

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2016**

**Liability limited by a scheme approved under  
Professional Standards Legislation**

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

**CONTENTS**

Directors' Report	1
Auditors' Independence Declaration	3
Statement of Profit or Loss And Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Directors' Declaration	21
Auditors' Report	22
Detailed Profit and Loss Statement	24
Departmental Trading, Profit and Loss Statement	27

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

**DIRECTORS' REPORT**

Your directors present their report on the co-operative for the financial year ended 30 June 2016.

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

Maelyn Cooper

Noel Wade

Peter Byrne

Mrs Barbara Whale - Resigned 28/07/2015

Mr David Brennan

Mrs Tanya Moss

Mr Stephen Jeffery

Mr Darren Jackson - Appointed 10/2015

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

The profit of the co-operative for the financial year amounted to \$188,480. This result includes depreciation of \$145,281. Cash flow from operating activities has increased by \$337,184.

No significant changes in the co-operative's state of affairs occurred during the financial year.

The principal activities of the co-operative during the financial year were the provision of licenced club amenities to its members and guests.

No significant change in the nature of these activities occurred during the year.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the result of those operations, or the state of affairs of the entity in future financial years.

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

**DIRECTORS' REPORT**

**Information on Directors**

<b>Director</b>	<b>Position Held</b>	<b>Occupation</b>	<b>Meetings Held</b>	<b>Meetings Attended</b>
Maelyn Cooper	President	Shop Assistant	12	12
Peter Byrne	Director	Council Employee	12	12
Noel Wade	Director	Council Employee	12	12
Darren Jackson	Director	Bank Employee	9	9
Barb Whale	Director	Health Worker	1	1
Dave Brennan	Vice President	Council Employee	12	12
Stephen Jeffery	Director	Security Guard	12	12
Tanya Moss	Treasurer	Office Administrator	12	12

Likely developments in the operations of the entity and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the entity.

The co-operative's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

The co-operative is prohibited by its Memorandum and Articles of Association from paying dividends to members.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

**Auditors' Independence Declaration**

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

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

Director: Maelyn Cooper  
Maelyn Cooper

Director: Peter D Byrne  
Peter Byrne

Dated this 7<sup>th</sup> day of SEPTEMBER 2016

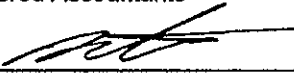
**AUDITORS' INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF  
GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2016 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.

**Name of Firm:** RYAN AND RANKMORE  
Chartered Accountants

**Name of Partner:**

  
\_\_\_\_\_  
Roger M Estens

**Address:** 1 Swift Street, Wellington

**Dated this**            **day of**

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>Income</b>			
Revenue	2	1,203,992	1,087,113
Cost of sales		<u>(857,002)</u>	<u>(881,710)</u>
Gross profit		346,990	205,403
Other income	2	1,483,091	1,453,554
<b>Expenditure</b>			
Occupancy expenses		(85,616)	(106,036)
Other expenses		<u>(1,555,985)</u>	<u>(1,597,597)</u>
		188,480	(44,676)
<b>Profit (Loss) for the year</b>	3	<u>188,480</u>	<u>(44,676)</u>
<b>Total comprehensive income for the year</b>		<u><u>188,480</u></u>	<u><u>(44,676)</u></u>

The accompanying notes form part of these financial statements.

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	637,524	462,803
Trade and other receivables	5	9,440	12,537
Inventories	6	42,931	53,031
<b>TOTAL CURRENT ASSETS</b>		<u>689,895</u>	<u>528,371</u>
<b>NON-CURRENT ASSETS</b>			
Financial assets	7	204,696	204,696
Property, plant and equipment	8	2,321,966	2,138,410
<b>TOTAL NON-CURRENT ASSETS</b>		<u>2,526,662</u>	<u>2,343,106</u>
<b>TOTAL ASSETS</b>		<u>3,216,557</u>	<u>2,871,477</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	116,091	119,096
Provisions	10	61,824	62,561
Other current liabilities	11	1,002	1,002
<b>TOTAL CURRENT LIABILITIES</b>		<u>178,917</u>	<u>182,659</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	12	166,374	-
Provisions	10	13,464	19,496
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>179,838</u>	<u>19,496</u>
<b>TOTAL LIABILITIES</b>		<u>358,755</u>	<u>202,155</u>
<b>NET ASSETS</b>		<u>2,857,802</u>	<u>2,669,322</u>
<b>EQUITY</b>			
Retained earnings	13	2,857,802	2,669,322
<b>TOTAL EQUITY</b>		<u>2,857,802</u>	<u>2,669,322</u>

The accompanying notes form part of these financial statements.

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	Note	Retained earnings \$	Total \$
<b>Balance at 1 July 2014</b>		2,713,998	2,713,998
Profit attributable to equity shareholders		(44,676)	(44,676)
<b>Balance at 30 June 2015</b>		<u>2,669,322</u>	<u>2,669,322</u>
Profit attributable to equity shareholders		188,480	188,480
<b>Balance at 30 June 2016</b>		<u><u>2,857,802</u></u>	<u><u>2,857,802</u></u>

The accompanying notes form part of these financial statements.



**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

		2016	2015
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		2,681,020	2,534,766
Payments to suppliers and employees		(2,345,675)	(2,436,074)
Interest Received		9,160	6,121
Interest paid		(7,321)	(24)
<b>Net cash provided by operating activities</b>	<b>14</b>	<u>337,184</u>	<u>104,789</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		14,640	-
Payments for property, plant and equipment		(343,477)	(19,999)
<b>Net cash used in investing activities</b>		<u>(328,837)</u>	<u>(19,999)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		166,374	-
<b>Net cash provided by financing activities</b>		<u>166,374</u>	<u>-</u>
Net increase in cash held		174,721	84,790
Cash at beginning of financial year		462,803	378,013
<b>Cash at end of financial year</b>	<b>4</b>	<u><u>637,524</u></u>	<u><u>462,803</u></u>

The accompanying notes form part of these financial statements.

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

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

---

**1 Statement of Significant Accounting Policies**

This financial report covers Gilgandra Services Club Co-Operative Limited as an individual entity. The principal accounting policies adopted in the preparation of the financial report are set out below.

**Basis of Preparation**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the New South Wales Co-operatives Act 1992.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**Accounting Policies**

**Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

**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 or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

**Property**

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

**Plant and equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the co-operative includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**

**ABN 98 155 304 481**

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

---

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the co-operative, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

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.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**Financial Instruments**

Financial instruments are recognised initially using trade date accounting, i.e. on the date that 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).

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

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

---

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The company's trade and most other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

**Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The company's available-for-sale financial assets comprise listed securities.

Available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

**Available-for-sale financial assets**

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

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

---

**Impairment of Assets**

At each reporting date, the co-operative reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**Employee Benefits**

Provision is made for the co-operative's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

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. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

**Provisions**

Provisions are recognised when the co-operative 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 reporting date.

**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.

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

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

---

**Revenue and Other Income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

**Sale of goods**

Revenue is recognised on transfer of goods to the customer 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.

**Interest revenue**

Interest revenue is recognised using the effective interest rate method.

**Other income**

Other income is recognised on an accruals basis when the company is entitled to it.

**Goods and Services Tax (GST)**

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).

Receivables and payables 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 components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

**Comparative Amounts**

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>2 Revenue and Other Income</b>		
<b>Revenue</b>		
Sales revenue:		
Sale of goods	1,203,992	1,087,113
Other revenue:		
Interest received	9,160	6,121
Other revenue	1,473,931	1,447,433
	<u>1,483,091</u>	<u>1,453,554</u>
<b>Total revenue</b>	<u><b>2,687,083</b></u>	<u><b>2,540,667</b></u>
 <b>Interest revenue from Bank:</b>		
Interest Received	<u>9,160</u>	<u>6,121</u>
Total interest revenue on financial assets not at fair value through profit or loss	<u>9,160</u>	<u>6,121</u>
 <b>Other revenue from:</b>		
Bingo Income	12,705	12,266
Advertising Income	500	500
ATM Commission	10,985	9,851
Cigarette and Other Commission	2,842	2,780
Competition & Raffles	80,623	110,092
Function Receipts	1,388	4,784
Keno Commissions	61,717	52,502
Poker Machine Takings	1,255,730	1,205,190
Rent Received	9,500	7,578
Subscription & Nomination Fees	12,716	14,555
TAB	3,220	5,047
Sundry Income	4,825	4,207
OSR GST Rebate	17,180	17,180
Ticket Sales - Entertainment	-	901
<b>Total other revenue</b>	<u><b>1,473,931</b></u>	<u><b>1,447,433</b></u>
 <b>3 Profit</b>		
<b>Total Expenses Inclusive of:</b>		
Cost of sales	863,998	889,210



**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Depreciation of property, plant and equipment	152,277	147,854
Bad Debts Written Off	348	1,821
Total bad and doubtful debts	<u>348</u>	<u>1,821</u>
<b>4 Cash and Cash Equivalents</b>		
Working Capital	71,300	53,350
TAB Account	16,208	10,392
Keno Bendigo Bank Account	24,928	35,502
ATM Clearing Account	17,930	25,120
Bendigo Bank	232,158	106,136
Bendigo Term Deposit	175,000	132,303
Security Term Deposit - Bendigo	100,000	100,000
	<u>637,524</u>	<u>462,803</u>
<b>Reconciliation of cash</b>		
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash and cash equivalents	637,524	462,803
	<u>637,524</u>	<u>462,803</u>
<b>5 Trade and Other Receivables</b>		
<b>Current</b>		
Electricity Bond	1,724	1,724
TAB Bond	5,000	5,000
	<u>6,724</u>	<u>6,724</u>
EFTPOS Clearing Account	1,014	371
Other Debtors	1,702	5,442
	<u>9,440</u>	<u>12,537</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances.

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

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

	2016	2015
	\$	\$
<b>6 Inventories</b>		
<b>Current</b>		
At cost:		
Bar	38,133	48,180
Kitchen	4,798	4,851
	42,931	53,031
<b>7 Financial Assets</b>		
<b>Non-Current</b>		
Shares - Gilgandra Financial Services	2,000	2,000
Poker Machine Entitlements	202,696	202,696
	204,696	204,696
<b>8 Property, Plant and Equipment</b>		
<b>LAND AND BUILDINGS</b>		
<b>Freehold land :</b>		
Freehold Land & Buildings	23,526	23,526
	23,526	23,526
<b>Buildings and Improvements:</b>		
Bowling Greens at Cost	13,560	13,560
Dwelling at Cost	86,473	86,473
Buildings	1,679,278	1,679,278
Less accumulated depreciation	(154,569)	(137,116)
	1,624,742	1,642,195
<b>Total Land and Buildings</b>	1,648,268	1,665,721
<b>PLANT AND EQUIPMENT</b>		
<b>Plant and Equipment:</b>		
At cost	3,002,876	2,674,039
Accumulated depreciation	(2,329,178)	(2,201,350)
<b>Total Plant and Equipment</b>	673,698	472,689
<b>Total Property, Plant and Equipment</b>	2,321,966	2,138,410

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

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

	2016	2015
	\$	\$
<b>Movements in Carrying Amounts of Property, Plant and Equipment</b>		
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.		
	Freehold Land & Buildings \$	Building Improvements \$
	Plant and Equipment \$	Poker Machines \$
	Total \$	
Balance at 1 July 2014	123,559	1,560,122
Additions	-	-
Depreciation expense	-	(17,960)
Balance at 30 June 2015	<u>123,559</u>	<u>1,542,162</u>
Additions	-	-
Disposals	-	-
Depreciation expense	-	(17,453)
Carrying amount at 30 June 2016	<u><u>123,559</u></u>	<u><u>1,524,709</u></u>

**9 Trade and Other Payables**

**Current**

Bendigo Credit Card Account	429	2,142
Trade Creditors	47,906	67,976
RSL Wall Plaques Holding Acct	8,203	7,904
GST Payable	33,372	27,144
PAYGW Payable	26,181	13,930
	<u>116,091</u>	<u>119,096</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value

**10 Provisions**

Provision for Annual Leave	61,824	62,561
Provision for Long Service Leave	13,464	19,496
<b>Total provisions</b>	<u>75,288</u>	<u>82,057</u>

**Analysis of Total Provisions**

Current	61,824	62,561
Non-current	13,464	19,496
	<u>75,288</u>	<u>82,057</u>

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>11 Other Liabilities</b>		
<b>Current</b>		
Dontions Holding Account	<u>1,002</u>	<u>1,002</u>
<b>12 Borrowings</b>		
<b>Non-Current</b>		
Bendigo Bank Equipment Finance - Solar Panels	147,793	-
Less: Unexpired Hire Purchase Charges	(17,709)	-
SE Rentals POS System	<u>36,290</u>	-
Total non-current borrowings	<u>166,374</u>	-
Total borrowings	<b>5</b> <u>166,374</u>	<b>5</b> <u>-</u>
<b>13 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	2,669,322	2,713,998
Net profit (Net loss) attributable to members of the company	<u>188,480</u>	<u>(44,676)</u>
Retained earnings at the end of the financial year	<u>2,857,802</u>	<u>2,669,322</u>
<b>14 Cash Flow Information</b>		
<b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Profit (Loss) after income tax	188,480	(44,676)
<b>Non-cash flows in profit</b>		
Depreciation	145,281	140,354
<b>Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries</b>		
(Increase) Decrease in current inventories	10,100	15,781
(Increase) Decrease in current receivables	3,097	220
Increase (Decrease) in trade creditors	(3,005)	(9,625)
Increase (Decrease) in current provisions	<u>(6,769)</u>	<u>2,735</u>
	<u>337,184</u>	<u>104,789</u>

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>

**15 Financial Risk Management**

The company's financial instruments consists mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>		
Cash and cash equivalents	637,524	462,803
Investments	204,696	204,696
Trade and other receivables	9,440	12,537
<b>Total Financial Assets</b>	<b>851,660</b>	<b>680,036</b>
<b>Financial Liabilities</b>		
Trade and other payables	116,091	120,098

**Financial Risk Management Policies**

The directors' overall risk management strategy seeks to assist the co-operative in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These included the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations.

The company does not have any derivative instruments at 30 June 2016.

**Net Fair Values**

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

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

2016                      2015  
 \$                              \$

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

	2016		2015	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	637,524	637,524	462,803	462,803
Investments	204,696	204,696	204,696	204,696
Trade and other receivables	9,440	9,440	12,537	12,537
<b>Total Financial Assets</b>	<b>851,660</b>	<b>851,660</b>	<b>680,036</b>	<b>680,036</b>
<b>Financial Liabilities</b>				
Trade and other payables	116,091	116,091	120,098	120,098
<b>Total Financial Liabilities</b>	<b>116,091</b>	<b>116,091</b>	<b>120,098</b>	<b>120,098</b>

**16 Membership**

The club's membership totalled 1897.

**17 Co-operative Details**

Gilgandra Services Club Co-Operative Limited

The principal place of business is:

33 Morris St, Gilgandra NSW 2827

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

**DIRECTORS' DECLARATION**

The directors of the co-operative declare that:

1. The financial statements and notes, as set out on pages 1 to 20, are in accordance with the New South Wales Co-operatives Act 1992 and:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the co-operative.
2. In the directors' opinion there are reasonable grounds to believe that the co-operative 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: Maelyn Cooper  
Maelyn Cooper

Director: Peter D Byrne  
Peter Byrne

Dated this 7<sup>th</sup> day of SEPTEMBER 2016

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED  
ABN 98 155 304 481**

**Report on the Financial Report**

We have audited the accompanying financial report of Gilgandra Services Club Co-Operative Limited which comprises the balance sheet as at 30 June 2016, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

**Directors' Responsibility for the Financial Report**

The directors of the co-operative are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Co-operatives Act 1992. This responsibility includes designing, 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we 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 performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

**Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements and the Co-operatives Act 1992.



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED  
ABN 98 155 304 481**

**Auditors' Opinion**

In our opinion:

- (a) the financial report of Gilgandra Services Club Co-Operative Limited is in accordance with the Co-operatives Act 1992, 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 (including the Australian Accounting Interpretations) and the Co-operatives Regulations 2005.
- (b) The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

**Name of Firm:** RYAN AND RANKMORE  
Chartered Accountants

**Name of Partner:** \_\_\_\_\_

Roger M Estens

**Address:** 1 Swift Street, Wellington

**Dated this** 8<sup>TH</sup> **day of** September **2016**

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
<b>SALES</b>		
Sales	1,203,992	1,087,113
<b>LESS: COST OF GOODS SOLD</b>		
Opening Stock	53,031	68,812
Purchases	592,654	579,960
Closing Stock	(42,931)	(53,031)
	<u>602,754</u>	<u>595,741</u>
<b>LESS: MANUFACTURING COSTS</b>		
Damaged Stock and Wastage	-	5,633
Cleaning	6,996	7,500
Electricity and Gas	8,277	8,523
Replacements	1,392	11,227
Repairs	540	3,312
Wages	244,039	257,274
	<u>261,244</u>	<u>293,469</u>
<b>GROSS PROFIT FROM TRADING</b>	<u>339,994</u>	<u>197,903</u>
<b>OTHER INCOME</b>		
Bingo Income	12,705	12,266
Advertising Income	500	500
ATM Commission	10,985	9,851
Cigarette and Other Commission	2,842	2,780
Competition & Raffles	80,623	110,092
Function Receipts	1,388	4,784
Keno Commissions	61,717	52,502
Poker Machine Takings	1,255,730	1,205,190
Rent Received	9,500	7,578
Subscription & Nomination Fees	12,716	14,555
TAB	3,220	5,047
Sundry Income	4,825	4,207
OSR GST Rebate	17,180	17,180
Ticket Sales - Entertainment	-	901
Interest Received	9,160	6,121
	<u>1,483,091</u>	<u>1,453,554</u>
	<u>1,823,085</u>	<u>1,651,457</u>

The accompanying notes form part of these financial statements.

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
<b>EXPENSES</b>		
Advertising	18,572	25,029
Auditor's Remuneration	15,000	14,900
Bad Debts Written Off	348	1,821
Bank Charges	3,944	3,252
Bingo Expenses	21,260	22,551
Central Monitoring System	19,565	19,024
Cleaning & Laundry	11,731	9,906
Computer Costs	30,227	47,404
Club Grants	-	1,000
Competitions & Raffles	166,035	158,201
Courtesy Bus Expenses	8,095	9,539
Depreciation	145,281	140,354
Donations	10,152	2,300
Electricity & Gas	72,359	92,888
Entertainment	17,509	19,844
Freight & Cartage	1,399	1,682
Function Expenses	3,608	6,447
Insurance	36,582	46,575
Interest Paid	7,321	24
Legal Costs	2,097	-
Licences, Registrations, Permits	10,337	7,520
Leave Provisions	(6,769)	2,736
Meetings and Conferences	7,201	10,784
Members Amenities	3,656	7,264
Members' Draw	28,500	33,213
Members Mega Draw	6,100	7,866
Payroll Tax	10,615	20,723
Poker Machine Tax	117,703	94,625
Postage	2,794	3,432
Printing & Stationery	9,199	14,105
Rates - Shire	12,430	9,879
Repairs & Maintenance	68,189	58,715
Replacements - Bar	190	3,490
Security Costs	1,592	1,923
Sponsorship & Donations	3,470	4,960
Staff and Directors Amenities	10,729	8,990
Subscriptions	6,686	7,861
Sundry Expenses	580	3,943
Superannuation - Productivity	73,389	81,857

The accompanying notes form part of these financial statements.

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
Telephone	13,257	13,148
Training	10,813	2,782
Uniforms	2,243	2,962
Wages	<u>650,616</u>	<u>670,614</u>
	<u>1,634,605</u>	<u>1,696,133</u>
<b>Profit (Loss) before Income tax</b>	<u><u>188,480</u></u>	<u><u>(44,676)</u></u>

The accompanying notes form part of these financial statements.

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

**DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
<b>BAR TRADING</b>		
Sales	<u>735,331</u>	<u>671,057</u>
<b>LESS: COST OF GOODS SOLD</b>		
Opening Stock	48,180	56,845
Purchases	379,531	381,814
Closing Stock	<u>(38,133)</u>	<u>(48,180)</u>
	<u>389,578</u>	<u>390,479</u>
<b>LESS: MANUFACTURING COST</b>		
Damaged Stock and Wastage	<u>-</u>	<u>787</u>
<b>GROSS PROFIT FROM TRADING</b>	<u><u>345,753</u></u>	<u><u>279,791</u></u>

The accompanying notes form part of these financial statements.

**GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED**  
**ABN 98 155 304 481**

**DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>KITCHEN TRADING</b>		
Sales	<u>468,661</u>	<u>416,056</u>
<b>LESS: COST OF GOODS SOLD</b>		
Opening Stock	4,851	11,967
Purchases	213,123	198,146
Closing Stock	<u>(4,798)</u>	<u>(4,851)</u>
	<u>213,176</u>	<u>205,262</u>
<b>LESS: MANUFACTURING COST</b>		
Damaged Stock and Wastage	-	4,846
Cleaning	6,996	7,500
Electricity and Gas	8,277	8,523
Replacements	1,392	11,227
Repairs	540	3,312
Wages	<u>244,039</u>	<u>257,274</u>
	<u>261,244</u>	<u>292,682</u>
<b>GROSS LOSS FROM TRADING</b>	<u><u>(5,759)</u></u>	<u><u>(81,888)</u></u>

The accompanying notes form part of these financial statements.

**Under the Registered Clubs Act and pursuant to Section 41H (1) the following is important for Members and must be sent to Members, and is in a form approved by the Director of Liquor and Gaming.**

All original declarations, disclosures and returns made pursuant to Section 41C, 41D, 41E and 41F and held in the secretary registers, may be inspected by members on written application to the secretary.

**Gilgandra Service Club Co-Operative Limited**

**Reporting period year ending 30 June 2014**

1	Pursuant to Section 41C to Section 41F the number of declarations received from directors declaring material personal interest.	Nil
	Pursuant to Sections 41E to 41F details of declarations of gifts received from affiliated bodies and contractors, top executives and employees	Nil
2	The number of top executives of the club (if any) whose total remuneration for the reporting period (comprising of salary, allowances and other benefits) falls within each successive \$10,000 band commencing at \$100,000	Nil
3	Details of any overseas travel by a director or employee of the club including date of board approval, name of person travelling, destination, nature or purpose of travel, costs paid for directors or employees and other persons by the club.	Nil
4	Details of any loan in excess of \$1,000 (or which added to other loans amounts to \$1,000 or more) made to an employee of the club, the amount and term of the loan, and interest rate if any.	Nil
5	Details and number of any controlled contracts.	Nil
6	The name of any employee of the club who the registered club is aware is a close relative of a member of the governing body of the club or a top executive of the club and the amount of the remuneration package paid to that employee.	Nil
7	Details of any consultants employed by the Board, date of contract approved by the Board, the name of consultant, nature of consultancy and the costs paid to Consultant.	Nil
8	The total amount paid by the club during the reporting period to consultants other than amounts required to be included in the report under No 7.	Nil
9	Number of settlements with A) Directors and B) employees, total value of all settlements, legal fees paid by the club for the director or employee.	Nil
10	Number of instances when the club paid legal fees with a) directors b) employees that are not included in No 9 above, total value of legal fees paid by the club for the director or employee.	Nil
11	The total amount of profits (within the meaning of Gaming Machine Tax Act 2001) from the operation of approved gaming machines in the club during the period 12 months ending 31st August in the year to which the report relates (gaming machine tax period)	\$1,334,947
12	The amount applied by the club during the gaming machine tax period to community development and support under Part 4 of the Gaming Machine Tax Act 2001.	\$6,506