewing the financial statements	37,250	33,865
- other services	1,500	900
	38,750	34,765

24 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022:None).

25 Related Parties

The Company's main related parties are as follows:

Key management personnel - refer to Note 22.

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.

Coffs Ex-Services Memorial and Sporting Club Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2023

25 Related Parties

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:

Entities over which the entity has control, joint control or significant influence

C.ex Community Crew Foundation

Donations made	118,585	-
Donations received	136,416	-

26 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2023	2022
	\$	\$
Profit for the year	1,328,892	1,798,011
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	3,454,713	3,522,101
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	71,635	9,825
- (increase)/decrease in inventories	(89,629)	3,470
- increase/(decrease) in income in advance	(76,969)	85,521
- increase/(decrease) in trade and other payables	(323,168)	(82,774)
- increase/(decrease) in provisions	16,395	13,592
- increase/(decrease) in employee benefits	83,522	(94,556)
Cashflows from operations	4,465,391	5,255,190

27 Events after the end of the Reporting Period

Post balance date the Club renegotiated its improvements facility loan \$6,644,025, including a commercial card facility of \$50,000 and a standby letter of credit or guarantee facility of \$30,000. The new terms include financial covenants requiring an EBITDA Interest Cover Ratio not to be less than 3 to 1. The Facility is reviewed annually on 15 November. The loan is interest only and terminates and is repayable, or would require renegotiation on 30 June 2025.

Except for the above, and items mentioned in Note: 21, 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.

28 Statutory Information

The registered office and principal place of business of the company is:

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

Coffs Ex-Services Memorial and Sporting Club Ltd

A.B.N 35 000 875 516

Directors' Declaration

In the directors' opinion:

1. The financial statements and notes, as set out on pages 6 to 24, are in accordance with the *Corporations Act 2001* including:
 - a. complying with Australian Accounting Standards - Simplified Disclosures; and
 - b. giving a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company.
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 Board of Directors.

Director



Mr. D. R. Doyle

Coffs Harbour
Dated 26 September 2023

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 2023, 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 2023 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures 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
Partner - Audit & Assurance



Moore Australia Audit (QLD/NNSW)
Chartered Accountants

Brisbane

26 September 2023