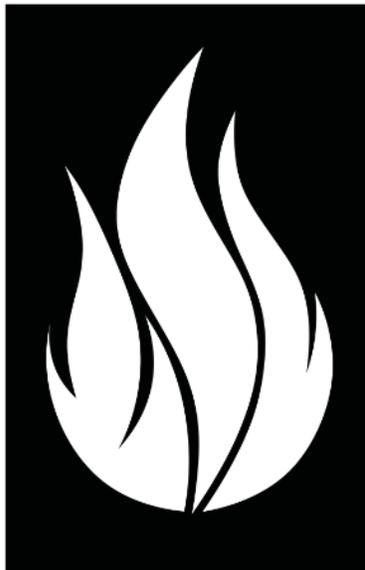
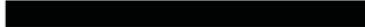


**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2014**



**TEMORA**  
**EX-SERVICES**  
**MEMORIAL CLUB**



**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**CONTENTS**

President's Report	3
Secretary Manager's Report	5
Club Property Declaration	6
Directors' Report	7
Auditors' Independence Declaration	10
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Notes to the Financial Statements	15
Directors' Declaration	31
Auditors' Report	32
Disclaimer on Other Information – Departmental Trading, Profit and Loss Statement	34
Detailed Profit and Loss Statements	35

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**PRESIDENT'S REPORT**

Dear Members,

The past year has seen some wonderful changes to our club. The ongoing hard work and commitment of the Directors, management and staff in all areas including the two motels is breaking all previous records. The after tax profit for 2014 was an amazing \$329,937 compared to the previous year of \$133,982. This is fantastic, considering the many financial outlays we had during the year.

Some of the noticeable changes during the year were the removal of the poker machine pit, the popular courtesy bus, the introduction of the mega cash draw raffle, purchase of additional poker machines, modification of the Lloyd Cartwright Room which involved the removal of the toilet. What a great difference this has made by opening up the rear section of the club, other operational changes were made behind the scenes during the year, costly but will not have to be repeated for many years to come. These are but a few improvements and changes carried out throughout the year. Even with these additional costs, we still made a healthy profit.

Happy to see the bistro is now becoming much more popular. This is due to several reasons, improvement of customer service, improved menus and pleasant surroundings especially after the completion of the renovations. A big draw card is the children's play room allowing parents to have a meal while their children play in their own special room, and still being able to be seen by their parents. It is nice to note that elsewhere within the club family groups are also finding the club a nice, safe and pleasant place to relax with their family and friends.

The directors over the past year or so have done a remarkable job looking after the present and future needs of the club in a reasonable manner. Peter Mealing our Secretary Manager is responsible for the day to day operation within the club. Peter does a magnificent job; his dedication to the future of our club is evident by the way everything is progressing in all areas. Peter works long hours which involve managing all aspects of the Clubs Operations. We are thankful for Peter's constant and enthusiastic approach to his role as our Secretary Manager.

Our donations distribution was a strong part of the Clubs activities for 2014. The past year we proudly donated \$84,836 to the Community which included Schools, hospital, sport and other worthy local activities.

In closing this report I would like to thank the dedicated Directors. It is indeed a pleasure to work with a group that are focused on the future of the club. Peter, we are most grateful for his dedications, driving the club forward into the future. The Office Staff, the Motel Managers and Staff of our two motels, they all do a magnificent job. The Club Bar, Restaurant, Cleaners and green keeping staff are all part of a dedicated team which ensure our members have a comfortable and enjoyable time at their Club.

Finally thanks to all of our wonderful Members. Without your continued support and trust in the Director's, Management and Staff, the Club would not be in the position it is today.



Doug Sutton  
President

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**SECRETARY MANAGER'S REPORT**

Dear Members,

I have the privilege of reporting to the members that the club produced an after tax profit of \$329,937 which is an increase of \$195,955 (146.25%) on FY2013 \$133,982 and an increase of \$313,459 (1,902.29%) on FY2012 \$16,478. The club is in an extremely strong financial position considering an extra \$47,815 was expensed in depreciation compared to FY2013 and we had \$102,181 in interest to pay throughout the year. FY2014 saw a huge year of growth in many areas one of which being total revenue with the club and two motels turning over \$4,100,978 which is an increase of \$325,621 (8.62%) on FY2013.

The club continues to support local schools, local sport and local community events. Donations made through the year to various charities & sporting organisations totalled \$84,836.

Although the club took on a loan for the amount of \$1.9m in 2013 the club remains very healthy. During FY2014 the club has paid a total \$102,181 in interest and paid down \$290,480 in principal repayments totalling a \$392,661 decrease in cash flow. The club is \$200,000 ahead of its mandatory principal repayments as at December 2014 and the Koreela Park Motor Inn is helping to finance the loan and remains an extremely viable investment for the club.

Below are some ratios to show the financial stability of the club.

	2014	2013
Current Ratio	1.77	2.21
Net Profit %	8.05%	3.55%
EBITDA %	20.64%	11.81%

EBITDA (Earnings Before Interest Taxes Depreciation and Amortisation) shows the financial position of the club. The Governing Body 'IPART' state that a club with an EBITDA% between 10-15% is considered to be in a financially strong position.

I have concentrated on utilising the Poker Machines during 2014 as I believed that they have been underutilised in the past. Renovations to the Poker Machine Pit, Purchases of Entitlements, New Links, Outdoor Gaming rearrangement and careful game placement are but a few of the improvements that have been made. Poker Machine revenue increased \$127,371 from FY2013 to FY2014 due to these changes. The club has climbed the state rankings for overall Poker Machine Revenue from 347<sup>th</sup> in FY2012 to 301<sup>st</sup> in FY2014. Even more satisfying is that the Club has climbed the state rankings for profit per machine from 224<sup>th</sup> in FY2012 to 186<sup>th</sup> in FY2014 even though we have purchased more machine entitlements. These figures are astounding considering those rankings are out of a total of 1,162 clubs in the state including Sydney.

You as members have seen many changes including the Courtesy Bus that has been a huge success, renovations to the Lloyd Cartwright Room, new coat of paint through the club and much more. The club has also had some operational improvements during the year which aren't necessarily seen by the members but benefit them through the staff being able to efficiently perform their duties. These are improvements that had to be made but they are only one-off costs leaving the club to reap the rewards for years to come.

I have had the privilege of remaining with the same senior management team throughout the year. Thank you to Jack Powlay, Julie Heard, Ben Gibson, Roger Gamble, Michael Dehlsen, and Bill & Julie Collins. As a young management team we still have a long way to go with much more to learn but no one can deny that we work together successfully as a team.

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**SECRETARY MANAGER'S REPORT**

Thank you to all the staff for your hard work and dedication throughout the year. There have been many new policies and procedures implemented and I am very proud of the way in which all staff are working together to make the club succeed.

Thank you to the Directors who have helped shape the club into what it is today. It has been a long two years but the improvements made to the club during this time are well worth the effort.

Finally I would like to thank the members. It is due to your continued patronage that the club has again become a success. Your loyalty and passion for the club have proven to be second to none and it is due to this that I have no doubt that the Club will only gain momentum into the future.



Peter Mealing  
Secretary Manager

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**CLUB PROPERTY DECLARATION**

Pursuant to Section 41J(2) of the Registered Clubs Act the Directors declare that, for the financial year ended 31 December 2014, the classification of the leasehold land is as follows:

<b>Property Address</b>	<b>Current Usage</b>	<b>Classification</b>
Lots 11,12 13 & 14 130-134 Baker Street TEMORA NSW 2666	Clubhouse & facilities	Core
80 Loftus Street TEMORA NSW 2666	Motel	Non-core
134 Crowley Street TEMORA NSW 2666	Motel	Non-core
Corner Crowley and Loftus Street TEMORA NSW 2666	Hotel	Non-core
121–123 Crowley Street TEMORA NSW 2666	Investment housing	Non-core
125–127 Crowley Street TEMORA NSW 2666	Land not used for the clubhouse or facilities	Non-core

**Notes to Members**

1. Section 41J(2) of the Registered Clubs Act requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.
2. Core property is any real property owned or occupied by the Club that comprises:
  - (a) the defined premises of the Club; or
  - (b) any facility provided by the Club for use of its members and their guests; or
  - (c) any other property declared by a resolution passed by a majority of the members present at a general meeting of Ordinary members of the Club to be core property of the Club.
3. Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.
4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
  - (a) the property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and
  - (b) the disposal has been approved at a general meeting of the ordinary members of the Club at which the majority of the votes cast support the approval; and
  - (c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.
5. These disposal provisions and what constitutes a disposal for the purposes of section 41J are to some extent modified by regulations made under the Registered Clubs Act and by Section 41J itself. For example, the requirements in paragraph 4 above do not apply to;
  - Core property that is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation by a registered valuer;
  - Core property that is leased or licensed to a telecommunications provider for the purposes of a telecommunication tower.

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**DIRECTORS' REPORT**

Your directors present their report on the company for the financial year ended 31 December 2014.

**Directors**

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

Mr Douglas Sutton  
Mr Bernie Cartwright  
Ms Marrelyn Derrick  
Mrs Lynette Andersen  
Mr Ross Winfield  
Mr Douglas McGuirk  
Mr Michael Anthony (*resigned 31<sup>st</sup> December 2014*)

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

**Short-term and Long-term Objectives**

The company's short-term objectives are to:

- Provide and maintain hospitality services to our members;
- Support local community;
- Be a recognised leader in the provision of hospitality

The company's long-term objectives are to:

- Establish and maintain a strong relationship with the local community; and
- Be sustainable and strive for continuous improvement so as to offer the best possible outcomes for the club's members and guests.
- Continue to operate on a not-for-profit basis, preserving any surpluses for the benefit of members.

**Strategies**

To achieve its stated objectives, the company has adopted the following strategies:

- To improve the club facilities.
- The company strives to attract and retain quality staff.
- The company seeks to provide a wide range of entertainment for the local community.
- The company establishes and fosters working partnerships with a range of community stakeholders.

**Key Performance Measures**

The company measures its own performance through the use of benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved. The key performance measure is the poker machine turnover which is the main source of revenue for the club. The State Gaming Machine Ranking has increased every year over the last 10 years.

**Operating Results**

The profit of the company after providing for income tax amounted to \$329,937. (2013: Profit \$133,983)

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**DIRECTORS' REPORT**

**Significant Changes in the State of Affairs**

There have been no significant changes in the state of affairs of the company during the financial year.

**Principal Activities**

The principal activities of the company during the financial year remained unchanged and were that of a Registered Club providing facilities and amenities of various natures for its members. The Club uses industry accepted key performance indicators to monitor performance.

**Events After the Reporting Date**

No matters or circumstances have 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 future financial years.

**Future Developments and Results**

Likely developments in the operations of the company 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 company.

**Environmental Issues**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory of Australia.

**Members**

	<b>2014</b>	<b>2013</b>	<b>Benchmark</b>
<b>Operational</b>			
Number of new members	683	390	450
Number of continuing members	2591	2240	3,000

Temora Ex Services Memorial Club Limited is a company limited by guarantee, incorporated and domiciled in Australia. If the company is wound up the Memorandum of Association states that each member undertakes to contribute a maximum of \$2 towards meeting any outstanding debts and liabilities of the Company. The total liability to members would therefore be \$5,182 (2013:\$4,480).

**Information on Directors**

<b>Name</b>	<b>Meeting's Attended</b>	<b>Year Appointed</b>
<b>Mr Doug Sutton</b>	<b>11/12</b>	<b>2005</b>
Position:	President	
Qualifications:	First Aid Trainer, Business Owner	
Experience and special responsibilities:	Financial, Governance, Building & Social Committee	
<b>Mr Bernie Cartwright</b>	<b>8/12</b>	<b>2007</b>
Position:	Vice President	
Qualifications:	Farmer, Business Owner	
Experience and special responsibilities:	Social Committee	

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED  
A.B.N. 76 001 055 045**

**DIRECTORS' REPORT**

<b>Mrs Lynette Andersen</b>	<b>12/12</b>	<b>2013</b>
Position:	Director	
Qualifications:	Retired	
Experience and special responsibilities:	Governance & Building Committee	
<b>Mrs Marrelyn Derrick</b>	<b>11/12</b>	<b>2010</b>
Position:	Director	
Qualifications:	Admin Officer, Business Owner	
Experience and special responsibilities:	Financial, Governance & Building Committee	
<b>Mr Michael Anthony (Resigned)</b>	<b>12/12</b>	<b>2011</b>
Position:	Vice President	
Qualifications:	Financial Advisor, Business Owner	
Experience and special responsibilities:	Financial Committee	
<b>Mr Doug McGuirk</b>	<b>9/12</b>	<b>2010</b>
Position:	Director	
Qualifications:	Retired Business Owner	
Experience and special responsibilities:	Social Committee	
<b>Mr Ross Winfield</b>	<b>8/12</b>	<b>2011</b>
Position:	Director	
Qualifications:	Butcher, Business Manager	
Experience and special responsibilities:	Governance & Social Committee	

**Directors' Indemnity**

During or since the end of the financial year the company has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums to insure each of the directors 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 of the company, other than conduct involving a wilful breach of duty in relation to the company.

**Auditors' Independence Declaration**

The lead auditors' independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 31 December 2014 has been received and can be found on the following page.

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

Director:   
\_\_\_\_\_  
Marrelyn Derrick

Director:   
\_\_\_\_\_  
Doug Sutton

**Dated this 11<sup>th</sup> day of March 2015**

**AUDITORS' INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF  
TEMORA EX SERVICES MEMORIAL CLUB LIMITED**

We declare that, to the best of our knowledge and belief, during the year ended 31 December 2014 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:** Twomeys National Audit Pty Ltd  
Authorised Audit Company

**Name of Director:**   
Steven J Watson CA

**Address:** 1st Floor, Unit 1, 185 Morgan St Wagga Wagga NSW 2650

**Dated this 11<sup>th</sup> day of March 2015**

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
Revenue	2	4,081,399	3,754,538
Other income	2	19,579	20,819
		4,100,978	3,775,357
Changes in inventories		(1,458)	818
Purchases		(745,893)	(748,137)
Advertising expenses		(41,790)	(42,594)
Auditors' remuneration	3	(11,680)	(10,500)
Depreciation and amortisation expenses		(425,946)	(378,131)
Directors' fees		(19,576)	(24,112)
Direct Wages		(868,354)	(377,656)
Employee benefits expenses		(391,001)	(842,533)
Entertainment and club activities		(271,050)	(231,652)
Insurance		(62,396)	(80,191)
Interest paid		(102,181)	(62,764)
Light and power		(140,314)	(137,188)
Repairs and maintenance		(77,982)	(123,525)
Other expenses		(625,261)	(581,592)
<b>Profit before income tax</b>	<b>4</b>	<b>316,096</b>	<b>135,600</b>
Income tax expense/benefit	5	13,841	(1,617)
<b>Profit for the year</b>		<b>329,937</b>	<b>133,983</b>
<b>Total comprehensive income for the year</b>		<b>329,937</b>	<b>133,983</b>
Total comprehensive income attributable to members of the entity		329,937	133,983

The accompanying notes form part of these financial statements.

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	221,815	194,402
Trade and other receivables	7	122,849	97,088
Financial assets	8	709,418	655,667
Inventories	9	75,604	77,062
<b>TOTAL CURRENT ASSETS</b>		<u>1,129,686</u>	<u>1,024,219</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	7,100,188	7,022,091
Intangible assets	11	1,035,465	974,400
Tax assets	12	44,725	30,883
<b>TOTAL NON-CURRENT ASSETS</b>		<u>8,180,378</u>	<u>8,027,374</u>
<b>TOTAL ASSETS</b>		<u>9,310,064</u>	<u>9,051,593</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	301,003	168,073
Borrowings	14	188,119	152,529
Provisions	15	126,248	143,209
<b>TOTAL CURRENT LIABILITIES</b>		<u>615,370</u>	<u>463,811</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14	1,563,483	1,773,462
Provisions	15	22,047	35,093
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>1,585,530</u>	<u>1,808,555</u>
<b>TOTAL LIABILITIES</b>		<u>2,200,900</u>	<u>2,272,366</u>
<b>NET ASSETS</b>		<u>7,109,164</u>	<u>6,779,227</u>
<b>EQUITY</b>			
Retained earnings	16	7,109,164	6,779,227
<b>TOTAL EQUITY</b>		<u>7,109,164</u>	<u>6,779,227</u>

The accompanying notes form part of these financial statements.

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Retained earnings \$	Total \$
<b>Balance at 1 January 2013</b>	6,676,793	6,676,793
Profit attributable to members	133,983	133,983
Retrospective Adjustments	<u>(31,549)</u>	<u>(31,549)</u>
<b>Balance at 31 December 2013</b>	<u>6,779,227</u>	<u>6,779,227</u>
Profit attributable to members	<u>329,937</u>	<u>329,937</u>
<b>Balance at 31 December 2014</b>	<u>7,109,164</u>	<u>7,109,164</u>

The accompanying notes form part of these financial statements.

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	4,003,396	3,728,346
Payments to suppliers and employees	(3,256,949)	(3,400,860)
Interest received	1,127	25,202
<b>Net cash provided by (used in) operating activities</b> <b>19</b>	<b>747,574</b>	<b>352,688</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	33,989	25,500
Payments for property, plant and equipment	(507,709)	(3,542,227)
Payments for intangibles	(61,065)	(490,000)
<b>Net cash provided by (used in) investing activities</b>	<b>(534,785)</b>	<b>(4,006,727)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	112,887	1,925,991
Repayment of borrowings	(298,263)	-
<b>Net cash provided by (used in) financing activities</b>	<b>(185,376)</b>	<b>1,925,991</b>
Net increase (decrease) in cash held	27,413	(1,728,048)
Cash at beginning of financial year	194,402	1,922,450
Cash at end of financial year <b>6</b>	<b>221,815</b>	<b>194,402</b>

The accompanying notes form part of these financial statements.

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

**1 Summary of Significant Accounting Policies**

The financial statements cover Temora Ex Services Memorial Club Limited as an individual entity. Temora Ex Services Memorial Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

**Basis of Preparation**

Temora Ex Services Memorial Club Limited applies 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 (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards Reduced Disclosure Requirements set out accounting policies that the AASB has concluded would result in a financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in Australian dollars and in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on the date of signing by the directors of the company.

**Accounting Policies**

**Gaming Machine Licences**

The Directors consider that an active market does not currently exist for gaming licences in this region and the dollar value of poker machine licences to the club in an open and unbiased market is not able to be determined. An intangible asset for licences on hand at 1 July 2004 has not therefore been recognised in the club's statement of financial position.

Any gaming licenses separately acquired are stated at cost or deemed cost less accumulated impairment losses. Gaming licences are considered to have an indefinite useful life.

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

### **Income Tax**

The mutuality principle has been applied to calculation of the company's income tax. The assessable proportion of mutual income represented by results of trading attributable to non members of the company is to be 11%.

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of reporting year. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where:

- (a) a legally enforceable right of set-off exists; and
- (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

**Inventories**

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

**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 is shown as per values provided by the Valuer General and buildings are shown at cost, less accumulated depreciation.

**Plant and equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying value of plant and equipment is greater than the estimated recoverable amount, the carrying value is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed within the company 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 statement of comprehensive income during the financial period in which they are incurred.

**Depreciation**

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the company. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5-20%
Plant & Equipment	7.5-40%

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 recognised in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus 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 company, are classified as finance leases.

### **Financial Instruments**

#### **Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

#### **Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

#### **Impairment**

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are immediately recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

#### **Financial Guarantees**

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as financial liabilities at fair value on initial recognition.

The fair value of financial guarantee contracts has been assessed using a probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting during the next reporting period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

Financial guarantees are subsequently measured at the higher of the best estimate of the obligation in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

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.

**Financial Guarantees**

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as financial liabilities at fair value on initial recognition.

**Impairment of Non-Financial Assets**

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that Standard.

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.

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

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

**Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees at the end of the reporting period. 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.

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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

**Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**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. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

**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 entity 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.

**Dividend revenue**

Dividends are recognised when the right to receive payment is established.

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

**Comparative Amounts**

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

**Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**Change in Accounting Policies**

During the year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

Other Australian Accounting Standards have been added or amended, however these changes have not had a significant impact on the disclosures in the Club's financial statements or measurement of the Club's revenue, expenses, assets and liabilities.

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>2 Revenue and Other Income</b>		
<b>Revenue</b>		
Sale of goods	2,105,261	1,925,911
Other revenue:		
Dividends received	34,293	92,967
Interest received	1,127	25,203
Other revenue	1,940,718	1,710,457
	<u>1,976,138</u>	<u>1,828,627</u>
Total revenue	<u>4,081,399</u>	<u>3,754,538</u>
<b>Other income</b>		
Capital Gain(Loss) on Sale of Non-current Assets	4,802	-
Profit on Sale of Non-current Assets	14,777	20,819
Total other income	<u>19,579</u>	<u>20,819</u>
<b>Other revenue from:</b>		
Equipment Hire	3,297	2,319
Green Fees	21,193	-
Members Subscriptions	28,271	19,382
<b>Poker Machine Income</b>		
Poker Machine Receipts	1,905,693	1,778,322
Poker Machine Duty	(305,298)	(283,522)
	<u>1,600,395</u>	<u>1,494,800</u>
Room Hire	30,442	3,291
Advertising & Sponsorship	2,273	4,091
Golden Gift	105,448	51,124
Bingo	27,776	8,607
Courtesy Bus	2,182	-
Rebates and Refunds	18,635	29,761
Rent Received	18,233	17,090
Other Revenue	54,811	34,257
Revaluation of Investment Portfolio	27,762	45,735
Total other revenue	<u>1,940,718</u>	<u>1,710,457</u>
<b>3 Auditors' Remuneration</b>		
<b>Auditors' Remuneration</b>		
Accounting Standards	<u>11,680</u>	<u>10,500</u>

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>4 Profit for the year</b>		
Net profit %	<u>8.05%</u>	<u>3.55%</u>
Profit before income tax from continuing operations includes the following specific expenses:		
<b>Expenses</b>		
Cost of sales	1,660,985	1,170,164
Depreciation of property, plant and equipment	425,946	378,131
<b>Revenue and Other Income</b>		
Capital Gain(Loss) on Sale of Non-current Assets	4,802	-
Profit on Sale of Non-current Assets	<u>14,777</u>	<u>20,819</u>
	<u>19,579</u>	<u>20,819</u>
<b>5 Income Tax Expense</b>		
The components of tax expense/benefit comprise:		
Income tax expense	-	1,617
Income tax loss for the year	<u>(13,841)</u>	<u>-</u>
	(13,841)	1,617
<b>6 Cash and Cash Equivalents</b>		
Cash on Hand	65,650	63,150
Cash at Bank - Westpac	104,902	86,605
Business Cash Reserve	172	17
Cash at Bank - ANZ	19,830	34,430
Westpac Trust	8,000	10,200
Sub Clubs - Cash at Bank	<u>23,261</u>	<u>-</u>
	<u>221,815</u>	<u>194,402</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	<u>221,815</u>	<u>194,402</u>
	<u>221,815</u>	<u>194,402</u>

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>7 Trade and Other Receivables</b>		
<b>Current</b>		
Trade Debtors	30,492	22,604
Less: Provision for Doubtful Debts	-	(7,604)
	30,492	15,000
Sundry Debtors - EFTPOS	13,102	11,267
Prepayments	69,008	62,135
	82,110	73,402
Other Debtors	1,701	-
Franking Credits Refundable	8,546	8,686
	122,849	97,088
<p>The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.</p>		
<b>8 Financial Assets</b>		
<b>Current</b>		
At fair value:		
North Investments Managed Fund	709,418	655,667
	709,418	655,667
<b>9 Inventories</b>		
<b>Current</b>		
At cost:		
Stock on Hand	75,604	77,062
	75,604	77,062
<b>10 Property, Plant and Equipment</b>		
<b>CLUB LAND AND BUILDINGS</b>		
<b>Club Land &amp; Buildings:</b>		
Freehold Land at NSW Valuer General Value	745,000	745,000
Buildings at cost	4,263,815	4,207,368
Less: Accumulated Depreciation	(889,088)	(758,952)
	3,374,727	3,448,416
Other Buildings at cost - Goldtera & Koreela Park	2,032,444	2,034,517
Less: Accumulated Depreciation	(226,809)	(176,883)
	1,805,635	1,857,634
<b>Total Land and Buildings</b>	5,925,362	6,051,050

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>PLANT AND EQUIPMENT</b>		
<b>Plant and Equipment at cost:</b>		
Plant & Equipment	1,601,195	1,430,092
Less: Accumulated Depreciation	<u>(1,179,279)</u>	<u>(1,114,376)</u>
	<u>421,916</u>	<u>315,716</u>
Poker Machines	1,281,166	1,079,860
Less: Accumulated Depreciation	<u>(713,210)</u>	<u>(639,654)</u>
	<u>567,956</u>	<u>440,206</u>
Plant & Equipment - Goldtera	173,134	165,622
Less: Accumulated Depreciation	<u>(140,226)</u>	<u>(129,243)</u>
	<u>32,908</u>	<u>36,379</u>
Plant & Equipment - Koreela	213,808	203,432
Less: Accumulated Depreciation	<u>(61,762)</u>	<u>(24,692)</u>
	<u>152,046</u>	<u>178,740</u>
<b>Total Plant &amp; Equipment</b>	<u><u>1,174,826</u></u>	<u><u>971,041</u></u>
<b>Total Fixed Assets</b>	<u><u>7,100,188</u></u>	<u><u>7,022,091</u></u>

**Movements in Carrying Amounts of Property, Plant and Equipment**

	Club Land & Buildings	Plant and Equipment	Total
	\$	\$	\$
Balance at 31 December 2013	6,051,050	971,041	7,022,091
Additions (Disposals)	54,374	449,669	504,043
Depreciation	(180,062)	(245,884)	(425,946)
Balance at 31 December 2014	5,925,362	1,174,826	7,100,188

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>11 Intangible Assets</b>		
Goodwill	810,000	810,000
Other Intangibles – Poker Machine Licences	225,465	164,400
<b>Total</b>	<u>1,035,465</u>	<u>974,400</u>
<b>Reconciliation of Goodwill</b>		
<b>Goodwill</b>		
Goodwill - Goldtera Motel	320,000	320,000
Less: Accumulated Ammortisation	-	-
Goodwill - Koreela Park	490,000	490,000
Less: Accumulated Amortisation	-	-
Closing carrying value at 31 December 2014	<u>810,000</u>	<u>810,000</u>
Other Intangibles – Poker Machine Licences	<u>225,465</u>	<u>164,400</u>
<b>12 Tax</b>		
<b>Assets</b>		
Deferred Tax Asset	<u>44,725</u>	<u>30,883</u>
<b>13 Trade and Other Payables</b>		
<b>Current</b>		
Trade Creditors	270,765	90,123
Other Creditors	30,238	77,950
	<u>301,003</u>	<u>168,073</u>

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>14 Borrowings</b>		
<b>Current</b>		
Lease Liability	52,399	7,783
Loans - Secured	<u>135,720</u>	<u>144,746</u>
Total current borrowings	<u>188,119</u>	<u>152,529</u>
<b>Non-Current</b>		
Lease Liability	67,683	18,208
PM Licence Contract Payable	22,000	-
Loans - Secured	<u>1,473,800</u>	<u>1,755,254</u>
Total non-current borrowings	<u>1,563,483</u>	<u>1,773,462</u>
Total borrowings	<u>1,751,602</u>	<u>1,925,991</u>
Bank loan is secured by ANZ as a registered mortgage over the freehold property located at 80 Loftus Street and 134 Crowley Street, Temora, NSW.		
<b>15 Provisions</b>		
Provision for Annual Leave	93,484	104,100
Provision for Long Service Leave	<u>54,811</u>	<u>74,202</u>
<b>Total provisions</b>	<u>148,295</u>	<u>178,302</u>
<b>Analysis of Total Provisions</b>		
Current	126,248	143,209
Non-current	<u>22,047</u>	<u>35,093</u>
	<u>148,295</u>	<u>178,302</u>
<b>16 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	6,779,227	6,676,793
Net profit attributable to members of the company	329,937	133,983
Retrospective Adjustments	-	(31,549)
Retained earnings at the end of the financial year	<u>7,109,164</u>	<u>6,779,227</u>

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**17 Key Management Personnel Compensation**

**Details of key management personnel**

The names of each person who is classified as key management personnel of Temora Ex Services Memorial Club Limited during the financial year were:

<b>Name</b>	<b>Position</b>	<b>Name</b>	<b>Position</b>
Mr Douglas Sutton	Director/Chairperson	Mr Douglas McGuirk	Director
Mr Bernie Cartwright	Director	Mr Michael Anthony	Director
Ms Marrelyn Derrick	Director	Mr Ross Winfield	Director
Mrs Lynette Andersen	Director	Mr Peter Mealing	Secretary Manager

**Key management personnel remuneration**

The Board reviews the remuneration packages of all key management personnel on an annual basis.

The Board also assesses the appropriateness of the nature and amount of emolument of such officers on a periodical basis by reference to current market rates. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits. It is intended that the manner of payment will be optimal for the recipient without creating undue cost for the company.

Total remuneration received by or due to key management personnel in exchange for services rendered to the company:

	<b>2014</b>	<b>2013</b>
Total key personnel remuneration	\$ 0 - 150,000	\$ 0 - 150,000

**18 Related Party Transactions**

Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

- North Investments makes investments on behalf of Temora Ex-Services Memorial Club Limited. The manager of this investment is former director Michael Anthony. The \$4,559 paid to North Investments is at arm's length.
- Director Doug Sutton operated first aid training for the club, totalling \$1,673.00.

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>19 Cash Flow Information</b>		
<b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Profit after income tax	329,937	133,983
	<u>329,937</u>	<u>133,983</u>
<b>Non-cash flows in profit</b>		
Profit (Loss) on sale of non-current assets	(14,777)	(20,819)
Depreciation	425,946	378,131
Unrealised gains on investments	(27,762)	-
Prior period adjustments	-	(31,549)
<b>Changes in assets and liabilities</b>		
(Increase) Decrease in inventories	1,458	(1,428)
(Increase) Decrease in receivables	(25,901)	(38,163)
(Increase) Decrease in tax asset	(13,702)	(39,569)
(Increase) Decrease in financial asset	(30,548)	57,351
Increase (Decrease) in payables	132,930	(86,825)
Increase (Decrease) in provisions	(30,007)	1,576
	<u>747,574</u>	<u>352,688</u>

**20 Financial Risk Management**

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

**21 Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

**22 Company Details**

The principal place of business is:  
130 Baker Street  
TEMORA NSW 2666

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

**23 Contingent Liabilities and Contingent Assets**

The directors are not aware of the existence of any contingent liabilities or contingent assets.

**24 Events after the Reporting Period**

The directors are not aware of any significant events since the end of the reporting period.

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 11 to 30, for the year ended 31 December 2014 are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position and performance of the company.
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:   
\_\_\_\_\_  
Marrelyn Derrick

Director:   
\_\_\_\_\_  
Doug Sutton

**Dated this 11<sup>th</sup> day of March 2015**

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF TEMORA EX SERVICES MEMORIAL CLUB LIMITED  
A.B.N. 76 001 055 045**

**Report on the Financial Report**

We have audited the accompanying financial report of Temora Ex Services Memorial Club Limited which comprises the statement of financial position as at 31 December 2014 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

**Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Corporations Act 2001. 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 of the financial report that gives a true and fair view 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 Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF TEMORA EX SERVICES MEMORIAL CLUB LIMITED  
A.B.N. 76 001 055 045**

**Auditors' Opinion**

In our opinion:

- (a) the financial report of Temora Ex Services Memorial Club Limited is in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Corporations Regulations 2001.

**Name of Firm:** Twomeys National Audit Pty Ltd  
Authorised Audit Company

**Name of Director:** \_\_\_\_\_

Steven J Watson CA

**Address:** 1st Floor, Unit 1, 185 Morgan St Wagga Wagga NSW 2650

**Dated this 11<sup>th</sup> day of March 2015**

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**DISCLAIMER ON OTHER FINANCIAL INFORMATION**  
**DETAILED INCOME AND EXPENDITURE STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

The following additional financial data is in accordance with the books and records of the Temora Ex Services Memorial Club Limited which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 31 December 2014.

It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an audit opinion on such financial data and no warranty of accuracy or reliability is given.

Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person in respect of such data, including any errors or omissions therein however caused.

**Name of Firm:** Twomeys National Audit Pty Ltd  
Authorised Audit Company



**Name of Director:** \_\_\_\_\_  
Steven J Watson CA

**Address:** 1/185 Morgan Street, Wagga Wagga, NSW, 2650

**Dated this 11th day of March 2015**

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>Bar</b>		
Sales - Bar	<u>722,376</u>	<u>832,107</u>
<b>LESS: COST OF GOODS SOLD</b>		
Opening Stock	57,654	50,391
Purchases - Bar	398,233	444,737
Closing Stock	<u>(50,521)</u>	<u>(57,654)</u>
	<u>405,366</u>	<u>437,474</u>
<b>LESS: DIRECT WAGES</b>		
Direct Wages - Bar	<u>366,732</u>	<u>353,574</u>
<b>GROSS PROFIT (LOSS) FROM TRADING</b>	<u>(49,722)</u>	<u>41,059</u>
<b>EXPENSES</b>		
Superannuation Contributions	<u>33,227</u>	<u>34,607</u>
<b>NET PROFIT (LOSS)</b>	<u>(82,949)</u>	<u>6,452</u>

The accompanying notes form part of these financial statements.

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>Restaurant &amp; Functions</b>		
Sales - Restaurant & Functions	<u>551,364</u>	<u>474,128</u>
<b>LESS: COST OF GOODS SOLD</b>		
Opening Stock	14,008	19,778
Purchases - Restaurant & Functions	338,362	296,800
Closing Stock	<u>(20,890)</u>	<u>(14,008)</u>
	<u>331,480</u>	<u>302,570</u>
<b>LESS: DIRECT WAGES</b>		
Direct Wages - Restaurant	<u>267,453</u>	<u>257,857</u>
<b>GROSS PROFIT (LOSS) FROM TRADING</b>	<u>(47,569)</u>	<u>(86,299)</u>
<b>EXPENSES</b>		
Superannuation Contributions	<u>19,981</u>	<u>20,811</u>
<b>NET PROFIT (LOSS)</b>	<u>(67,550)</u>	<u>(107,110)</u>

The accompanying notes form part of these financial statements.

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>Motel - Goldtera</b>		
Sales - Goldtera	<u>322,458</u>	<u>304,192</u>
<b>LESS: COST OF GOODS SOLD</b>		
Opening Stock	1,670	1,814
Purchases - Goldtera	4,586	4,993
Closing Stock	<u>(1,445)</u>	<u>(1,670)</u>
	<u>4,811</u>	<u>5,137</u>
<b>LESS: DIRECT WAGES</b>		
Direct Wages - Goldtera	<u>94,353</u>	<u>90,968</u>
<b>GROSS PROFIT FROM TRADING</b>	<u>223,294</u>	<u>208,087</u>
<b>EXPENSES</b>		
Other Expenses - Goldtera	20,567	30,437
Superannuation Contributions	<u>8,695</u>	<u>9,056</u>
	<u>29,262</u>	<u>39,493</u>
<b>NET PROFIT</b>	<u>194,032</u>	<u>168,594</u>

The accompanying notes form part of these financial statements.

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>KENO &amp; TAB</b>		
Sales - Keno & TAB	<u>74,417</u>	<u>56,692</u>
<b>LESS: DIRECT WAGES</b>		
Direct Wages - Keno/TAB	<u>34,658</u>	<u>33,414</u>
<b>GROSS PROFIT FROM TRADING</b>	<u>39,759</u>	<u>(23,278)</u>
<b>EXPENSES</b>		
Other Keno & TAB Expenses	6,262	1,791
Rental Sky Channel	23,273	13,093
Superannuation Contributions	<u>2,143</u>	<u>2,232</u>
	<u>31,678</u>	<u>17,116</u>
<b>NET PROFIT (LOSS)</b>	<u>8,081</u>	<u>(10,626)</u>

The accompanying notes form part of these financial statements.

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014	2013
	\$	\$
<b>Share Trading</b>		
<b>OTHER INCOME</b>		
Distributions and Dividends Received	<u>34,293</u>	<u>92,967</u>
<b>NET PROFIT</b>	<u><u>34,293</u></u>	<u><u>92,967</u></u>

The accompanying notes form part of these financial statements.

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>Motel - Koreela Park Motor Inn</b>		
Sales - Koreela Park	<u>434,646</u>	<u>258,860</u>
<b>LESS: COST OF GOODS SOLD</b>		
Opening Stock	1,778	610
Purchases - Koreela Park	4,712	1,607
Closing Stock	<u>(1,088)</u>	<u>(1,778)</u>
	<u>5,402</u>	<u>439</u>
<b>LESS: DIRECT WAGES</b>		
Direct Wages - Koreela Park	<u>105,158</u>	<u>101,385</u>
<b>GROSS PROFIT FROM TRADING</b>	<u>324,086</u>	<u>157,036</u>
<b>EXPENSES</b>		
Other Expenses - Koreela	18,451	12,961
Superannuation Contributions	<u>9,573</u>	<u>9,971</u>
	<u>28,024</u>	<u>22,932</u>
<b>NET PROFIT</b>	<u>296,062</u>	<u>134,104</u>

The accompanying notes form part of these financial statements.

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>SALES</b>		
<b>Sales</b>		
Sales - Bar	722,376	832,107
Sales - Restaurant & Functions	551,364	474,128
Sales - Reception	-	(68)
Sales - Goldtera	322,458	304,192
Sales - Keno & TAB	74,417	56,692
Sales - Koreela Park	434,646	258,860
	2,105,261	1,925,911
<b>LESS: COST OF GOODS SOLD</b>		
Opening Stock	77,062	76,244
<b>Purchases</b>		
Purchases - Bar	398,233	444,737
Purchases - Restaurant & Functions	338,362	296,800
Purchases - Goldtera	4,586	4,993
Purchases - Koreela Park	4,712	1,607
	745,893	748,137
Closing Stock	(75,604)	(77,062)
	747,351	747,319
<b>LESS: DIRECT WAGES</b>		
Direct Wages - Bar	366,732	353,574
Direct Wages - Restaurant	267,453	257,857
Direct Wages - Goldtera	94,353	90,968
Direct Wages - Keno/TAB	34,658	33,414
Direct Wages - Koreela Park	105,158	101,385
	868,354	837,198
Other Expenses	45,280	45,189
	913,634	882,387
<b>GROSS PROFIT FROM TRADING</b>	<b>444,276</b>	<b>296,205</b>

The accompanying notes form part of these financial statements.

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>OTHER INCOME</b>		
Equipment Hire	3,297	2,319
Green Fees	21,193	-
Members Subscriptions	28,271	19,382
<b>Poker Machine Income</b>		
Poker Machine Receipts	1,905,693	1,778,322
Poker Machine Duty	(305,298)	(283,522)
	1,600,395	1,494,800
Room Hire	30,442	3,291
Advertising & Sponsorship	2,273	4,091
Golden Gift	105,448	51,124
Bingo	27,776	8,607
Courtesy Bus	2,182	-
Distributions and Dividends Received	34,293	92,967
Interest Received	1,127	25,203
Rebates and Refunds	18,635	29,761
Rent Received	18,233	17,090
Other Revenue	54,811	34,257
Revaluation of Investment Portfolio	27,762	45,735
Capital Gain(Loss) on Sale of Non-current Assets	4,802	-
Profit on Sale of Non-current Assets	14,777	20,819
	1,995,717	1,849,446
	2,439,993	2,145,651

The accompanying notes form part of these financial statements.

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED**  
**A.B.N. 76 001 055 045**

**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>EXPENSES</b>		
Advertising, Printing & Stationery	41,790	42,594
Auditor's Remuneration	11,680	10,500
Bank and Investment Charges	17,494	22,449
Computer Requisites	14,927	16,977
Contract Cleaning	108,257	90,085
Depreciation	425,946	378,131
Directors' Fees	19,576	24,112
Directors' Education	3,095	364
Donations & Sponsorships	84,836	54,221
Doubtful Debts	1,960	6,912
Entertainment & Club Activities	271,050	231,652
Accounting	2,761	19,061
Fuel & Oil	1,977	-
General Expenses	12,603	17,820
Golden Gift	73,856	48,973
Insurance	62,396	80,191
Interest Paid	102,181	62,764
Laundry & Cleaning Requisites	36,610	22,361
Legal Costs	10,576	33,285
Licensing & Registration	4,993	2,119
Light & Power	140,314	137,188
Member Expenses	10,124	53,153
Payroll Tax	27,211	6,191
Printing, Postage & Stationary	27,293	20,163
Rates & Water Charges	49,698	42,664
Repairs & Maintenance	77,982	123,525
Rental Sky Channel	23,273	13,093
Security Costs - Night Patrolman	7,261	5,887
Staff Drinks & Xmas Party	5,066	-
Staff Training	3,736	6,006
Subscriptions	19,084	24,113
Superannuation Contributions	123,991	129,141
Telephone	27,582	19,075
Travelling Expenses	7,635	6,699
Uniforms	1,809	4,732
Wages	263,274	253,850
	2,123,897	2,010,051
<b>Profit before income tax</b>	<b>316,096</b>	<b>135,600</b>

The accompanying notes form part of these financial statements.