

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD

ABN 15 000 982 730

FINANCIAL REPORT

FOR THE YEAR ENDED

30 June 2016

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
DIRECTORS' REPORT

The directors present their report together with the financial report of Wingham District Memorial Services Club Ltd (the Company) for the financial year ended 30 June 2016 and the auditor's report thereon.

Directors

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

Mr Derek Boughton	Appointed 22 November 2015 Retired Council Employee
Mr Nigel Dick	Appointed 26 November 2006 Timber machinist
Ms Donna Fowler	Appointed 23 November 2008 Retired safety officer
Mr Ken Malpass	President Appointed 25 November 2001 Retired storekeeper/postmaster
Ms Vicki McKimmin	Appointed 1 February 2013 Retired Resigned 21 July 2016
Mr Ronald McPherson	Appointed 25 November 2012 Retired
Mr Rodney Moore	Appointed 23 November 2014 Builder
Mr Colin Motbey	Appointed 25 November 2012 Retired
Mr James Harry Rider	Appointed 23 November 2014 Office Manager / Bookkeeper
Ms Deborah Unger	Appointed 23 November 2003 Shop assistant Resigned 22 November 2015

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

Mr Barry Murray was appointed company secretary on 13 November 2002. He is the Secretary Manager for the Club.

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
DIRECTORS' REPORT

Meetings of Directors

During the financial year, 19 meetings of directors were held and various Board Committee meetings were held. Attendances were:

	DIRECTORS MEETINGS	
	Number eligible to attend	Number Attended
Mr Derek Boughton	10	8
Mr Colin Motbey	19	16
Mr Nigel Dick	19	19
Ms Donna Fowler	19	19
Ms Vicki McKimmin	19	16
Mr Ken Malpass	19	18
Mr Ronald McPherson	19	18
Mr Rodney Moore	19	17
Mr James Harry Rider	19	19
Ms Deborah Unger	9	6

Principal Activities

The principal activity of the Company during the year to 30 June 2016 was a licensed and registered club. There was no significant change in the nature of the activity during the year.

Review of Operations & Results

The operating profit of the Company after providing for income tax amounted to \$210,933 (2015: \$53,313).

Dividends

As the Company is a company limited by guarantee it is prohibited by its constitution from paying dividends.

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
DIRECTORS' REPORT

Significant Changes in State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

After Balance Date Events

Since the end of the financial year there have been no matters which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent years.

Future Developments

The Directors continue to strive to improve the facilities available to members.

Indemnifying and Insurance of Officers and Auditor

During or since the end of the financial year the Company has not given an indemnity or entered an agreement to indemnify any person who is or has been an officer or auditor of the Company.

The Company has paid premiums to insure officers of the Company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company other than conduct involving a willful breach of duty in relation to the Company. Provisions of the policy prohibit disclosure of details of the policy.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set on page 5.

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

Ken Malpass

Director

Ronald McPherson

Director

Dated this 20th day of September 2016.

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there has been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Rhonda Futterleib

20th September 2016

9/57 Pulteney Street, Taree 2430

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue & other income	2	7,480,247	8,174,657
Net finance income / (expense)	3	(336)	(3,681)
Cost of goods sold		(815,692)	(787,608)
Employee benefits expense		(1,379,357)	(1,339,907)
Depreciation expense	9(a)	(324,236)	(235,430)
Other expenses	4	(4,749,693)	(5,754,718)
Profit/(loss) before income tax expense		210,933	53,313
Income tax expense	5(a)	-	-
Profit/(loss) for period		210,933	53,313
Total comprehensive income/(expense) for period		210,933	53,313

The accompanying notes form part of these financial statements.

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
Balance at beginning of period	2,154,710	2,101,397
Profit / (loss) for the period	210,933	53,313
Total comprehensive income/(expense) for the period	210,933	53,313
Balance at end of period	2,365,643	2,154,710

The accompanying notes form part of these financial statements.

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	6	498,980	478,416
Trade and other receivables	7	86,354	82,791
Inventories	8	74,144	67,140
TOTAL CURRENT ASSETS		<u>659,478</u>	<u>628,347</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	2,418,131	2,419,564
TOTAL NON-CURRENT ASSETS		<u>2,418,131</u>	<u>2,419,564</u>
TOTAL ASSETS		<u>3,077,609</u>	<u>3,047,911</u>
CURRENT LIABILITIES			
Trade and other payables	10	231,799	253,834
Financial liabilities	11	130,244	133,278
Employee benefits	12	148,342	182,731
Deferred income	13	11,612	12,644
TOTAL CURRENT LIABILITIES		<u>521,997</u>	<u>582,487</u>
NON-CURRENT LIABILITIES			
Financial Liabilities	11	58,975	184,604
Employee benefits	12	130,994	126,110
TOTAL NON-CURRENT LIABILITIES		<u>189,969</u>	<u>310,714</u>
TOTAL LIABILITIES		<u>711,966</u>	<u>893,201</u>
NET ASSETS		<u>2,365,643</u>	<u>2,154,710</u>
EQUITY			
Contributed equity	14	-	-
Retained profits		2,365,643	2,154,710
TOTAL EQUITY		<u>2,365,643</u>	<u>2,154,710</u>

The accompanying notes form part of these financial statements.

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		7,868,737	8,564,974
Interest received		5,762	7,486
Payments to suppliers and employees		(7,144,999)	(7,946,888)
Interest and other finance costs paid		(10,611)	(15,371)
Net GST Paid to ATO		(238,247)	(240,503)
Net cash provided by (used in) operating activities	19	480,642	369,698
CASH FLOWS FROM INVESTING ACTIVITIES			
Community support payments		(24,194)	(19,726)
Proceeds from sale of property, plant and equipment		54,639	19,500
Purchase of property, plant and equipment		(361,860)	(462,333)
Net cash provided by (used in) investing activities		(331,415)	(462,559)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(128,663)	(171,455)
Proceeds from borrowings		-	213,200
Net cash provided by (used in) financing activities		(128,663)	41,745
Net (decrease)/increase in cash held		20,564	(51,116)
Cash and cash equivalents at 1 July 2015		478,416	529,532
Cash and cash equivalents at 30 June 2016	6	498,980	478,416

The accompanying notes form part of these financial statements.

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers Wingham District Memorial Services Club Ltd as an individual entity. The Company is domiciled in Australia.

The company applies the Australian Accounting Standards . Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010. 2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards . Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Basis of preparation

The financial report is presented in Australian dollars and has been prepared on an accruals basis and is based on historical costs. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report.

The accounting policies have been consistently applied, unless otherwise stated.

The financial report was approved by the Directors on 20th September 2016.

Estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Financial Instruments

Non derivative financial instruments

Non derivative financial instruments comprise investments in debt securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non derivative financial instruments are initially recognised at fair value. Subsequent to initial recognition non derivative financial instruments are measured at fair value.

Cash & cash equivalents

Cash and cash equivalents comprise cash on hand and at call deposits with banks or financial institutions. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purpose of the statement of cashflows.

Trade & other receivables

Trade and other receivables are stated at their amortised cost less impairment losses.

Trade & other payables

Trade and other payables are stated at their cost.

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditures directly attributable to the acquisition of the asset. The costs of day to day servicing of property, plant and equipment are recognised in the profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income or other expenses in the profit or loss.

Depreciation

The depreciable amount of all plant & equipment is depreciated on a straight line and diminishing value basis over their useful lives commencing from the time the asset is held ready for use. Land is not depreciated. Rates and methods are reviewed annually for appropriateness.

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

<i>Class of depreciable asset</i>	<i>Depreciation Rate</i>
Buildings	2.5%
Plant, fittings & equipment	5 - 40%
Poker machines	9 . 40%
Motor vehicles	18.75%

Impairment

At each reporting date the Company reviews the carrying values of its financial assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the difference between the assets carrying amount and the estimated future cash flows discounted at the original effective interest rate is recognised through the profit and loss as an impairment loss.

The carrying value of the Company's non financial assets are also reviewed at each reporting date to determine if there is an indication of impairment. If an indication exists then the assets recoverable amount, being the higher of its value in use and its fair value less costs to sell, is estimated. An impairment loss is recognised in the profit and loss if the carrying amount exceeds the recoverable amount.

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs for completion and selling expenses.

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Leases

Leases where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Company are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Employee benefits

Short-term benefits

Liabilities for employee benefits for wages, annual leave and sick leave arising from services rendered by employees to balance date represent present obligations. Employee benefits expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled, plus related on-costs, such as workers compensation insurance and payroll tax.

Long-term benefits

Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. The discount rate is the yield at reporting date on AA credit rated or government bonds that have maturity dates approximating the Company's obligations.

Superannuation

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

Income Tax

Income tax expense comprises current and deferred tax. Income tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Comparative Figures

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

Revenue

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when control of the goods passes to the customer.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

Net finance income / (expense)

Finance income comprises interest revenue on funds invested. It is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Interest expense is recognised as incurred.

Goods and services tax

Revenues, 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). In these circumstances the GST is recognised as part of the cost of the acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of the GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position. Cashflows are included in the Statement of Cashflows on a gross basis. The GST components of cashflows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cashflows.

Segment reporting

A segment is a distinguishable component of the Company that is engaged in either providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Company operates in the registered club industry in Australia.

New standards and interpretations not yet adopted

The Directors consider that new standards and interpretations currently issued but not yet applicable will not have a significant impact on the Company's financial report.

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 2: REVENUE and OTHER INCOME	2016	2015
	\$	\$
Revenue		
· Bar operations	1,068,345	1,031,423
· Dining room	483,309	490,743
· Gaming	5,751,235	6,549,546
	7,302,889	8,071,712
Other income		
· Proceeds from insurance recoveries	44,355	2,188
· Inner Clubs revenue	24,690	27,423
· Profit on sale of plant & equipment	33,527	5,329
· Subscriptions	25,588	26,211
· Commissions	24,482	16,230
· Rent received	9,848	10,400
· Other	14,868	15,164
	177,358	102,945
TOTAL REVENUE	7,480,247	8,174,657

NOTE 3: NET FINANCE INCOME /(EXPENSE)

Interest revenue from other persons	5,655	7,180
Interest expense to other persons	(5,991)	(10,861)
	(336)	(3,681)

NOTE 4: OTHER EXPENSES

Other expenses includes:

Poker machine jackpots	3,244,678	4,243,788
Net loss on disposal of non-current assets:		
· property, plant and equipment	17,945	1,651
Remuneration of the auditor for:		
· auditing or reviewing the financial report	16,575	16,014
· other services	3,366	4,178
	19,941	20,192
Insurance	75,094	81,390
Annual poker machine duty	360,990	320,901
Members expenses	254,481	220,152
Doubtful Debt Expense	(166)	(3,091)

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 5: INCOME TAX	2016	2015
	\$	\$
a. Income tax expense		
Profit / (loss) before income tax	210,933	53,313
Income tax using the corporate tax rate of 30%	63,280	15,994
Increase in income tax expense due to:		
· non-deductible depreciation and amortisation	1,532	324
· Carry forward losses not recognised	8,958	21,095
	73,770	37,413
Decrease in income tax expense due to:		
· Income attributable to members	(73,770)	(37,413)
Income tax expense on pre tax net profit	-	-

b. Deferred tax assets

The potential deferred tax asset arising from tax losses and other temporary differences has not been recognised as an asset because recovery of the tax losses is not probable.

Tax losses carried forward	989,033	959,173
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The potential deferred tax asset will only be obtained if:

- the Company derives future assessable income of a nature and amount sufficient to enable the asset to be realised;
- the Company continues to comply with the conditions of deductibility imposed by law; and
- no changes in tax legislation adversely affect the Company in realising the asset.

NOTE 6: CASH AND CASH EQUIVALENTS

Cash on hand	54,030	62,396
Cash at bank		
Commonwealth Bank . Working Account	18,997	45,268
Commonwealth Bank . eBet Account	6,716	3,717
Commonwealth Bank . TAB Account	4,328	2,771
Commonwealth Bank . Keno Account	3,862	2,976
Commonwealth Bank . Online Saver Account	400,962	350,613
Cash at bank . Snooker Club	3,121	1,685
Cash at bank . Fishing Club	2,705	3,357
Cash at bank . Bowls Club	4,259	5,633
	498,980	478,416

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$

NOTE 6: CASH AND CASH EQUIVALENTS con't

Amounts are at call. The effective interest rate for the online saver account was 1.05% (2015: 1.5%). For all other accounts the effective interest rate at 30 June 2016 <1% (2015: <1%).

The working account and equipment accounts are subject to an interest offset arrangement against the mortgage loan. Refer Note 11.

Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the Statement of Financial Position as follows:

Cash on hand & at bank	498,980	478,416
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NOTE 7: TRADE AND OTHER RECEIVABLES

CURRENT

Trade debtors	3,429	3,104
Sundry debtors	20,873	24,354
Provision for Impairment	(8,966)	(9,132)
Prepayments	70,665	64,005
Interest receivable	353	460
	86,354	82,791

Amounts are non-interest bearing. One of the Company's receivables is past due and a provision for impairment of \$8,966 has been raised against this debt (2015: \$9,132). The Company's receivables are aged 0 . 90+ days.

NOTE 8: INVENTORIES

CURRENT

Finished goods at cost	61,901	59,510
Other consumables	12,243	7,630
At net realisable value	74,144	67,140

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 9: PROPERTY, PLANT AND EQUIPMENT	2016	2015
	\$	\$
Land . at cost	101,750	101,750
Buildings - at cost	2,687,745	2,637,510
Accumulated depreciation	(1,326,290)	(1,259,520)
	<u>1,361,455</u>	<u>1,377,990</u>
Plant, fittings & equipment - at cost	2,093,751	2,093,639
Accumulated depreciation	(1,630,572)	(1,612,013)
	<u>463,179</u>	<u>481,626</u>
Poker machines - at cost	1,518,539	1,409,274
Accumulated depreciation	(1,070,899)	(967,203)
	<u>447,640</u>	<u>442,071</u>
Motor vehicles - at cost	64,752	31,271
Accumulated depreciation	(20,645)	(15,144)
	<u>44,107</u>	<u>16,127</u>
Total Property, Plant and Equipment	<u><u>2,418,131</u></u>	<u><u>2,419,564</u></u>

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	Buildings	Plant, fittings & equipment	Poker machines	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$
Balance at beginning of year	101,750	1,377,990	481,626	442,071	16,127	2,419,564
Additions	-	50,235	88,073	190,071	33,481	361,860
Disposals	-	-	(17,469)	(21,588)	-	(39,057)
Depreciation expense	-	(66,770)	(89,051)	(162,914)	(5,501)	(324,236)
Carrying amount at end of year	<u>101,750</u>	<u>1,361,455</u>	<u>463,179</u>	<u>447,640</u>	<u>44,107</u>	<u>2,418,131</u>

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
NOTE 10: TRADE AND OTHER PAYABLES		
CURRENT		
Trade creditors	63,865	89,948
GST liabilities	58,929	31,184
Accrued charges	109,005	132,702
	231,799	253,834

Amounts are non-interest bearing. Creditors are expected to be paid within 60 days.

NOTE 11: FINANCIAL LIABILITIES

CURRENT		
Finance lease liability	77,113	63,432
Mortgage loan	7,202	25,008
Insurance loan	45,929	44,838
	130,244	133,278

NON CURRENT

Finance lease liability	58,975	149,768
Mortgage loan	-	34,836
	58,975	184,604

Weighted average interest rate at 30 June 2016 on the bank loan was 6.81% (2015: 7.98%)

Credit facility with banks:

Credit facility	360,000	360,000
Amount used	7,202	59,844
Amount available	352,798	300,156

This facility permits borrowing up to \$360,000 (2015:\$360,000) secured by a registered mortgage over the land & buildings at Bent Street, Wingham and an Equitable Mortgage over the whole of the Clubs assets and undertakings. Remaining term of the loan is 6 years (2015: 7 years). The interest rate is variable, being 6.81% as at 30 June 2016 (2015: 7.98%). This loan is subject to an offset arrangement for interest against the balances in the working account and equipment accounts.

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
NOTE 12: EMPLOYEE BENEFITS		
CURRENT		
Annual leave	111,675	117,840
Long service leave	20,663	19,190
Sick leave	10,325	40,122
RDOs	5,679	5,579
	148,342	182,731
NON-CURRENT		
Long service leave	130,994	126,110

Superannuation

A superannuation plan has been established for the provision of benefits to employees of the Company on retirement, death or disability. Benefits provided under the plan are based on each employee's contribution. There is no legally enforceable obligation on the Company to contribute to the superannuation plan.

The superannuation plan is managed by AXA Superannuation (Independent Fund Consultants and Administrators) to ensure that sufficient funds are available in the event of termination of the plan or termination of employment of each employee.

In addition, the Company contributes award superannuation payments to employee superannuation funds.

	2016	2015
	\$	\$
NOTE 13: DEFERRED INCOME		
CURRENT		
Subscriptions in advance	11,612	12,644

NOTE 14: CONTRIBUTED EQUITY

The Company is a company limited by guarantee.

If the Company is wound up, the constitution states that each member is required to contribute to a maximum of \$5.00 towards meeting any outstanding obligations of the Company.

As at 30 June 2016, there were 2,555 (2015: 2,782) members of the Company.

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 15: CAPITAL COMMITMENTS

Aa at 30 June 2016 Directors had agreed to the refurbishment of the lift. Cost of work is expected to be \$48,044. Also new poker machines had been ordered costing \$70,532. (2015: NIL).

NOTE 16: RELATED PARTIES

a. Key management personnel remuneration

	2016	2015
	\$	\$
Key management personnel were remunerated as follows:		
Short term salary benefits paid to all key management personnel of the Company by the Company and any related parties	190,405	181,447
Post employment superannuation benefits paid to all key management personnel of the Company by the Company and any related parties	17,647	16,708
	208,052	198,155

b. Key Management Personnel

The names of the key management personnel during the financial year are:

- Mr Derek Boughton . appointed 22 November 2015
- Mr Colin Motbey
- Mr Nigel Dick
- Ms Donna Fowler
- Mr Ken Malpass
- Ms Vicki McKimmin - resigned 21 July 2016
- Mr Ronald McPherson
- Mr Rodney Moore
- Mrs Nicole Mullen . Operations Manager
- Mr Barry Murray . Secretary Manager
- Mr James Harry Rider
- Ms Deborah Unger . resigned 22 November 2015

Transactions between key management personnel and their related entities are on normal commercial terms and conditions no more favourable than those available to other parties.

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 17: CONTINGENT LIABILITIES

The Commonwealth Bank have provided a guarantee to a supplier of the Company for \$5,000. This guarantee acts as a security bond to the supplier should the Company fail to meet their obligations to the suppliers. At the date of this report the directors believe it is unlikely that these guarantees will be drawn upon.

NOTE 18: FINANCIAL RISK MANAGEMENT

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its obligations and arises principally from the Company's receivables from customers. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and the Notes to the Financial Statements.

Trade and other receivables

The Company's exposure is influenced mainly by the individual characteristics of each customer. The majority of receivables are from daily trading activities and are received within 30 business days.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. To ensure it can meet its obligations it invests excess funds in higher interest rate deposits, it only undertakes capital works when funds are available from monies invested and maintains a positive cash balance in its bank accounts at all times.

Market risk

Market risk is the risk that changes in market conditions will affect the Company's income. The Company has significant exposure to market risk as it is reliant on the continued use by patrons of its gaming facilities. Government initiatives such as the banning of smoking indoors has had an impact on this risk area and will continue to do so in future years.

Interest rate risk

The bank loan is not subject to interest rate risk as it is subject to an offset arrangement. As long as the Company has positive cash balances in excess of its loan balance, no interest is charged and no interest is earned on cash balances in bank accounts. The funds deposited in the Online Saver account however is subject to interest rate risk.

Fair value

Unless otherwise stated carrying amounts disclosed on the Statement of Financial Position are the fair value of the financial assets and liabilities.

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 19: CASH FLOW INFORMATION	2016	2015
	\$	\$
a. Reconciliation of Cash Flow from Operations with Profit / (Loss) after Income Tax		
Profit / (Loss) after income tax	210,933	53,313
Items classified as investing/financing activities		
Investing activities	24,194	19,726
Non-cash flows in profit		
(Profit) / Loss on sale of non-current assets	(15,582)	(3,679)
Depreciation	324,236	235,430
Changes in assets and liabilities		
Decrease/(increase) inventories	(7,004)	3,493
Decrease/(increase) trade and other receivables	(3,563)	(5,657)
Increase/(decrease) in trade and other payables	(22,035)	49,639
Increase/(decrease) in deferred income	(1,032)	(318)
Increase/(decrease) in employee benefits	(29,505)	17,751
Cash flows from operations	480,642	369,698

NOTE 20: STATEMENT OF OPERATIONS BY SEGMENTS

The Company operates in the registered club industry in Australia.

NOTE 21: EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent years.

NOTE 22: COMPANY DETAILS

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

28 Bent Street
Wingham NSW 2429

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
DIRECTORS' DECLARATION

In the opinion of the directors of Wingham District Memorial Services Club Ltd

1. the financial statements and notes, as set out on pages 6 to 21 are in accordance with the Corporations Act 2001, including:
 - a. complying with Australian Accounting Standards . Reduced Disclosure Requirements and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position of the Company as at 30 June 2016 and its performance, as represented by the results of its operations and its cashflows, for the year ended on that date; and
2. In the directors opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director

.....
Ken Malpass

Director

.....
Ronald McPherson

Dated this 20th day of September 2016

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD**

Report on the Financial Report

I have audited the financial report of Wingham District Memorial Services Club Ltd for the financial year ended 30 June 2016 as set out on pages 6 to 22.

The financial report includes the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cashflows, accompanying notes and the Directors' Declaration.

Directors' Responsibility for the Financial Report

The Company's directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards . Reduced Disclosure Requirements and the Corporations Act 2001. This responsibility includes designing and implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Wingham District Memorial Services Club Ltd on 20th September 2016, has not changed as at the date of providing my audit opinion.

Auditor's Opinion

In my opinion the financial report of Wingham District Memorial Services Club Ltd 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 2016 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards . Reduced Disclosure Requirements and the Corporations Regulations 2001.

Rhonda Futterleib

9/57 Pulteney Street Taree NSW 2430

Dated this 21st day of September 2016

**AUDITORS REPORT ON THE SUPPLEMENTARY INFORMATION
TO THE FINANCIAL STATEMENTS OF
WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
FOR THE YEAR ENDED 30 JUNE 2016**

The additional financial information presented on pages 26 to 29 is in accordance with the books and records of Wingham District Memorial Services Club Ltd which have been subjected to the auditing procedures applied in my statutory audit of the Company for the year ended 30 June 2016. It will be appreciated that my statutory audit did not cover all details of the additional information. Accordingly, I do not express an opinion on such financial information.

Rhonda Futterleib
9/57 Pulteney Street Taree NSW 2430
Dated this 21st day of September 2016

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
DEPARTMENTAL TRADING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
BAR		
Sales	1,068,345	1,031,423
Less: Cost of Goods Sold	(599,248)	(569,708)
Gross profit from trading	<u>469,097</u>	<u>461,715</u>
Expenditure		
Depreciation	5,147	3,828
Freight & Cartage	16,001	15,169
Loss on sale of assets	-	543
Repairs & expenses	4,432	6,401
Wages	291,725	266,652
Total expenses	<u>317,305</u>	<u>292,593</u>
Net profit	<u>151,792</u>	<u>169,122</u>
DINING ROOM		
Sales	483,309	490,743
Less: Cost of Goods Sold	(221,057)	(217,900)
Gross profit from trading	<u>262,252</u>	<u>272,843</u>
Expenditure		
Depreciation	4,696	4,676
Gas	10,562	15,426
Loss on sale of assets	317	-
Repairs & expenses	12,320	16,420
Sundry expenses	10,881	11,950
Wages	322,227	308,992
Total expenses	<u>361,003</u>	<u>357,464</u>
Net loss	<u>(98,751)</u>	<u>(84,621)</u>
BINGO/RAFFLES		
Bingo commission	116,588	121,114
Expenditure		
Bingo expenses	81,273	84,509
Trophies	49,836	54,641
Net loss	<u>(14,521)</u>	<u>(18,036)</u>

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
DEPARTMENTAL TRADING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
POKER MACHINES		
Poker machine receipts	5,586,467	6,375,829
Profit on sale of assets	33,051	-
	<u>5,619,518</u>	<u>6,375,829</u>
Expenditure		
Annual duty	360,990	320,901
Bonuses & Promotions	19,968	26,232
Depreciation	162,914	100,234
Jackpots	3,244,678	4,243,788
Repairs & expenses	42,493	49,182
Sundry expenses	31,170	30,051
Wages	110,624	100,528
Total expenses	<u>3,972,837</u>	<u>4,870,916</u>
Net profit	<u>1,646,681</u>	<u>1,504,913</u>
 KENO		
Keno commission	31,070	39,160
Expenditure		
Repairs & expenses	5,066	5,093
Sundry expenses	-	572
Wages	30,975	28,148
Net profit	<u>(4,971)</u>	<u>5,347</u>
 TAB		
TAB commission	17,110	13,443
Expenditure		
Depreciation	1,162	1,949
Subscriptions	18,922	20,974
Wages	8,850	8,042
Other	2,864	2,550
Net loss	<u>(14,688)</u>	<u>(20,072)</u>

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
NET TRADING INCOME	\$	\$
Bar trading	151,792	169,122
Dining room trading	(98,751)	(84,621)
Poker machine trading	1,646,681	1,504,913
Bingo / Raffles	(14,521)	(18,036)
Keno	(4,971)	5,347
TAB	(14,688)	(20,072)
	1,665,542	1,556,653
 OTHER INCOME		
Insurance recoveries	44,355	2,188
Interest received	5,655	7,180
Commission	24,482	16,230
Inner clubs	24,690	27,423
Public telephone	-	53
Profit or sale assets	476	5,329
Rent	9,848	10,400
Subscriptions	25,588	26,211
Sundry income	14,868	15,111
	149,962	110,125
 EXPENDITURE		
Accountancy fees	3,366	4,178
Advertising, postage & stationery	43,892	49,141
Audit remuneration	16,575	16,014
Bank charges	5,991	4,510
Bad Debts	-	300
Cleaning and house supplies	4,398	3,738
Club expenses	15,502	19,744
Community support	24,194	19,726
Computer supplies	6,128	6,800
Consultancy fees	-	2,000
Depreciation	150,317	124,743
Doubtful debts	(166)	(3,091)

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
Directors expenses	12,102	16,047
Electricity	108,346	146,367
Fringe benefits tax	8,785	6,781
Inner club expenses	25,485	26,525
Insurance	75,094	81,390
Interest	4,620	10,861
Legal costs	175	1,917
Licenses & fees	5,290	10,287
Loss on sale of fixed assets	17,628	1,108
Member only expenses	254,481	220,152
Mortality fund payouts	400	100
Motor vehicle expenses	6,651	3,467
Payroll tax	32,223	28,687
Performing artists	8,312	7,267
Employee entitlements	(29,505)	30,128
Rates	25,537	31,900
Repairs & maintenance	93,644	88,798
Security	20,195	22,644
Sponsorship	27,691	41,145
Staff training & amenities	15,035	9,388
Subscriptions	9,557	9,689
Sundry expenses	9,547	4,529
Superannuation	115,555	105,170
Telephone	10,400	12,048
Unders/overs cash registers	1,320	1,877
Uniforms	4,348	3,583
Wages & allowances	471,458	443,807
	1,604,571	1,613,465
NET PROFIT / (LOSS) BEFORE INCOME TAX	210,933	53,313