

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

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2017

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

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

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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 2017.

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
Mr David Brennan - Resigned 18/04/2017
Mrs Tanya Moss
Mr Stephen Jeffery
Mr Darren Jackson

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 \$41,279. This result includes depreciation of \$180,849. Cash flow from operating activities has increased by \$219,961.

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
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DIRECTORS' REPORT

Information on Directors

Director	Position Held	Occupation	Meetings Held	Meetings Attended
Maelyn Cooper	President	Shop Assistant	12	11
Peter Byrne	Vice President	Council Employee	12	9
Noel Wade	Director	Council Employee	12	11
Darren Jackson	Director	Bank Employee	12	10
Dave Brennan	Director	Council Employee	10	9
Stephen Jeffery	Director	Security Guard	12	11
Tanya Moss	Treasurer	Office Administrator	12	11

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 29 day of August 2017

**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 2017 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: *Tim Lacey*
Tim Lacey

Address: 1 Swift Street, Wellington

Dated this 30th **day of** August 2017

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 2017

	Note	2017 \$	2016 \$
Income			
Revenue	2	1,147,269	1,203,992
Cost of sales		<u>(829,317)</u>	<u>(857,002)</u>
Gross profit		317,952	346,990
Other income	2	1,388,701	1,483,091
Expenditure			
Occupancy expenses		(92,316)	(85,616)
Other expenses		<u>(1,573,058)</u>	<u>(1,555,985)</u>
		41,279	188,480
Profit for the year	3	<u>41,279</u>	<u>188,480</u>
Total comprehensive income for the year		<u><u>41,279</u></u>	<u><u>188,480</u></u>

The accompanying notes form part of these financial statements.

GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	548,732	637,524
Trade and other receivables	5	10,059	9,440
Inventories	6	51,378	42,931
TOTAL CURRENT ASSETS		<u>610,169</u>	<u>689,895</u>
NON-CURRENT ASSETS			
Other financial assets	7	204,696	204,696
Property, plant and equipment	8	2,406,839	2,321,966
TOTAL NON-CURRENT ASSETS		<u>2,611,535</u>	<u>2,526,662</u>
TOTAL ASSETS		<u>3,221,704</u>	<u>3,216,557</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	108,368	116,091
Provisions	10	72,487	61,824
Tax liabilities	11	(2,398)	-
Other current liabilities	12	1,002	1,002
TOTAL CURRENT LIABILITIES		<u>179,459</u>	<u>178,917</u>
NON-CURRENT LIABILITIES			
Borrowings	13	123,343	166,374
Provisions	10	19,821	13,464
TOTAL NON-CURRENT LIABILITIES		<u>143,164</u>	<u>179,838</u>
TOTAL LIABILITIES		<u>322,623</u>	<u>358,755</u>
NET ASSETS		<u>2,899,081</u>	<u>2,857,802</u>
EQUITY			
Retained earnings	14	2,899,081	2,857,802
TOTAL EQUITY		<u>2,899,081</u>	<u>2,857,802</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Retained earnings \$	Total \$
Balance at 1 July 2015		2,669,322	2,669,322
Profit attributable to equity shareholders		<u>188,480</u>	<u>188,480</u>
Balance at 30 June 2016		<u>2,857,802</u>	<u>2,857,802</u>
Profit attributable to equity shareholders		<u>41,279</u>	<u>41,279</u>
Balance at 30 June 2017		<u><u>2,899,081</u></u>	<u><u>2,899,081</u></u>

The accompanying notes form part of these financial statements.

GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	2,527,639	2,681,020
Payments to suppliers and employees	(2,308,130)	(2,345,675)
Interest Received	7,712	9,160
Interest paid	(7,260)	(7,321)
Net cash provided by operating activities	15 <u>219,961</u>	<u>337,184</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	40,000	14,640
Payments for property, plant and equipment	(305,722)	(343,477)
Proceeds from borrowings	(43,031)	-
Net cash used in investing activities	<u>(308,753)</u>	<u>(328,837)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	166,374
Net cash provided by financing activities	<u>-</u>	<u>166,374</u>
Net increase (decrease) in cash held	(88,792)	174,721
Cash at beginning of financial year	637,524	462,803
Cash at end of financial year	4 <u>548,732</u>	<u>637,524</u>

The accompanying notes form part of these financial statements.

GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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 estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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)

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 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 balance sheet.

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

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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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
2 Revenue and Other Income		
Revenue		
Sales revenue:		
Sale of goods	1,147,269	1,203,992
Other revenue:		
Interest received	7,712	9,160
Other revenue	1,380,989	1,473,931
	<u>1,388,701</u>	<u>1,483,091</u>
Total revenue	<u>2,535,970</u>	<u>2,687,083</u>
 Interest revenue from Bank:		
Interest Received	<u>7,712</u>	<u>9,160</u>
Total interest revenue on financial assets not at fair value through profit or loss	<u>7,712</u>	<u>9,160</u>
 Other revenue from:		
Bingo Income	8,934	12,705
Advertising Income	500	500
ATM Commission	10,592	10,985
Cigarette and Other Commission	3,173	2,842
Competition & Raffles	89,090	80,623
Function Receipts	1,873	1,388
Keno Commissions	63,038	61,717
Poker Machine Takings	1,148,358	1,255,730
Rent Received	8,982	9,500
Subscription & Nomination Fees	14,749	12,716
TAB	8,070	3,220
Sundry Income	6,450	4,825
OSR GST Rebate	17,180	17,180
Total other revenue	<u>1,380,989</u>	<u>1,473,931</u>
 3 Profit		
Total Expenses Inclusive of:		
Cost of sales	839,962	863,998

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
Depreciation of property, plant and equipment	191,494	152,277
Bad Debts Written Off	-	348
Total bad and doubtful debts	<u>-</u>	<u>348</u>
4 Cash and Cash Equivalents		
Working Capital	71,300	71,300
TAB Account	9,780	16,208
Keno Bendigo Bank Account	18,015	24,928
ATM Clearing Account	25,060	17,930
Bendigo Bank	120,961	232,158
Bendigo Term Deposit	203,616	175,000
Security Term Deposit - Bendigo	100,000	100,000
	<u>548,732</u>	<u>637,524</u>
Reconciliation of cash		
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	<u>548,732</u>	<u>637,524</u>
	<u>548,732</u>	<u>637,524</u>
5 Trade and Other Receivables		
Current		
Electricity Bond	1,724	1,724
TAB Bond	5,000	5,000
	<u>6,724</u>	<u>6,724</u>
EFTPOS Clearing Account	1,865	1,014
Other Debtors	1,470	1,702
	<u>10,059</u>	<u>9,440</u>
	<u>10,059</u>	<u>9,440</u>

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
6 Inventories		
Current		
At cost:		
Bar	-	38,133
Kitchen	-	4,798
	<u>-</u>	<u>42,931</u>
7 Other Financial Assets		
Non-Current		
Shares - Gilgandra Financial Services	2,000	2,000
Poker Machine Entitlements	202,696	202,696
	<u>204,696</u>	<u>204,696</u>
8 Property, Plant and Equipment		
LAND AND BUILDINGS		
Freehold land :		
Freehold Land & Buildings	<u>23,526</u>	<u>23,526</u>
	<u>23,526</u>	<u>23,526</u>
Buildings and Improvements:		
Bowling Greens at Cost	13,560	13,560
Dwelling at Cost	86,473	86,473
Buildings	1,732,299	1,679,278
Less accumulated depreciation	<u>(172,375)</u>	<u>(154,569)</u>
	<u>1,659,957</u>	<u>1,624,742</u>
Total Land and Buildings	<u>1,683,483</u>	<u>1,648,268</u>
PLANT AND EQUIPMENT		
Plant and Equipment:		
At cost	3,215,577	3,002,876
Accumulated depreciation	<u>(2,492,221)</u>	<u>(2,329,178)</u>
Total Plant and Equipment	<u>723,356</u>	<u>673,698</u>
Total Property, Plant and Equipment	<u>2,406,839</u>	<u>2,321,966</u>

GILGANDRA SERVICES CLUB CO-OPERATIVE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016			
	\$	\$			
Movements in Carrying Amounts of Property, Plant and Equipment					
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 2015	123,559	1,542,162	385,221	87,468	2,138,410
Additions	-	-	223,357	120,120	343,477
Disposals	-	-	-	(14,640)	(14,640)
Depreciation expense	-	(17,453)	(63,221)	(64,607)	(145,281)
Balance at 30 June 2016	123,559	1,524,709	545,357	128,341	2,321,966
Additions	-	53,021	20,579	232,122	305,722
Disposals	-	-	-	(40,000)	(40,000)
Depreciation expense	-	(17,806)	(64,629)	(98,414)	(180,849)
Carrying amount at 30 June 2017	123,559	1,559,924	501,307	222,049	2,406,839

9 Trade and Other Payables

Current

Bendigo Credit Card Account	1,330	429	
Trade Creditors	57,513	47,906	
RSL Wall Plaques Holding Acct	8,739	8,203	
GST Payable	30,191	33,372	
PAYGW Payable	10,595	26,181	
	108,368	116,091	

The carrying amounts are considered to be a reasonable approximation of fair value.

10 Provisions

Provision for Annual Leave	72,487	61,824	
Provision for Long Service Leave	19,821	13,464	
Total provisions	92,308	75,288	

Analysis of Total Provisions

Current	72,487	61,824	
Non-current	19,821	13,464	
	92,308	75,288	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
11 Tax		
Liabilities		
Current		
Provision for Income Tax	<u>(2,398)</u>	<u>-</u>
12 Other Liabilities		
Current		
Dontions Holding Account	<u>1,002</u>	<u>1,002</u>
13 Borrowings		
Non-Current		
Bendigo Bank Equipment Finance - Solar Panels	112,322	147,793
Less: Unexpired Hire Purchase Charges	(10,497)	(17,709)
SE Rentals POS System	<u>21,518</u>	<u>36,290</u>
Total non-current borrowings	<u>123,343</u>	<u>166,374</u>
Total borrowings	5 <u>123,343</u>	5 <u>166,374</u>
14 Retained Earnings		
Retained earnings at the beginning of the financial year	2,857,802	2,669,322
Net profit attributable to members of the company	<u>41,279</u>	<u>188,480</u>
Retained earnings at the end of the financial year	<u>2,899,081</u>	<u>2,857,802</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
15 Cash Flow Information		
Reconciliation of result for the year to cashflows from operating activities.		
Reconciliation of net income to net cash provided by operating activities:		
Profit after income tax	41,279	188,480
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	180,849	145,281
Changes in assets and liabilities		
(Increase) Decrease in current inventories	(8,447)	10,100
(Increase) Decrease in current receivables	(619)	3,097
Increase (Decrease) in trade creditors	(10,121)	(3,005)
Increase (Decrease) in current provisions	17,020	(6,769)
	<u>219,961</u>	<u>337,184</u>

16 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:

	2017	2016
	\$	\$
Financial Assets		
Cash and cash equivalents	548,732	637,524
Investments	204,696	204,696
Trade and other receivables	10,059	9,440
Total Financial Assets	<u>763,487</u>	<u>851,660</u>
Financial Liabilities		
Trade and other payables	105,970	116,091

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2017 2016
 \$ \$

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 2017.

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.

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.

	2017		2016	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	548,732	548,732	637,524	637,524
Investments	204,696	204,696	204,696	204,696
Trade and other receivables	10,059	10,059	9,440	9,440
Total Financial Assets	<u>763,487</u>	<u>763,487</u>	<u>851,660</u>	<u>851,660</u>
Financial Liabilities				
Trade and other payables	105,970	105,970	116,091	116,091
Total Financial Liabilities	<u>105,970</u>	<u>105,970</u>	<u>116,091</u>	<u>116,091</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
17 Membership		
The club's membership totalled 1897.		
18 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 22, 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 2017 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 29 day of August 2017

**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 2017, 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 2017 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: *Tim Lacey*
Tim Lacey

Address: 1 Swift Street, Wellington

Dated this 30th day of AUGUST 2017.

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

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
SALES		
Sales	<u>1,147,269</u>	<u>1,203,992</u>
LESS: COST OF GOODS SOLD		
Opening Stock	42,931	53,031
Purchases	579,971	592,654
Closing Stock	<u>(51,378)</u>	<u>(42,931)</u>
	<u>571,524</u>	<u>602,754</u>
LESS: MANUFACTURING COSTS		
Cleaning	10,645	6,996
Electricity and Gas	8,668	8,277
Replacements	-	1,392
Repairs	536	540
Wages	<u>248,589</u>	<u>244,039</u>
	<u>268,438</u>	<u>261,244</u>
GROSS PROFIT FROM TRADING	<u>307,307</u>	<u>339,994</u>
OTHER INCOME		
Bingo Income	8,934	12,705
Advertising Income	500	500
ATM Commission	10,592	10,985
Cigarette and Other Commission	3,173	2,842
Competition & Raffles	89,090	80,623
Function Receipts	1,873	1,388
Keno Commissions	63,038	61,717
Poker Machine Takings	1,148,358	1,255,730
Rent Received	8,982	9,500
Subscription & Nomination Fees	14,749	12,716
TAB	8,070	3,220
Sundry Income	6,450	4,825
OSR GST Rebate	17,180	17,180
Interest Received	<u>7,712</u>	<u>9,160</u>
	<u>1,388,701</u>	<u>1,483,091</u>
	<u>1,696,008</u>	<u>1,823,085</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 2017

	2017	2016
	\$	\$
EXPENSES		
Advertising	18,765	18,572
Auditor's Remuneration	13,471	15,000
Bad Debts Written Off	-	348
Bank Charges	3,825	3,944
Bingo Expenses	16,085	21,260
Central Monitoring System	20,370	19,565
Cleaning & Laundry	11,389	11,731
Computer Costs	32,850	12,791
Club Grants	6,364	-
Competitions & Raffles	198,988	166,035
Courtesy Bus Expenses	9,838	8,095
Depreciation	180,849	145,281
Donations	4,899	10,152
Electricity & Gas	77,995	72,359
Entertainment	22,642	17,509
Freight & Cartage	1,960	1,399
Function Expenses	4,195	3,608
Insurance	43,762	36,582
Interest Paid	7,260	7,321
Legal Costs	-	2,097
Licences, Registrations, Permits	10,298	10,337
Leave Provisions	17,054	(6,769)
Meetings and Conferences	4,326	7,201
Members Amenities	-	3,656
Members' Draw	5,800	28,500
Members Mega Draw	17,698	6,100
Payroll Tax	6,971	10,615
Poker Machine Tax	74,722	117,703
Postage	2,747	2,794
Printing & Stationery	8,084	9,199
Rates - Shire	14,398	12,430
Repairs & Maintenance	54,848	68,189
Replacements - Bar	308	190
Security Costs	5,154	1,592
Sky Television Expenses	15,860	17,436
Sponsorship & Donations	3,102	3,470
Staff and Directors Amenities	13,615	10,729
Subscriptions	2,300	6,686
Sundry Expenses	333	580

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 2017

	2017	2016
	\$	\$
Superannuation - Productivity	74,991	73,389
Telephone	14,321	13,257
Training	6,343	10,813
Uniforms	2,292	2,243
Wages	<u>623,657</u>	<u>650,616</u>
	<u>1,654,729</u>	<u>1,634,605</u>
Profit before income tax	<u><u>41,279</u></u>	<u><u>188,480</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 2017

	2017	2016
	\$	\$
BAR TRADING		
Sales	<u>654,708</u>	<u>735,331</u>
LESS: COST OF GOODS SOLD		
Opening Stock	38,133	48,180
Purchases	331,389	379,531
Closing Stock	<u>(46,392)</u>	<u>(38,133)</u>
	<u>323,130</u>	<u>389,578</u>
GROSS PROFIT FROM TRADING	<u><u>331,578</u></u>	<u><u>345,753</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 2017

	2017	2016
	\$	\$
KITCHEN TRADING		
Sales	<u>492,561</u>	<u>468,661</u>
LESS: COST OF GOODS SOLD		
Opening Stock	4,798	4,851
Purchases	248,582	213,123
Closing Stock	<u>(4,986)</u>	<u>(4,798)</u>
	<u>248,394</u>	<u>213,176</u>
LESS: MANUFACTURING COST		
Cleaning	10,645	6,996
Electricity and Gas	8,668	8,277
Replacements	-	1,392
Repairs	536	540
Wages	<u>248,589</u>	<u>244,039</u>
	<u>268,438</u>	<u>261,244</u>
GROSS LOSS FROM TRADING	<u><u>(24,271)</u></u>	<u><u>(5,759)</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