

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

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2013

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

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PRESIDENT'S REPORT FOR TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

It is with great pleasure to present the President's Report for the year 2013. The past year was a most active and difficult time for everyone, the directors, management, staff as well as the members of the Temora Ex-Services Memorial Club.

The year 2013 started out with the new renovations, organising the contractors, finance and timetables numerous meetings and planning activities were undertaken. This was an extremely busy time for the directors and management. Before the renovations were to start pre work had to be carried out e.g. the moving and construction of the workshop and greenkeepers storage area as well as the removal of the old building at the rear of the bowling green. New arrangements for storage of bar stock as well as temporary accommodation for the office staff.

Next was the resignation of our secretary manager David Hart. This alone put increased workload on the directors and staff. Seeking a replacement for Dave was a lengthy process with advertisement and interviews for the position. In the end Peter Mealing was selected as the successful candidate for the position, this was a unanimous and popular outcome by the directors. Since his appointment, Peter has been working tirelessly, spending long hours on all aspects of the clubs operations. In addition working with the contractors regarding the renovations on a daily basis was also very time consuming. I am not sure where Peter gets all of his energy from, I am personally grateful for Peters constant and enthusiastic approach to his role as our secretary manager.

The directors had the election for their positions on the board earlier in the year. With these elections the board numbers were reduced from 10 to 7. The elections were hotly contested by many candidates seeking the position. The result of the election was six of the previous directors re-elected with one new face, "Lyne Andersen" as the seventh. Lyne's added knowledge to the board is most welcome and she works very hard to fulfil her position as a director. One of our past popular directors for ten years "John Roach" has recently passed-away after a lengthy illness and is sadly missed by all, we pass on our sincere condolences to his family.

Another decision that was made during the year was the purchase of the Koreela Park Motor Inn. This was another investment opportunity which will diversify our club assets allowing our club to grow stronger for the future.

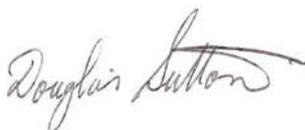
Our donations distribution was a strong part of the clubs activities for 2013. The past year we proudly donated \$54,221 to the community which included schools, hospital, sport and other worthy local activities. It is extremely pleasing to note the budget surplus for the year end 2013 was an incredible surplus of \$133,982 after tax. This was up on the previous year by \$117,504. It has been a long time since our club has seen such a healthy outcome to its finances.

It is important to note the huge financial outlay we experienced during 2013. The many inclusions to our renovations e.g.; furniture, TV' kids room, carpet etc. plus all the finishing touches necessary to complete the new renovated areas (fully paid for). A new ceiling for the restaurant (fully paid for). We also upgraded the fire protection system (fully paid for) for the whole club, bringing this in line with the new legislation. All of these are one off costs and will not be on going.

The financial position of the Temora Ex-Services Memorial Club is very good. This is mainly due to our strong membership, which has also increased from the previous year; we thank you for your loyal support. It is also pleasing to note the increase of sales in all departments within the club, including the motel trade. I would also wish to thank our members for their support during the renovations; it was a difficult time for us all. The final outcome has been very pleasing I am sure you will agree. We are also pleased that the kids room was also included in the project.

Finally I would like to thank the directors for the many hours work they put in, dealing with the many additional important decisions to be dealt with during the year, far beyond their normal responsibilities. David Hart for his dedicated work before his resignation so he could move on to other challenges. Peter Mealing our new Secretary manager, we are most grateful for his dedication driving the club forward to the future, the dedicated office staff, happy to be in their new office, they had a most difficult year during the renovations. The motel managers and staff of our two motels, out of the club scene but not forgotten, they all do a wonderful job. The club bar, restaurant, cleaners and green keeping staff are all part of a dedicated team to ensure our members have a comfortable and relaxed time at their club.

Finally thanks to all of our wonderful dedicated members. Without your continued support and trust the club would not be in the position that it is today.

A handwritten signature in cursive script that reads "Douglas Sutton". The signature is written in black ink and is positioned above the printed name and title.

Doug Sutton
President

**SECRETARY MANAGER'S REPORT
FOR
TEMORA EX-SERVICES MEMORIAL CLUB LIMITED**

Dear Members,

I am pleased to report to the members that the club has produced a profit of \$133,982 after tax which is an increase of \$117,504 on FY2012 profit \$16,478. Although it was stated that capital purchases were made in 2012 on solar panels and a new poker machine system but as a capital item depreciation is still affecting the net profits for proceeding years. An opening balance adjustment of (\$31,549) from 2012 has been altered for prior period. This amount was for provisions, prepayments and other creditor timing of payments.

If we were to look at the cash operating profit of the club where we add back depreciation, donations, tax, interest paid and take away investment income FY2013 stands at \$466,811 and FY2012 \$319,715. The club showed positive cash flow from operation for FY2013 of \$352,688 compared to negative cash flow in FY2012 (\$237,809). The club has paid all trade creditors up-to-date except for Paynter Dixon Constructions for \$25,000 reducing liability from \$244,711 (Including adjustment \$24,993) to \$91,114 from FY2012 – FY2013.

The club continues to support local schools, local sport and local community events. Donations made throughout the year to various charity & sporting organisations totalled \$54,221.

I would like to thank all members and their guests for their patience with renovations which commenced in March 2013 and finished in late September 2013. It was a very difficult time for all involved which included the gallery bistro operating out of the auditorium for 4 days. The renovations have proven to be quite effective in generating a friendlier and more spacious atmosphere which has been cemented by an increase in sales revenue in all departments.

LED lighting was installed throughout the club totalling 489 lights. A grant was obtained in June for \$21,272 reducing a total cost of \$22,591 down to \$1,319.

A business loan was taken out to purchase the Koreela Park Motor Inn in which results have been profitable. Return on Investment is 12.75% including interest on business loan as at December 2013, which is a higher rate of return than any cash investment option. Michael Dehlsen as motel manager is doing a great job in driving motel sales, also selling the club to the motel guests driving revenue within the club itself.

I am very proud to be a part of a young and energetic management team which have taken on an extremely large responsibility in the most trying of circumstances. Thank you to Ben Gibson, Julie Heard, Jack Powlay, Michael Dehlsen, and Bill & Julie Collins.

I have the staff to thank for their dedication and teamwork in what has proven to be a very tough and taxing year of change. I have enjoyed working with everyone and look forward to years to come. Staff at the Temora Ex-Services Memorial Club will always remain the clubs biggest asset as they give a personalised approach to customer service

Thank you to the board of directors for their support. Being new to the role of secretary manager has been made easier by their help and guidance.

Finally I would like to thank the members. The support that has been showed to the club over the past 12 months is second to none and it is the loyalty of the members that drive sales and profits that will allow the club to be a big part of the Temora community for many years to come.



Peter Mealing
Secretary Manager

TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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CLUB PROPERTY DECLARATION

Pursuant to Section 41J(2) of the Registered Clubs Act the Directors declare that, for the financial year ended 31 December 2013, the classification of the leasehold land is as follows:

Property Address	Current Usage	Classification
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
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DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31 December 2013.

Directors

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

Mr Doug Sutton
Mr Bernie Cartwright
Mr David Weir resigned at AGM 26th May 2013
Ms Marrelyn Derrick
Mr Chris Rayner resigned at AGM 26th May 2013
Mr Michael Anthony
Mrs Lynette Andersen elected at AGM 26th May 2013
Mr Ross Winfield
Mr Doug McGuirk

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.

TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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DIRECTORS' REPORT

Operating Results

The profit of the company after providing for income tax amounted to \$133,983. (2012: Profit \$16,478)

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

	2013	
	Actual	Benchmark
Operational		
Number of new members	390	450
Number of continuing members	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 \$5,260 (2012:\$4,480).

Information on Directors

Name	Meeting's Attended	Year Appointed
Mr Doug Sutton	11	2005
Position:	President	
Qualifications:	First Aid Trainer, Business Owner	
Experience and special responsibilities:	Financial, Building & Social Committee	

**TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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DIRECTORS' REPORT

Mr Bernie Cartwright	8	2007
Position:	Vice President	
Qualifications:	Farmer, Business Owner	
Experience and special responsibilities:	Social Committee	
Mrs Lynette Andersen	7	2013
Position:	Director	Appointed May 2013
Qualifications:	Retired	
Experience and special responsibilities:	Building Committee	
Mrs Marrelyn Derrick	10	2010
Position:	Director	
Qualifications:	Admin Officer, Business Owner	
Experience and special responsibilities:	Financial & Building Committee	
Mr Michael Anthony	12	2011
Position:	Vice President	
Qualifications:	Financial Advisor, Business Owner	
Experience and special responsibilities:	Financial Committee	
Mr David Weir	3	1990
Position:	Director	Resigned May 2013
Qualifications:	Retired	
Experience and special responsibilities:	23 years on the Board	
Mr Doug McGuirk	11	2010
Position:	Director	
Qualifications:	Retired Business Owner	
Experience and special responsibilities:	Social Committee	
Mr Chris Rayner	5	1998
Position:	Director	Resigned May 2013
Qualifications:	Truck Driver, Business Owner	
Experience and special responsibilities:	Building Committee	
Mr Ross Winfield	9	2011
Position:	Director	
Qualifications:	Butcher, Business Manager	
Experience and special responsibilities:	Social Committee	

TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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DIRECTORS' REPORT

Directors' Indemnity

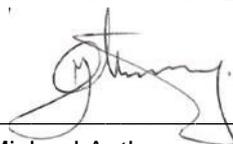
During or since the end of the financial year the company has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out 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

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

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

Director:



Michael Anthony

Director:



Doug Sutton

Dated this 5th day of March 2014

**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 2013 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 5th day of March 2014

TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
Revenue	2	3,775,357	3,224,591
Share Trading		-	1,720,125
		<u>3,775,357</u>	<u>4,944,716</u>
Changes in inventories		818	782
Changes in Share Trading		-	(189,366)
Purchases		(748,137)	(606,948)
Share Trading		-	(1,529,669)
Advertising expenses		(42,594)	(54,420)
Auditors' remuneration	3	(10,500)	(8,500)
Depreciation and amortisation expenses		(378,131)	(343,106)
Directors' fees		(24,112)	(26,392)
Employee benefits expenses		(842,533)	(582,787)
Entertainment and club activities		(231,652)	(154,921)
Insurance		(80,191)	(88,685)
Interest Paid		(62,764)	-
Light and Power		(137,188)	(99,337)
Repairs and maintenance		(123,525)	(170,493)
Other expenses		(959,248)	(1,074,396)
Profit before income tax	4	<u>135,600</u>	<u>16,478</u>
Income tax expense	5	(1,617)	-
Profit after income tax		<u>133,983</u>	<u>16,478</u>
Other comprehensive income			
Net revaluation in property, plant and equipment		(2,246,088)	-
Retrospective adjustments		(31,549)	-
Total other comprehensive income		<u>(2,277,637)</u>	<u>-</u>
Total comprehensive income for the year		<u>(2,143,654)</u>	<u>16,478</u>
Total comprehensive income attributable to members of the entity		<u>(2,143,654)</u>	<u>16,478</u>

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	194,402	1,922,450
Trade and other receivables	7	97,088	50,239
Financial assets	8	655,667	713,018
Inventories	9	77,062	75,634
TOTAL CURRENT ASSETS		<u>1,024,219</u>	<u>2,761,341</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	7,022,091	6,108,765
Intangible assets	11	974,400	484,400
Tax assets	12	30,883	-
TOTAL NON-CURRENT ASSETS		<u>8,027,374</u>	<u>6,593,165</u>
TOTAL ASSETS		<u>9,051,593</u>	<u>9,354,506</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	13	168,073	254,898
Borrowings	14	152,529	-
Provisions	15	143,209	147,949
TOTAL CURRENT LIABILITIES		<u>463,811</u>	<u>402,847</u>
NON-CURRENT LIABILITIES			
Borrowings	14	1,773,462	-
Provisions	15	35,093	28,777
TOTAL NON-CURRENT LIABILITIES		<u>1,808,555</u>	<u>28,777</u>
TOTAL LIABILITIES		<u>2,272,366</u>	<u>431,624</u>
NET ASSETS		<u>6,779,227</u>	<u>8,922,882</u>
EQUITY			
Reserves	16	-	2,246,088
Retained earnings	17	6,779,227	6,676,794
TOTAL EQUITY		<u>6,779,227</u>	<u>8,922,882</u>

TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Retained earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 January 2012		6,660,316	2,246,088	8,906,404
Profit attributable to members		16,478	-	16,478
Balance at 31 December 2012		<u>6,676,794</u>	<u>2,246,088</u>	<u>8,922,882</u>
Profit attributable to members		133,982	-	133,982
Reserve movement	16	-	(2,246,088)	(2,246,088)
Retrospective Adjustments	17	(31,549)	-	(31,549)
Balance at 31 December 2013		<u>6,779,227</u>	<u>-</u>	<u>6,779,227</u>

TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	3,728,346	4,404,331
Payments to suppliers and employees	(3,392,174)	(4,723,568)
Income tax expense	(8,686)	(4,888)
Interest received	25,202	86,316
Net cash provided by (used in) operating activities	352,688	(237,809)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	25,500	-
Payments for property, plant and equipment	(3,542,227)	(604,727)
Payments for goodwill	(490,000)	-
Withdrawals from Investments	-	189,366
Net cash provided by (used in) investing activities	(4,006,727)	(490,115)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,925,991	-
Net cash provided by (used in) financing activities	1,925,991	-
Net increase (decrease) in cash held	(1,728,048)	(727,924)
Cash at beginning of financial year	1,922,450	2,650,374
Cash at end of financial year	194,402	1,922,450

TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1 Statement 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 has elected to early adopt the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010–2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*. Accordingly, the entity has also early adopted AASB 2011–2: *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements* and AASB 2012–7: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* in respect of AASB 2010–6: *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* and AASB 2011–9: *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income*.

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 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.

TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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.

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 16%.

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.

TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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.

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 and buildings are shown at cost, less accumulated depreciation for buildings.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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%

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.

Finance leases are capitalised by recognising 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 over the shorter of their estimated useful lives or the lease term.

TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. The lease is not recognised in the statement of financial position.

Lease incentives under operating leases are recognised as a liability and amortised over the life of the lease term.

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

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;

TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

- 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.

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.

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.

TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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.

Comparative Figures

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.

TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

Change in Accounting Policies

Presentation of items of other comprehensive income (OCI)

As a result of early adopting AASB 2012–7, which includes amendments to disclosure requirements arising from the Tier 1 (full-disclosure) Standard AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income that became mandatorily applicable from 1 July 2012, the following changes to the presentation of the company's financial statements were made during the year:

- items of OCI were grouped into:
 - items that will not be reclassified subsequently to profit or loss; and
 - those that will be reclassified subsequently to profit or loss when specific circumstances occur; and
- the title “income statement” was changed to “statement of profit or loss” under the two-statement approach. Although other titles are also permitted, the company has decided to use the title “statement of profit or loss”.

The adoption of AASB 2011–9 only changed the presentation of the company's financial statements and did not have any impact on the amounts reported for the current period or for any prior period in the company's financial statements.

TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
<hr/>		
2 Revenue and Other Income		
Revenue		
Sale of goods	1,925,911	1,523,853
Sales - Share Trading	-	1,720,125
Other revenue:		
Dividends/Distributions received	92,967	48,536
Interest received	25,203	86,316
Profit on Sale of Non-current Assets	20,819	-
Other revenue	<u>1,710,457</u>	<u>1,565,886</u>
	<u>1,828,627</u>	<u>1,700,738</u>
 Total revenue	 <u>3,775,357</u>	 <u>4,944,716</u>
 Other revenue from:		
Equipment Hire	2,319	4,085
Green Fees	-	11,294
Members Subscriptions	19,382	17,758
Poker Machine Income		
Poker Machine Receipts	1,761,142	1,694,161
Poker Machine Duty	<u>(283,522)</u>	<u>(258,057)</u>
	1,477,620	1,436,104
 GST Poker Machine Assistance	 17,180	 17,180
Sponsorship	4,091	23,085
Room Hire	3,291	2,145
Golden Gift	51,124	-
Bingo	8,607	-
Rebates and Refunds	29,761	20,144
Rent Received	17,090	17,424
Other Revenue	34,257	1,661
Revaluation of Investment Portfolio	<u>45,735</u>	<u>15,006</u>
Total other revenue	<u>1,710,457</u>	<u>1,565,886</u>
 3 Auditors' Remuneration		
Auditor's Remuneration		
Accounting Standards	<u>10,500</u>	<u>8,500</u>

TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
4 Profit for the year		
Profit before income tax from continuing operations includes the following specific expenses:		
Expenses		
Cost of sales	1,170,164	1,224,817
Depreciation of property, plant and equipment	378,131	343,106
Revenue and Other Income		
Profit on Sale of Non-current Assets	20,819	-
5 Income Tax Expense		
The components of tax expense comprise:		
Income tax expense	1,617	-
This year's tax refundable	(8,686)	(4,888)
Deferred tax	(30,883)	-
	(37,952)	(4,888)
The Prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:		
Tax at 30%	41,386	4,943
Add: Tax effect of		
- Net effect of mutuality principle applied in accordance with ATO regulations	(39,769)	(4,943)
Income tax attributable to entity	1,617	-
6 Cash and Cash Equivalents		
Cash on Hand	63,150	69,241
Cash at Bank - Westpac	86,605	173,488
Business Cash Reserve	17	179,721
Cash at Bank - ANZ	34,430	-
Westpac Trust	10,200	-
Term Deposits	-	1,500,000
	194,402	1,922,450

TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
<hr/>		
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash and cash equivalents	<u>194,402</u>	<u>1,922,450</u>
	<u>194,402</u>	<u>1,922,450</u>
7 Trade and Other Receivables		
Current		
Trade Debtors	22,604	9,420
Less: Provision for Doubtful Debts	<u>(7,604)</u>	<u>-</u>
	<u>15,000</u>	<u>9,420</u>
Sundry Debtors - EFTPOS	11,267	6,523
Prepayments	<u>62,135</u>	<u>12,057</u>
	<u>73,402</u>	<u>18,580</u>
Other Debtors	-	17,351
Income Tax Refundable	<u>8,686</u>	<u>4,888</u>
	<u>97,088</u>	<u>50,239</u>
The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.		
8 Financial Assets		
Current		
North Investments Managed Fund	<u>655,667</u>	<u>713,018</u>
9 Inventories		
Current		
At cost:		
Stock on Hand	<u>77,062</u>	<u>75,634</u>

TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
<hr/>		
10 Property, Plant and Equipment		
CLUB LAND AND BUILDINGS		
Club Land & Buildings:		
Freehold Land at NSW Valuer General Value	<u>745,000</u>	<u>745,000</u>
Buildings at cost	4,207,368	4,101,777
Less: Accumulated Depreciation	<u>(758,952)</u>	<u>(821,583)</u>
	<u>3,448,416</u>	<u>3,280,194</u>
Other Buildings at cost - Goldtera & Koreela Park	2,034,517	1,446,226
Less: Accumulated Depreciation	<u>(176,883)</u>	<u>(137,498)</u>
	<u>1,857,634</u>	<u>1,308,728</u>
Total Club Land & Buildings	<u>6,051,050</u>	<u>5,333,922</u>
PLANT AND EQUIPMENT		
Plant & Equipment:		
Plant & Equipment	1,430,092	1,526,620
Less: Accumulated Depreciation	<u>(1,114,376)</u>	<u>(1,231,654)</u>
	<u>315,716</u>	<u>294,966</u>
Poker Machines	1,079,860	1,019,306
Less: Accumulated Depreciation	<u>(639,654)</u>	<u>(572,787)</u>
	<u>440,206</u>	<u>446,519</u>
Plant & Equipment - Goldtera	165,622	153,464
Less: Accumulated Depreciation	<u>(129,243)</u>	<u>(120,106)</u>
	<u>36,379</u>	<u>33,358</u>
Plant & Equipment - Koreela	203,432	-
Less: Accumulated Depreciation	<u>(24,692)</u>	<u>-</u>
	<u>178,740</u>	<u>-</u>
Total Plant & Equipment	<u>971,041</u>	<u>774,843</u>
Total Fixed Assets	<u>7,022,091</u>	<u>6,108,765</u>

TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 \$	2012 \$	
Movements in Carrying Amounts			
	Club Land & Buildings \$	Plant and Equipment \$	Total \$
Balance at 31 December 2012	5,333,921	774,844	6,108,765
Revaluation Reserve	(2,246,088)	-	(2,246,088)
Additions (Disposals)	3,102,206	435,339	3,537,545
Depreciation	(138,989)	(239,142)	(378,131)
Balance at 31 December 2013	6,051,050	971,041	7,022,091

11 Intangible Assets

Goodwill – Goldtera	320,000	320,000
Goodwill – Koreela Park	490,000	-
Other Non-current Intangibles - PM Licences	164,400	164,400
Total	974,400	484,400

Movements in Carrying Amounts

	Goodwill \$	Other Non-current Intangibles \$	Total \$
Balance at 31 December 2012	320,000	164,400	484,400
Additions (Disposals)	490,000	-	490,000
Balance at 31 December 2013	810,000	164,400	974,400

12 Tax

Non-current assets

Deferred Tax Asset	30,883	-
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13 Trade and Other Payables

Current

Credit Card - ANZ	231	-
Trade Creditors	13,395	193,188
Other Creditors	77,719	26,530
Accruals	37,427	-
ATO Payable	39,301	35,180
	168,073	254,898

TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
14 Borrowings		
Current		
Lease Liability	11,642	-
Interest Payable on Lease	(3,859)	-
Bank Loans - Secured	<u>144,746</u>	-
Total current borrowings	<u>152,529</u>	-
Non-Current		
Lease Liability	21,344	-
Interest Payable on Lease	(3,136)	-
Loans - Secured	<u>1,755,254</u>	-
Total non-current borrowings	<u>1,773,462</u>	-
Total borrowings	<u>1,925,991</u>	-
<p>The directors have received confirmation from the bank that the loan will not be fully payable within the next 12 months, except in the unlikely event of a default. Therefore the scheduled repayments for the next 12 months have been recognised as a current liability with the remainder of the loan a non-current liability.</p> <p>The bank loan is secured by a registered mortgage over the company's land and buildings and a floating charge over all the assets of the company.</p>		
Carrying amount of non-current assets pledged as security	<u>7,832,091</u>	<u>6,428,765</u>
15 Provisions		
Current		
Provision for employee leave entitlement		
Provision for Annual Leave	104,100	117,980
Provision for Long Service Leave	<u>39,109</u>	<u>29,969</u>
	<u>143,209</u>	<u>147,949</u>
Non-current		
Provision for Long Service Leave	<u>35,093</u>	<u>28,777</u>

TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
Analysis of Total Provisions		
Current	143,209	147,949
Non-current	35,093	28,777
	178,302	176,726

16 Reserves

a. Revaluation Surplus

The directors have resolved to recognise fixed assets at cost, eliminating the revaluation reserve.

Movements in Carrying Amounts

	Asset Revaluation Reserve	Total
	\$	\$
Balance at 31 December 2012	2,246,088	2,246,088
Movement in reserves	(2,246,088)	(2,246,088)
Balance at 31 December 2013	-	-

17 Retained Earnings

Retained earnings at the beginning of the financial year	6,676,794	6,660,316
Net profit attributable to members of the company	133,982	16,478
Retrospective Adjustments	(31,549)	-
Retained earnings at the end of the financial year	6,779,227	6,676,794

18 Key Management Personnel

2013	Number of Personnel	Short Term Benefits	Post-employment Benefits	Total
Total Compensation	12	\$0-\$150,000	-	\$0-\$150,000

19 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:

- The partner of Marrelyn Derrick, George Fouracre, had a controlling interest in a business providing building services to the club for approximately \$1,612
- Doug Sutton had a controlling interest in business services providing first aid sales and extension lead testing to the club for approximately \$705

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
<hr/>		
20 Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	133,983	16,478
Non-cash flows in profit		
Profit (Loss) on sale of non-current assets	(20,819)	45,203
Depreciation	378,131	323,251
Unrealised gains on investments	-	(15,006)
Prior period adjustments	(31,549)	-
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase) Decrease in inventories	(1,428)	(782)
(Increase) Decrease in receivables	(38,163)	15,898
(Increase) Decrease in tax asset	(39,569)	-
(Increase) Decrease in financial asset	57,351	(713,018)
Increase (Decrease) in payables	(86,825)	81,072
Increase (Decrease) in provisions	1,576	9,095
	<u>352,688</u>	<u>(237,809)</u>

21 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.

22 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.

23 Company Details

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

TEMORA EX SERVICES MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

2013	2012
\$	\$

24 Contingent Liabilities and Contingent Assets

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

25 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
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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 32, 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 as at 31 December 2013 and of the performance for the year ended on that date 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.

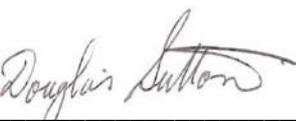
This declaration is made in accordance with a resolution of the Board of Directors.

Director:



Michael Anthony

Director:



Doug Sutton

Dated this 5th day of March 2014

**INDEPENDENT AUDITOR'S 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 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, 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. 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 Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of the company, would be in the same terms if provided to the directors as at the date of this auditor's report.

**INDEPENDENT AUDITOR'S 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 2013 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 6th day of March 2014

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

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
SALES		
Sales		
Sales - Bar	832,039	750,873
Sales - Restaurant & Functions	474,128	420,432
Sales - Goldtera	304,192	307,599
Sales - Keno & TAB	56,692	44,949
Sales - Koreela Park	258,860	-
	1,925,911	1,523,853
Sales - Share Trading	-	1,720,125
	1,925,911	3,243,978
LESS: COST OF GOODS SOLD		
Opening Stock	76,244	74,852
Opening Stock - Share Trading	-	189,366
Purchases		
Purchases - Bar	444,737	394,906
Purchases - Restaurant & Functions	296,800	202,395
Purchases - Goldtera	4,993	9,647
Purchases - Koreela Park	1,607	-
	748,137	606,948
Purchases - Share Trading	-	1,529,669
Closing Stock	(77,062)	(75,634)
	747,319	2,325,201
LESS: OTHER COSTS		
Direct Wages		
Direct Wages - Bar	117,443	154,915
Direct Wages - Restaurant	125,896	196,190
Direct Wages - Goldtera	47,778	93,770
Direct Wages - Keno/TAB	33,211	79,462
Direct Wages - Koreela Park	53,328	-
	377,656	524,337
Other Expenses	45,189	94,314
	422,845	618,651
GROSS PROFIT FROM TRADING	755,747	300,126

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

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
OTHER INCOME		
Equipment Hire	2,319	4,085
Green Fees	-	11,294
Members Subscriptions	19,382	17,758
Poker Machine Income		
Poker Machine Receipts	1,761,142	1,694,161
Poker Machine Duty	<u>(283,522)</u>	<u>(258,057)</u>
	1,477,620	1,436,104
GST Poker Machine Assistance	17,180	17,180
Sponsorship	4,091	23,085
Room Hire	3,291	2,145
Telephone	-	374
Golden Gift	51,124	-
Bingo	8,607	-
Distributions and Dividends Received	92,967	48,536
Interest Received	25,203	86,316
Rebates and Refunds	29,761	20,144
Rent Received	17,090	17,424
Other Revenue	34,257	1,287
Revaluation of Investment Portfolio	45,735	15,006
Profit on Sale of Non-current Assets	<u>20,819</u>	<u>-</u>
	<u>1,849,446</u>	<u>1,700,738</u>
	<u>2,605,193</u>	<u>2,000,864</u>

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

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
EXPENSES		
Advertising, Printing & Stationery	42,594	54,420
Auditor's Remuneration	10,500	8,500
Bank and Investment Charges	22,449	6,051
Computer Requisites	16,977	19,708
Contract Cleaning	90,085	89,168
Depreciation	378,131	343,106
Directors' Fees	24,112	26,392
Directors' Education	364	16,901
Donations & Sponsorships	54,221	109,989
Doubtful Debts	6,912	-
Entertainment & Club Activities	231,652	154,921
Financial Accounting		
Tax Accounting	19,061	18,100
General Expenses	17,820	3,874
Golden Gift	48,973	-
Insurance	80,191	88,685
Investment Portfolio Expenses	-	272
Interest Paid	62,764	-
Laundry & Cleaning Requisites	22,361	10,048
Legal Costs	33,285	107
Licensing & Registration	2,119	2,908
Light & Power	137,188	99,337
Loss on Sale of Non-Current Assets	-	45,203
Member Expenses	53,153	13,739
Payroll Tax	6,191	11,992
Printing, Postage & Stationary	20,163	4,413
Rates & Water Charges	42,664	34,221
Repairs & Maintenance	123,525	170,493
Rental Sky Channel	13,093	17,534
Security Costs - Night Patrolman	5,887	7,138
Staff Training	6,006	12,302
Subscriptions	24,113	10,584
Superannuation Contributions	129,141	100,594
Telephone	19,075	10,634
Travelling Expenses	6,699	19,428
Uniforms	4,732	3,733
Wages	713,392	469,891
	2,469,593	1,984,386
Profit before income tax	135,600	16,478