

# **Cudgen Leagues Club Limited**

## **Financial Statements**

**For the Year Ended 31 December 2017**

# Cudgen Leagues Club Limited

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For the Year Ended 31 December 2017

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**CUDGEN LEAGUES CLUB LTD**  
**ABN 18 001 518 574**

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2017:

The directors who held office during the year were as follows:

- P J McConnell
- G M Lawrence
- A Bryant
- E A Fleming
- M P Kennedy
- G D O'Grady
- M N Prichard
- O N Gillie (appointed 14 June 2017)

**OBJECTIVES**

The short and long term objectives of Cudgen Leagues Club Ltd are:

- i) to provide a licensed club and sporting facilities to specifically promote the game of rugby league;
- ii) to provide social, sporting activities, entertainment, and recreation opportunities to members, their guests and to the broader community.

The strategy that the club employs to achieve those objectives is to:

- i) obtain a level of operational profitability;
- ii) develop a long term membership base that benefits from the club's success;
- iii) regularly refine and enhance our strategic plan; and
- iv) attract and retain quality staff and other support networks

**CUDGEN LEAGUES CLUB LTD**  
**ABN 18 001 518 574**

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

**PRINCIPAL ACTIVITIES**

The principal activities of the company during the year continued to be that of a licensed club.

**MEASUREMENT OF PERFORMANCE**

The Cudgen Leagues Club Ltd measures its performance by profit and patron satisfaction. Performance is also measured by monitoring actual results against budget forecasts.

**REAL PROPERTY**

The core property of the Club as at the end of the financial year was:

- Lot 3 DP 591720 at Wommin Bay Road, Kingscliff NSW 2487

The non-core property held by the Club at the end of the financial year was:

- Freehold Land Lot 11 DP 830660 at Wommin Bay Road, Kingscliff NSW 2487

**DIRECTORS**

The qualifications, experience and special responsibilities of the company's directors are as follows:

	<b>Qualifications</b>	<b>Experience</b>	<b>Special Responsibilities</b>
P J McConnell	Self Employed	Board Member 28 years	President
M N Prichard	Farmer	Board Member 3 years	Vice President
G M Lawrence	Farmer	Board Member 11 years	Treasurer
A Bryant	Police Officer	Board Member 4 years	
E A Fleming	Retired	Board Member 8 years	
M P Kennedy	Teacher	Board Member 19 years	
G M O'Grady	Electrician	Board Member 11 years	
O N Gillie	Retired	Board Member 1 year	

**CUDGEN LEAGUES CLUB LTD**  
**ABN 18 001 518 574**

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

**MEETINGS OF DIRECTORS**

During the financial year 12 meetings of directors were held. Attendances were:

	Number attended	Number eligible to attend
P J McConnell	11	12
M Pritchard	11	12
G M Lawrence	12	12
A Bryant	11	12
E A Fleming	10	12
M P Kennedy	8	12
G M O'Grady	10	12
O N Gillie	6	7

**MEMBERS LIABILITY**

If the company is wound up, the constitution states that each member of the club is liable to contribute a maximum of \$1 each toward meeting any outstanding obligations of the Club. At 31 December 2017 the maximum total amount that members of the company would be liable to contribute if the company is wound up is \$2,957.

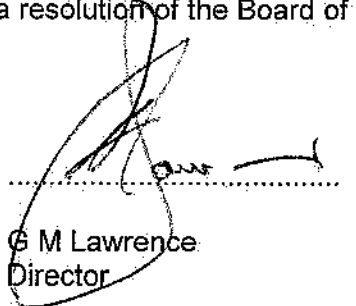
**AUDITOR'S INDEPENDENCE DECLARATION**

The directors received an independence declaration from the auditor of Cudgen Leagues Club Ltd. A copy of the independence declaration is attached on page 4.

This report is made in accordance with a resolution of the Board of Directors on 3 April 2018 and signed on its behalf by:



P J McConnell  
Director



G M Lawrence  
Director

**Cudgen Leagues Club Ltd  
Auditor's Independence Declaration under section 307C of  
the Corporations Act 2001**

**REGISTERED  
COMPANY  
AUDITORS**

TW Graham  
BBus, CA, FFin

GJ Smith  
BBus, LLB, CA, Dip. FP

SI Trustum  
BBus, CA, Dip. FP

TL Kirkland  
BBus, CA

**SMSF  
AUDITORS**

GJ Smith  
BBus, LLB, CA, Dip. FP

SI Trustum  
BBus, CA, Dip. FP

T Bazzana  
BBus, CA, Dip. FP, AFP\*

3 April 2018

The Board of Directors  
Cudgen Leagues Club Ltd  
3 Wommin Bay Road  
KINGSCLIFF NSW 2487

This declaration is made in connection with our audit of the financial report of the Cudgen Leagues Club Ltd for the year ended 31 December 2017 and in accordance with the provision of the Corporations Act 2001.

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2017 there have been:

- i. no contraventions of the auditor's 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.

Yours faithfully,

**WCA audit & assurance services pty ltd**  
Authorised Audit Company



**Trevor W Graham**  
Director

**62 Woodlark St**  
**Lismore Office**  
158 Malesworth St  
PO Box 198  
Lismore NSW 2480  
t 02 6621 2581

**Ballina Office**  
2/37-41 Cherry St  
Ballina NSW 2478  
t 02 6686 5655

f 02 6621 9740  
e [admin@wca.com.au](mailto:admin@wca.com.au)  
w [www.wca.com.au](http://www.wca.com.au)

## Cudgen Leagues Club Limited

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2017

Revenue - trading	4	1,974,362	2,177,800
Other revenue	4	437,866	151,042
Cost of sales		(599,405)	(709,864)
Direct Trading Expenses		(114,862)	(123,487)
Depreciation, amortisation and impairments		(237,787)	(261,905)
Employee Benefits Expense		(681,209)	(669,831)
Finance costs		(5,119)	(6,666)
Other expenses		(906,107)	(828,341)
<b>Profit before income tax</b>		<b>(132,261)</b>	<b>(271,252)</b>
Income tax expense		-	-
<b>Profit from continuing operations</b>		<b>(132,261)</b>	<b>(271,252)</b>
<b>Profit for the year</b>		<b>(132,261)</b>	<b>(271,252)</b>
<b>Total comprehensive income for the year</b>		<b>(132,261)</b>	<b>(271,252)</b>

The accompanying notes form part of these financial statements.

## Cudgen Leagues Club Limited

### Statement of Financial Position

As At 31 December 2017

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	42,464	39,338
Trade and other receivables	7	9,905	52,671
Inventories	8	53,786	44,481
Other financial assets	9	-	165,045
Other assets	12	4,200	3,655
<b>TOTAL CURRENT ASSETS</b>		<b>110,355</b>	<b>305,190</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	2,364,484	2,337,577
Intangible assets	11	1,772	2,015
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,366,256</b>	<b>2,339,592</b>
<b>TOTAL ASSETS</b>		<b>2,476,611</b>	<b>2,644,782</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	167,652	212,632
Borrowings	14	58,682	36,629
Employee benefits	16	125,359	110,853
Other financial liabilities	15	4,780	1,825
<b>TOTAL CURRENT LIABILITIES</b>		<b>356,473</b>	<b>361,939</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14	33,955	60,206
Employee benefits	16	4,861	9,054
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>38,816</b>	<b>69,260</b>
<b>TOTAL LIABILITIES</b>		<b>395,289</b>	<b>431,199</b>
<b>NET ASSETS</b>		<b>2,081,322</b>	<b>2,213,583</b>
<b>EQUITY</b>			
Retained earnings		2,081,322	2,213,583
<b>TOTAL EQUITY</b>		<b>2,081,322</b>	<b>2,213,583</b>

The accompanying notes form part of these financial statements.



## Cudgen Leagues Club Limited

### Statement of Changes in Equity For the Year Ended 31 December 2017

2017

	Retained Earnings
Note	\$
Balance at 1 January 2017	2,213,583
Net Profit/(loss)	<u>(132,261)</u>
Balance at 31 December 2017	<u><u>2,081,322</u></u>

2016

	Retained Earnings
Note	\$
Balance at 1 January 2016	2,484,835
Net profit/(loss)	<u>(271,252)</u>
Balance at 31 December 2016	<u><u>2,213,583</u></u>

The accompanying notes form part of these financial statements.

## Cudgen Leagues Club Limited

### Statement of Cash Flows

For the Year Ended 31 December 2017

	2017	2016
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	2,653,588	2,511,304
Payments to suppliers and employees	(2,540,317)	(2,411,784)
Interest received	2	3
Interest paid	(4,391)	(333)
Net cash provided by/(used in) operating activities	<u>108,882</u>	<u>99,190</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from redemption of term deposits	166,271	50,000
Purchase of property, plant and equipment	(210,576)	(180,404)
Net cash provided by/(used in) investing activities	<u>(44,305)</u>	<u>(130,404)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of borrowings	(61,451)	(28,980)
Net cash provided by/(used in) financing activities	<u>(61,451)</u>	<u>(28,980)</u>
Net increase/(decrease) in cash and cash equivalents held	3,126	(60,194)
Cash and cash equivalents at beginning of year	<u>39,338</u>	<u>99,532</u>
Cash and cash equivalents at end of financial year	<u>6</u> <u>42,464</u>	<u>39,338</u>

The accompanying notes form part of these financial statements.

## Cudgen Leagues Club Limited

### Notes to the Financial Statements

For the Year Ended 31 December 2017

The financial report covers Cudgen Leagues Club Limited as an individual entity. Cudgen Leagues Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Cudgen Leagues Club Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 03 April 2018.

Comparatives are consistent with prior years, unless otherwise stated.

#### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

#### 2 Summary of Significant Accounting Policies

##### (a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

##### (b) Leases

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

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

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

##### (c) Revenue and other income

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

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

##### Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

##### Other income

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

## Cudgen Leagues Club Limited

### Notes to the Financial Statements For the Year Ended 31 December 2017

#### 2 Summary of Significant Accounting Policies

##### (d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

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

##### (e) Inventories

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

##### (f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

##### Land and buildings

Land and buildings are measured using the cost model.

##### Plant and equipment

Plant and equipment are measured using the cost model.

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Land, Buildings & Improvements	Up to 13.3 years
Plant and Equipment	Up to 10 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

##### (g) 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.

**Notes to the Financial Statements  
For the Year Ended 31 December 2017**

**2 Summary of Significant Accounting Policies**

**(h) Employee benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period 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 satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

**(i) Going concern**

Notwithstanding the Company's deficiency in current asset to current liabilities and continued operating losses, the financial report has been prepared on the going concern basis. This basis has been adopted as the Directors believe that the Company can improve its financial position by management of expenses and increased revenues. The ability of the company to continue as a going concern is dependent upon the ongoing financial support of its' bankers, creditors and members. There is inherent uncertainty, in the absence of this support, that the company will be able to continue as a going concern and it may be required to realise its' assets and extinguish its' liabilities other than in the normal course of business and at amounts different from those stated in the financial statements. In such an event, provision may be required for any loss on realisation of the company's assets that may arise.

**(j) Adoption of new and revised accounting standards**

The Company has adopted all standards which became effective for the first time at 31 December 2017, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

**3 Critical Accounting Estimates and Judgments**

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

**Key estimates - impairment of property, plant and equipment**

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

## Cudgen Leagues Club Limited

### Notes to the Financial Statements For the Year Ended 31 December 2017

#### 4 Revenue and Other Income

##### Revenue from continuing operations

	2017	2016
	\$	\$
Sales revenue		
- Bar Revenue	1,260,561	1,386,504
- Poker Machine Revenue	665,946	744,819
- Kenô Commission	21,796	25,009
- TAB Commission	26,058	21,468
	<u>1,974,361</u>	<u>2,177,800</u>
<b>Total Revenue</b>	<u><u>1,974,361</u></u>	<u><u>2,177,800</u></u>

	2017	2016
	\$	\$
Other Income		
- bowls income - green fees	27,025	32,229
- commissions	15,512	20,404
- functions	11,287	12,281
- insurance claim income	329,600	-
- interest received	1,228	5,139
- membership income	10,121	18,446
- net gain on disposal of property, plant and equipment	-	23,313
- raffle income	38,395	34,585
- other income	4,696	4,646
	<u>437,864</u>	<u>151,043</u>
<b>Total Revenue and Other Income</b>	<u><u>2,412,225</u></u>	<u><u>2,328,843</u></u>

#### 5 Result for the Year

The result for the year was derived after charging / (crediting) the following items:

	2017	2016
	\$	\$
Finance Costs		
- Interest expense	5,119	6,666
<b>Total finance costs</b>	<u>5,119</u>	<u>6,666</u>

## Cudgen Leagues Club Limited

### Notes to the Financial Statements

For the Year Ended 31 December 2017

#### 5 Result for the Year

The result for the year includes the following specific expenses:

	2017	2016
	\$	\$
Cost of sales	599,405	709,864
Other expenses:		
Employee benefit expenses	628,833	622,139
Depreciation expenses	237,544	229,898
Amortisation expense	243	303
Impairment loss on non-financial assets	-	31,704
Superannuation contributions	52,376	47,692

#### 6 Cash and Cash Equivalents

	2017	2016
	\$	\$
Cash at bank and in hand	42,464	39,338
	<u>42,464</u>	<u>39,338</u>

#### 7 Trade and Other Receivables

	2017	2016
	\$	\$
CURRENT		
Trade receivables	9,905	52,671
	<u>9,905</u>	<u>52,671</u>
Total current trade and other receivables	<u>9,905</u>	<u>52,671</u>

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

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### 8 Inventories

	2017	2016
	\$	\$
CURRENT		
At cost:		
Finished goods	53,786	44,481
	<u>53,786</u>	<u>44,481</u>
	<u>53,786</u>	<u>44,481</u>

## Cudgen Leagues Club Limited

### Notes to the Financial Statements For the Year Ended 31 December 2017

#### 9 Other Financial Assets

##### (a) Held-to-maturity investments

	2017	2016
	\$	\$
CURRENT		
Term deposits	-	165,045
	<u>-</u>	<u>165,045</u>

#### 10 Property, plant and equipment

	2017	2016
	\$	\$
Land, Buildings & Improvements		
At cost	3,456,584	3,423,594
Accumulated depreciation	(1,599,243)	(1,521,670)
Total land, buildings and improvements	<u>1,857,341</u>	<u>1,901,924</u>
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	1,859,625	1,663,976
Accumulated depreciation	(1,352,482)	(1,228,323)
Total plant and equipment	<u>507,143</u>	<u>435,653</u>
Total property, plant and equipment	<u>2,364,484</u>	<u>2,337,577</u>

##### (a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land, Buildings & Improvements	Plant and Equipment	Total
	\$	\$	\$
Year ended 31 December 2017			
balance at the beginning of the year	1,901,924	435,653	2,337,577
Additions	32,990	231,461	264,451
Depreciation	(77,573)	(159,971)	(237,544)
Balance at the end of the year	<u>1,857,341</u>	<u>507,143</u>	<u>2,364,484</u>



**Cudgen Leagues Club Limited**

**Notes to the Financial Statements  
For the Year Ended 31 December 2017**

**11 Intangible Assets**

	2017 \$	2016 \$
Intangible assets		
Licence (cost less accumulated amortisation)	1,772	2,015
<b>Net carrying value</b>	<b>1,772</b>	<b>2,015</b>
<b>Total Intangibles</b>	<b>1,772</b>	<b>2,015</b>

**(a) Movements in carrying amounts of intangible assets**

	Intangible assets \$	Total \$
<b>Year ended 31 December 2017</b>		
Balance at the beginning of the year	2,015	2,015
Amortisation	(243)	(243)
<b>Closing value at 31 December 2017</b>	<b>1,772</b>	<b>1,772</b>

**12 Other Assets**

	2017 \$	2016 \$
<b>CURRENT</b>		
Prepayments	4,200	3,655
	<b>4,200</b>	<b>3,655</b>

**13 Trade and Other Payables**

	2017 \$	2016 \$
<b>Current</b>		
Trade payables	126,477	148,976
GST payable	27,996	44,899
Payroll liabilities	13,179	18,757
	<b>167,652</b>	<b>212,632</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

## Cudgen Leagues Club Limited

### Notes to the Financial Statements For the Year Ended 31 December 2017

#### 14 Borrowings

	2017	2016
	\$	\$
<b>CURRENT</b>		
Secured liabilities:		
Lease liability secured	58,682	36,629
	<u>58,682</u>	<u>36,629</u>
<b>Total current borrowings</b>	<u>58,682</u>	<u>36,629</u>
<b>NON-CURRENT</b>		
Secured liabilities:		
Lease liability secured	33,955	60,206
	<u>33,955</u>	<u>60,206</u>
<b>Total non-current borrowings</b>	<u>33,955</u>	<u>60,206</u>
<b>Total borrowings</b>	<u>92,637</u>	<u>96,835</u>

Leased liabilities are secured by the underlying leased assets.

#### 15 Other Financial Liabilities

	2017	2016
	\$	\$
<b>CURRENT</b>		
Members Subscriptions received in advance	4,780	1,825
<b>Total</b>	<u>4,780</u>	<u>1,825</u>

#### 16 Employee Benefits

	2017	2016
	\$	\$
<b>Current liabilities</b>		
Provision for employee benefits	125,359	110,853
	<u>125,359</u>	<u>110,853</u>
<b>Non-current liabilities</b>		
Provision for employee benefits	4,861	9,054
	<u>4,861</u>	<u>9,054</u>

## Cudgen Leagues Club Limited

### Notes to the Financial Statements For the Year Ended 31 December 2017

#### 17 Leasing Commitments

##### (a) Finance leases

	2017	2016
	\$	\$
Minimum lease payments:		
- not later than one year	58,814	37,357
- between one year and five years:	33,955	60,336
Minimum lease payments	<u>92,769</u>	<u>97,693</u>

Finance leases are in place for purchase of poker machines and the club courtesy bus and normally have a term between 1 and 5 years. The leases have terms of renewal but no purchase option or escalation clauses. Renewals are at the option of the entity holding the lease.

#### 18 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ .1 each towards meeting any outstanding obligations of the Company. At 31 December 2017 the number of members was 2,957 (2016: 3,170).

#### 19 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Cudgen Leagues Club Limited during the year are as follows:

	2017	2016
	\$	\$
Short-term employee benefits	107,467	96,459
Post-employment benefits	10,011	9,074
	<u>117,478</u>	<u>105,533</u>

The total remuneration paid to key management personnel of the Company is \$ 117,478 (2016: \$ 105,533).

#### 20 Contingencies

The Company has requested that it's insurers re-open the claim in respect of business interruption insurance relating to ongoing lost income following the fire in the club on 5 December 2016. At the date of this report the club has not been advised whether any additional insurance claims will be received. To date the club is in receipt of \$329,600 insurance proceeds relating to property damage and business interruption.

#### 21 Related Parties

##### (a) The Company's main related parties are as follows:

Key management personnel - refer to Note 19.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

## Cudgen Leagues Club Limited

### Notes to the Financial Statements For the Year Ended 31 December 2017

#### 21. Related Parties

##### (b) Transactions with related parties

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

#### 22. Events after the end of the Reporting Period

The financial report was authorised for issue on 03 April 2018 by the Board of Directors.

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.

#### 23. Statutory Information

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

Cudgen Leagues Club Limited  
3 Wommin Bay Road  
Kingscliff  
NSW 2487

## CUDGEN LEAGUES CLUB LTD

### DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on the preceding pages, are in accordance with the Corporations Act 2001 and;
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001; and
  - b. give a true and fair view of the financial position as at 31 December 2017 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 on 3 April 2018 and signed on its behalf by:



P J McConnell  
Director



G M Lawrence  
Director

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUDGEN LEAGUES CLUB LTD

### Opinion

We have audited the financial report of Cudgen Leagues Club Ltd (the Company), which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Cudgen Leagues Club Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2017 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Emphasis of Matter

We draw attention to Note 1 (i) of the financial statements which describes the adoption of the Going Concern basis of accounting and the inherent uncertainties applicable in the adoption of this assumption. Our opinion is not modified in respect of this matter.

#### REGISTERED COMPANY AUDITORS

TW Graham  
BBus, CA, FFin

GJ Smith  
BBus, LLB, CA, Dip. FP

SI Trustum  
BBus, CA, Dip. FP

TL Kirkland  
BBus, CA

#### SMSF AUDITORS

GJ Smith  
BBus, LLB, CA, Dip. FP

SI Trustum  
BBus, CA, Dip. FP

T Bazzana  
BBus, CA, Dip. FP, AFP\*

62 Woodlark St  
Lismore Office  
158 Moleworth St  
PO Box 198  
Lismore NSW 2480  
t 02 6621 2581

Ballina Office  
2/37-41 Cherry St  
Ballina NSW 2478  
t 02 6686 5655

f 02 6621 9740

e admin@wca.com.au

w www.wca.com.au



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUDGEN LEAGUES CLUB LTD

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

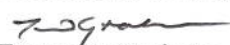
### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

[A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.]

### wca audit & assurance services pty ltd

Authorised Audit Company

  
**Trevor W Graham**  
Director

Dated: 3 April 2018

**REGISTERED  
COMPANY  
AUDITORS**

TW Graham  
BBus, CA, FFin

GJ Smith  
BBus, LLB, CA, Dip. FP

SI Trustum  
BBus, CA, Dip. FP

TL Kirkland  
BBus, CA

**SMSF  
AUDITORS**

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f 02 6621 9740  
e [admin@wca.com.au](mailto:admin@wca.com.au)  
w [www.wca.com.au](http://www.wca.com.au)

# CUDGEN LEAGUES CLUB LTD

## DIVISIONAL TRADING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
Bar Income		1,260,561	1,386,504
<b>LESS COST OF GOODS SOLD</b>			
Opening Stock		44,481	63,820
Bar Purchases		608,710	690,526
		<u>653,191</u>	<u>754,345</u>
Closing Stock		53,786	44,481
		<u>599,405</u>	<u>709,864</u>
<b>GROSS PROFIT</b>		<u>661,156</u>	<u>676,640</u>
<b>GROSS PROFIT %</b>		52.45%	48.80%
<b>LESS DIRECT COSTS</b>			
Bar Sales Variances		1,551	2,560
Bar Supplies		230	2,486
Wages - Bar		379,517	354,280
Consumables		6,592	2,720
		<u>387,891</u>	<u>362,046</u>
<b>GROSS TRADING PROFIT</b>		<u>273,265</u>	<u>314,595</u>

The accompanying notes form part of these financial statements.



**CUDGEN LEAGUES CLUB LTD**

**DIVISIONAL TRADING STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 \$	2016 \$
Keno Commissions Received		21,796	25,009
<b>LESS DIRECT COSTS</b>			
Keno Fee		1,527	1,444
<b>GROSS TRADING PROFIT</b>		<u>20,269</u>	<u>23,566</u>

The accompanying notes form part of these financial statements.

# CUDGEN LEAGUES CLUB LTD

## DIVISIONAL TRADING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017	2016
		\$	\$
Poker Machine Income		648,766	727,639
Government GST Compensation		17,180	17,180
		<u>665,946</u>	<u>744,819</u>
<b>LESS DIRECT COSTS</b>			
Licences Service & Support		79,960	88,748
Monitoring Fees		19,902	19,341
		<u>99,862</u>	<u>108,088</u>
<b>GROSS TRADING PROFIT</b>		<u><b>566,084</b></u>	<u><b>636,730</b></u>

The accompanying notes form part of these financial statements.

# CUDGEN LEAGUES CLUB LTD

## DIVISIONAL TRADING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2017 \$	2016 \$
TAB Commissions Received		26,058	21,468
<b>LESS DIRECT COSTS</b>			
TAB Wages		7,845	6,674
TAB Expenses		5,099	6,190
		<u>12,944</u>	<u>12,864</u>
<b>GROSS TRADING PROFIT</b>		<u><b>13,114</b></u>	<u><b>8,604</b></u>

The accompanying notes form part of these financial statements.

## CUDGEN LEAGUES CLUB LTD

### PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
<b>INCOME</b>			
Gross Profit from Trading		872,732	983,494
Interest Received		1,228	5,139
Profit on Sale of Asset		-	23,313
Other Revenue			
- Bowls Income		27,025	32,229
- Commissions		15,512	20,404
- Functions		11,287	12,281
- Insurance Claim Income		329,600	-
- Memberships		10,121	18,446
- Other Income		4,696	4,646
- Raffle Income		38,395	34,585
		1,310,598	1,134,536
<b>LESS EXPENDITURE</b>			
Advertising		23,138	30,715
Auditors' Remuneration		11,360	11,210
Bank Charges		2,859	3,517
Bowls Expenses		10,571	8,035
Bus Operating Costs		5,331	5,451
Business Insurance		48,447	37,644
Catering & Functions		5,550	3,772
Cleaning		13,070	12,298
Club Promotions		131,035	118,089
Computer Expenses/ Software		4,326	4,040
Coffee Machine Supplies		1,911	1,115
Depreciation		237,787	230,201
Donations		11,928	17,368
Employment Expenses		293,846	308,877
Entertainers		44,826	44,939
Fees Licences and Subscriptions		6,388	3,704
Foxtel		13,192	14,500
Hire of Equipment		2,040	2,040
Impairment of Property, Plant & Equipment		-	31,704
Interest Paid		5,119	6,666
Member Expenses		133,320	127,981
Printing, Stationery & Stamps		16,767	24,897
Rates Water & Utilities		124,944	105,234
Rental POS		-	1,715
Repairs & Maintenance		194,972	105,581
Security		1,495	3,206
Sky Channel		19,705	22,240
Sporting Grants		68,750	101,380
Staff Training & Welfare		3,755	9,949
Telephone		6,426	7,721
		1,442,859	1,405,788
<b>NET OPERATING PROFIT (LOSS)</b>		(132,261)	(271,252)

The accompanying notes form part of these financial statements.