

Port Douglas District Combined Clubs Inc.

TIN SHED
PORT DOUGLAS



41st ANNUAL REPORT & BALANCE SHEET



**To be presented at the
ANNUAL GENERAL MEETING
to be held on
Sunday, 28th October 2018 at 9.00 am**

Port Douglas District Combined Clubs Inc.

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Port Douglas District Combined Clubs Inc. will be held on **Sunday**, 28th October 2018 commencing at **9.00am**.

BUSINESS:

1. President's opening remarks
2. Apologies
3. Minutes of 2017 Annual General Meeting
4. Matters arising from 2017 Minutes
5. To receive the President's Report
6. To receive the Treasurer's Report
7. To receive the General Manager's Report
8. Submission of Audited Financial Statement
9. Questions to Accounts *
10. Management Committee Election
11. Appointment of Auditor – MGI Mossman
12. Appointment of Patron
13. Appointment of Life Membership – Bruce Cheeseman
14. General Business – discussion and recommendations to the incoming Committee only
15. Close

By Order of the Management Committee
Kym Rowley
General Manager

*To ensure that detailed answers can be given on the day in regards to financial matters members are requested to submit their questions in writing to the office at least seven days prior to the Annual General Meeting.

PRESIDENT'S REPORT

Approaching our AGM and reviewing our year the management and committee have faced several challenges.

1. ATO requested an audit and we had mixed news. We are now re-confirmed as a NFP Community Club, but tax must be paid on non-member revenue. This resulting in a significant tax bill that was back dated. On the positive side, as our membership numbers grow, our future tax bills should be manageable and acceptable.
2. DSC forced through a huge rent increase with a demand for back payment. After arbitration we still have a significant increase in our rent but thankfully less than originally requested. We are hopeful of being able to re-negotiate a more representative and therefore more meaningful lease with DSC.
3. Our DA application for the upper deck extension has been met with some impasse but after recent meetings with council employees we are now more confident that a way forward has presented itself.
4. Our concerns about our golf club, Mossman Golf Club, are well founded as Sheraton Golf Club have made extremely attractive pricing to lure away our tradition seasonal market and our turnover figures confirm that. We are planning to investigate the possibilities to use grey water from DSC to improve the course irrigation which will definitely make our course more attractive.

The implementation of our cost saving steps has resulted in an appreciable reduction in our monthly outgoings.

1. Electricity at both our venues with huge banks of solar power panels that have led to savings of ca. \$5,000/m.
2. EFTPOS facility re-negotiations resulting in more competitive transaction fees as well as having more EFTPOS terminals.

In line with our approved annual Poker Machine replacement plan 6 new machines are being installed as well as a positive improvement regarding pay-outs where our new facility allows confidential pay out of winnings.

Remember that our member tiered rebates depend upon your loyalty to the club – the more you patronise the more rebate you receive.

We have fabulous club facilities, management and staff that do go the extra mile to ensure a pleasant experience so do continue to enjoy our special club experience.

Anthony Dickinson
President

TREASURER'S REPORT

You will have seen from the financial report that sales have been strong, however, flat with no growth in the bottom line results. Most of this problem we believe is due to substantially increased competition, we have also incurred a loss for the year although our depreciation write backs have covered this and kept our cash at hand strong.

The loss we have put down too many factors, some being one off, and others we are addressing with improving results becoming evident. On the negative side, wages have increased by 9%, poker machine takings had dropped off for the last 3 months of the reporting period, although now stabilising, and of course we had a dispute with the Council over the terms of our lease that was resolved after we called for a second valuation that upheld our objection and established a lower rent, still unfortunately, over 100% more than we had been paying and leaving us owing almost \$30000 which is now being paid back and will be finalised in December.

The biggest adjustment we have had to face was the Tax Department's assessment of \$149000 for three years income, they did waive any penalty and we entered into an agreement to pay the debt off over the next 12 months.

As a club we face far more competition than ever before with the establishment of many new operations in the last 12 months, lucky for us they don't have our position nor the members loyalty that we enjoy.

On the positive side of ledger the golf club performance has now improved, and it is being well patronised, we have even established a social club for Combined Club Members with over 30 members now playing on the first Sunday of every month, the club has all new equipment and motorised buggies. Please contact the office if you require details.

Our roof top solar panels are now paid off and Kym has contracted with a new power supplier and this should save many thousands over the next year in our power bills.

We will also be improving the furniture in the upstairs lounge in the near future which should please many of you, myself included.

Our membership as at the 30th of June stood at 5088 with over two thirds being local residents of the shire.

The bank balances as at the 30th of June

cash in hand	\$42878
cash floats	\$ 50000
Gaming account	\$ 141138
General account	\$ 220846 (loan payment redraw)

All in all, not a brilliant year, however we are seeing signs of substantial improvements in our turnover since the 30th of June and I hope to be able to give a more encouraging report next year. Please continue to use and enjoy the wonderful facilities that our club has to offer

Mal Phillips
TREASURER

GENERAL MANAGER'S REPORT

Heading into my eighth year I am still yet to find any two years alike. With taking on the Golf Club and the others issues we faced this financial year it has made it a year to remember or more should I say forget! As both the President and Treasurer have indicated in both their Reports it has been a very difficult year. However, hurdles are there for a reason and we can only jump them and go forward.

For those members who frequent social media platforms you may have noticed our reviews on TripAdvisor and Google, both good and bad. We take these reviews very seriously. However, it is very frustrating when those posting bad reviews do not give us the opportunity to rectify problem at the time. If members have a problem we hope that they bring it to our attention immediately, so we can address them. We would also appreciate when you have a great experience you use social media to let everyone know.

During the last year we lost some great staff, including our Head Chef, Dom who decided it was time to travel around Australia. At the other end we have had some great staff join us again. Frank, after some persuasion, decided to come back as our Head Chef and continue to keep up the standard set by Dom. We were also fortunate enough to have Cheryl and Cash join us again after an absence of nearly three years for a 12-month stint before settling down in Melbourne in the new year. Whilst speaking of staff I would like to take this opportunity to thank them all for their support and effort they have given over the last twelve months.

I would also like to thank you the members for supporting the Club as it would not be the Club it is now without your support. I hope that you will continue to support us to overcome the issues we have with Douglas Shire Council regarding our Development Application and Lease Review.

Kym Rowley
General Manager

Port Douglas & District Combined Clubs Inc

**BAR TRADING ACCOUNT - TIN SHED
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
SALES	1,702,864	1,668,240
	<hr/>	<hr/>
Less COST OF SALES		
Opening Stock	69,665	47,499
Purchases	687,292	704,052
Less Rebates	-38,030	-46,617
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	718,927	704,934
Closing Stock	-64,356	-69,665
	<hr/>	<hr/>
	654,571	635,269
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Gross Profit	1,048,293	1,032,971
Gross Profit % of Sales	62%	62%
Less Direct Expenses		
Gas & Bar Requisites	2,342	3,914
Repairs & Replacements	10,820	11,417
Sundry Expenses	953	4,368
Superannuation	37,395	35,341
Wages	408,058	372,847
Workcover	11,304	6,168
Payroll Tax	9,698	7,028
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	480,570	441,083
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Total Bar Trading Profit	567,723	591,888
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Port Douglas & District Combined Clubs Inc

**KITCHEN TRADING ACCOUNT - TIN SHED
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
SALES	2,281,820	2,225,884
Less COST OF SALES		
Opening Stock	11,266	18,760
Purchases	928,014	883,290
Closing Stock	<u>-15,615</u>	<u>-11,266</u>
	923,665	890,784
	<hr/>	<hr/>
Gross Profit	1,358,155	1,335,100
Gross Profit % on Sales	60%	60%
Less Direct Expenses		
Cleaning	30,334	29,739
Gas	47,964	35,493
Repairs & Replacement	42,132	42,672
Sundry Expenses	66	16
Superannuation	69,983	70,043
Wages	776,588	731,403
Workcover	8,603	15,301
Payroll Tax	<u>18,488</u>	<u>14,056</u>
	994,158	938,723
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Total Kitchen Trading Profit	<u>363,997</u>	<u>396,377</u>

Port Douglas & District Combined Clubs Inc

**GAMING TRADING ACCOUNT - TIN SHED
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Gross Proceeds		
Poker Machines	2,449,813	2,836,125
Keno	12,319	10,640
	<u>2,462,132</u>	<u>2,846,765</u>
LESS:		
Return to Players	1,623,868	1,954,023
Operating Expenses		
Audit Fees	4,000	4,000
Depreciation	102,470	76,860
Interest on Finance	11,078	11,649
Levies & Monitoring Fees	86,624	82,423
Repairs/Replacements & Sundries	1,876	42,318
State Government Taxes	145,599	153,661
Sundry Expenses	175	350
	<u>351,822</u>	<u>371,261</u>
Profit from Gaming	<u>486,442</u>	<u>521,481</u>

Port Douglas & District Combined Clubs Inc

TRADING, PROFIT & LOSS ACCOUNT - MOSSMAN GOLF CLUB
FOR THE YEAR ENDED 30 JUNE 2018

	Bar	Shop	YEAR 2018 \$ Total	4 MTHS 2017 \$
SALES - Bar & Shop	274347	30581	304,928	104,492
Less COST OF SALES				
Opening Stock	16,294	19,367	35,660	31,606
Purchases	124,231	24,697	148,928	43,232
Bar Requisites	1,002	0	1,002	2,347
	141,527	44,064	185,590	77,185
Closing Stock	-17,137	-14,087	-31,223	-35,660
	124,390	29,977	154,367	41,525
Gross Profit - Bar & Shop	149,957	604	150,561	62,967
Gross Profit % of Sales	55%	2%	49%	60%
INCOME				
Gross Profit Bar & Shop			150,561	62,967
Memberships			99,209	28,065
Green			147,234	41,430
Competition			48,173	19,103
Hire - Car/Club/Buggy			78,109	26,098
Sponsorships			2,930	511
Sundry Income			7,311	370
			533,527	178,544
Less Expenses				
Advertising			1,878	0
Bank Interest			7,634	3,043
Borrowing Costs			750	188
Chemicals & Herbicides			32,749	10,756
Cleaning & Waste Removal			10,146	1,952
Depreciation			64,083	30,225
Electricity			26,842	10,745
Fuel & Oils			14,338	7,457
Interest on Equipment			7,965	0
Licences & Fees			1,541	1,589
Printing & Stationery			1,633	270
Rental - Machinery			46,731	17,771
Rates			4,413	0
Repairs & Maintenance			42,958	22,003
Subscriptions			14,646	3,854
Sundry Expenses			0	0
Superannuation			27,980	5,752
Telephone			1,938	1,805
Trophies/Vouchers			26,878	8,035
Wages & Salaries			325,545	107,741
Workcover			4,822	2,276
Payroll Tax			7,717	2,162
Total Expenses			673,187	237,624
Loss from Golf Operations			-139,660	-59,080

Port Douglas & District Combined Clubs Inc

**PROFIT AND LOSS ACCOUNT
FOR YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Income		
Bar Trading	567,723	591,888
Kitchen Trading	363,997	396,377
Gaming Trading	486,442	521,481
Golf Club Operations	-139,660	-59,080
Membership Subscriptions	17,654	24,677
Club Merchandise & Other Activities	30,181	17,273
Donations	17,135	3,093
Interest Received	0	3,471
Total Income	1,343,472	1,499,180
Expenses		
Accountancy	13,700	6,800
Advertising	31,184	32,778
Promotions - Members	137,793	128,762
Amortisation	10,126	10,126
Audit Fees	8,000	6,000
Bad Debt	0	2,315
Bank Charges & Merchant Fees	30,500	21,485
Bank Interest	37,135	38,026
Bookkeeping	3,791	4,152
Borrowing Costs (Facility Fee)	48,746	61,507
Cleaning & Gardening	86,025	86,942
Computer Costs	12,614	8,894
Consultants	10,629	0
Depreciation	142,921	163,290
Donations	23,749	9,171
Electricity	100,822	103,669
Entertainment	47,208	57,162
Hire/Rental of Equipment	1,657	3,098
Insurance	63,235	46,265
Interest on Chattel Mortgages	3,177	9,948
Legal Costs	10,946	0
Licences, Registrations, Permits	10,980	5,242
Manager & Committee	2,632	2,991
Postage & Stationery and Office Expenses	10,978	14,040
Rates	16,164	19,080
Rent & Storage	83,396	43,705
Repairs & Maintenance	19,168	31,706
Security	1,167	852
Seminars & Training	5,079	1,683
Staff Amenities & Expenses	30,221	28,115
Subscriptions	3,556	4,697
Superannuation	21,332	16,422
Sundry Expenses	1,380	5,412
Telephone	14,178	6,965
Travelling Expenses	47,080	53,748
Uniforms	2,184	3,286
Waste Disposal	33,057	34,606
Wages & Salaries	226,086	203,815
Workcover	3,645	1,368
Payroll Tax	5,364	3,784
Total Expenses	1,361,605	1,281,707
OPERATING PROFIT	-18,133	217,473
Extra Ordinary Item		
Prior Year Rent Adjustment	-28,667	0
Non Operating Expenses		
Loss on Disposal of Assets	0	0
OPERATING PROFIT/(LOSS) FOR YEAR Before Income Tax	-46,800	217,473
Less		
Income Tax Expenses		
Current Year	10,706	0
Prior Years	-149,523	0
Net Profit/(loss) for Year After Income Tax	-185,617	217,473

PORT DOUGLAS & DISTRICT COMBINED CLUBS INC

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Revenue	2	7,208,440	7,013,554
Employee Benefits Expense		-2,000,092	-1,628,239
Depreciation and Amortisation Expense	3	-319,600	-280,501
Other Expenses		<u>-4,906,881</u>	<u>-4,887,341</u>
Current year (deficit)/surplus before income tax		-18,133	217,473
Extraordinary Items			
Prior year rental adjustment		<u>-28,667</u>	<u>0</u>
Net current year (deficit)/surplus		<u>-46,800</u>	<u>217,473</u>
Income Tax Expense			
Current Year	4	10,706	0
Relating to Prior Years	13	<u>-149,523</u>	<u>0</u>
		<u>-138,817</u>	<u>0</u>
Other Comprehensive Income After Income Tax:			
Other comprehensive income for the year, net of tax		<u>0</u>	<u>0</u>
Total comprehensive (deficit)/surplus for the year		<u>-185,617</u>	<u>217,473</u>
Total comprehensive (deficit)/surplus attributable to members of the entity		<u><u>-185,617</u></u>	<u><u>217,473</u></u>

The accompanying notes form part of these financial statements.

PORT DOUGLAS & DISTRICT COMBINED CLUBS INC

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
ASSETS			
<i>Current Assets</i>			
Cash and Cash Equivalents	5	455,079	359,282
Accounts receivable and other debtors	6	105,110	104,858
Inventories on Hand	7	111,197	116,592
Other current assets	9	<u>18,881</u>	<u>6,682</u>
Total Current Assets		690,267	587,414
<i>Non-Current Assets</i>			
Property, Plant and Equipment	8	<u>5,020,515</u>	<u>4,823,962</u>
Total Non-Current Assets		5,020,515	4,823,962
TOTAL ASSETS		5,710,782	5,411,376
LIABILITIES			
<i>Current Liabilities</i>			
Accounts payable and other payables	10	642,885	510,068
Borrowings	11	1,542,676	1,514,464
Employee provisions	12	125,836	71,405
Income tax liabilities		<u>111,357</u>	<u>0</u>
Total Current Liabilities		2,422,554	2,095,937
<i>Non-Current Liabilities</i>			
Borrowings	11	<u>344,323</u>	<u>185,917</u>
Total Non-Current Liabilities		344,323	185,917
TOTAL LIABILITIES		2,766,877	2,281,854
NET ASSETS		2,943,905	3,129,522
EQUITY			
Asset Revaluation Reserve	14	128,928	128,928
Retained Surplus	15	<u>2,814,977</u>	<u>3,000,594</u>
TOTAL EQUITY		2,943,905	3,129,522

The accompanying notes form part of these financial statements.

PORT DOUGLAS & DISTRICT COMBINED CLUBS INC

**STATEMENT IN CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	Retained Earnings	Financial Assets Reserve	Total \$
Balance at 1 July 2016		2,423,599	128,928	2,552,527
Comprehensive Income				
Net surplus for year attributable to members		217,473	0	217,473
Other comprehensive income for the year	12	0	0	0
Net Equity Received From Golf Club Merger		<u>359,522</u>	<u>0</u>	<u>359,522</u>
Balance at 30 June 2017		<u>3,000,594</u>	<u>128,928</u>	<u>3,129,522</u>
Comprehensive Income				
Net deficit (after tax) for year attributable to members		-185,617	0	-185,617
Other comprehensive income for the year		0	0	0
Balance at 30 June 2018		<u>2,814,977</u>	<u>128,928</u>	<u>2,943,905</u>

The accompanying notes form part of these financial statements.

PORT DOUGLAS & DISTRICT COMBINED CLUBS INC

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

		2018	2017
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		7,203,654	7,010,932
Payments to Suppliers		-6,682,575	-6,464,893
Interest received		0	4,190
Interest paid		-66,989	-51,017
Income tax paid		<u>-28,756</u>	<u>0</u>
Net Cash Provided By Operating Activities	17	<u>425,334</u>	<u>499,212</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-557,244	-172,015
Proceeds on sale of property, plant and equipment		<u>41,092</u>	<u>0</u>
Net Cash Used In Investing Activities		<u>-516,152</u>	<u>-172,015</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-289,385	-758,253
Proceeds from financings		<u>476,000</u>	<u>279,075</u>
Net Cash Received(Used) In Financing Activities		<u>186,615</u>	<u>-479,178</u>
Net Increase/(Decrease) In cash held		<u>95,797</u>	<u>-151,981</u>
Cash at the beginning of the financial year		<u>359,282</u>	<u>511,263</u>
CASH AT END OF THE FINANCIAL YEAR	5	<u>455,079</u>	<u>359,282</u>

The accompanying notes form part of these financial statements.

PORT DOUGLAS & DISTRICT COMBINED CLUBS INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements covers Port Douglas & District Combined Clubs Inc as an individual entity. Port Douglas & District Combined Clubs Inc as an association incorporated in Queensland under the Associations Incorporations Act 1981.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Associations Incorporations Act 1981 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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 of 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.

Accounting Policies

Income Tax

At the date of preparation of the accounts the Income Tax Assessment Act grants exemption from income tax the income of a Club established for the encouragement or promotion of sport and which is not carried on for the purpose of profit or gain for its individual members. The accounts for the year have been prepared on the basis that the club does *not* comply with these requirements and income tax expense (income) has been estimated based on the provision of the *Mutuality Principle* as provided in the Income Tax Assessment Act and Regulations.

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which temporary differences can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the club expects, at the reporting period date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Inventories on Hand

Inventories held for sale are measured at the lower of cost or net realisable value.

PORT DOUGLAS & DISTRICT COMBINED CLUBS INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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 losses.

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Plant and equipment

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

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

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

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

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Association commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to depreciation. 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 rates for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Leasehold & Freehold Improvements	2.5-10%
General Plant & Equipment	5-50%
Leased Plant & Equipment	4-30%

Financial Instruments

Employee Provisions

Provision is made for the association's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages, salaries and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value.

Cash on Hand

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

PORT DOUGLAS & DISTRICT COMBINED CLUBS INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

All revenue is stated net of the amount of goods and services tax (GST).

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 Taxation 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 Statement of Financial Position 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.

Comparative Figures

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

Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of the recognition of the liability.

Critical Accounting Estimates and Judgements

The committee members evaluate estimates and judgements incorporated into the financial report 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 association.

PORT DOUGLAS & DISTRICT COMBINED CLUBS INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
NOTE 2 - REVENUE		
<i>Sales Revenue</i>		
Sale of Goods	4,289,612	4,002,516
Rendering of Service	2,784,830	2,951,732
<i>Other Income</i>		
Contributions Members	116,863	52,742
Interest	0	3,471
Donations Received	17,135	3,093
	<u>7,208,440</u>	<u>7,013,554</u>

NOTE 3 - SURPLUS FOR THE YEAR

Profit from ordinary activities before
income tax expense has been determined after:

<i>Expenses</i>		
Cost of Sales	1,763,832	1,567,577
<i>Depreciation Non Current Assets</i>	309,474	270,375
<i>Loss on Disposal of Assets</i>	0	0
<i>Amortisation of Non-Current Assets</i>	10,126	10,126
<i>Assets Under Lease</i>		
<i>Remuneration of Auditor</i>		
Audit of Poker Machines	4,000	4,000
Accountancy & Audit Fees	17,500	12,600
Taxation Services	4,200	0

NOTE 4 - INCOME TAX EXPENSE

a) The components of tax expense comprise:
Current Year

-10,706	0
---------	---

b) The prima facie tax on current year surplus before income tax is
reconciled to the income tax as follows:

Prima facie tax payable on current year surplus/(deficit) before income tax at 27.5%	-12,870	0
Less:		
Tax effect of:		
- difference between accounting and taxable surplus	-8,396	0
- non-taxable member income arising from principle of mutuality	10,560	0
	<u>-10,706</u>	<u>0</u>
Income tax attributable to the association current year	-10,706	0

NOTE 5 - Cash On Hand

Cash in Hand	42,878	19,530
Cash Floats - Pokies, Keno & ATM	50,000	50,000
General Account - ANZ	220,846	187,346
Gaming Account - ANZ	141,138	100,345
Online Saver Account	0	3,640
MyCash Account	456	-127
Visacard Account	-239	-1,452
	<u>455,079</u>	<u>359,282</u>

The accompanying notes form part of these financial statements.

PORT DOUGLAS & DISTRICT COMBINED CLUBS INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
NOTE 6 - Accounts Receivable and Other Debtors		
Accounts Receivable	17,184	31,203
Other Debtors	1,115	13,381
Income Accrued	14,750	0
GST on acquisitions	<u>72,061</u>	<u>60,274</u>
	<u>105,110</u>	<u>104,858</u>
NOTE 7 - Inventories on Hand		
Stock on Hand - at Cost	<u>111,197</u>	<u>116,592</u>
NOTE 8 - Property, Plant and Equipment		
Combines Club		
Entitlements - Poker Machine Licences	12	178,928
Clubhouse Building & Improvements	4,341,745	4,329,931
Less accumulated depreciation	-887,131	-779,052
Kitchen Equipment, Furniture & Fittings	988,345	969,400
Less accumulated depreciation	-869,491	-845,151
Gaming Machines - at cost	1,170,211	1,012,498
Less accumulated depreciation	-793,682	-708,932
Office & Point of Sale Equipment	137,877	135,526
Less accumulated depreciation	-124,581	-114,079
Leased Assets	72,452	72,452
Less accumulated amortisation	<u>-25,056</u>	<u>-14,930</u>
	<u>4,189,617</u>	<u>4,236,589</u>
Golf Club		
Land & Golf Course	290,697	290,697
Buildings & Improvements	297,959	297,959
Less accumulated depreciation	-120,006	-112,567
Bar Equipment, Fixtures & Fittings	198,689	180,521
Less accumulated depreciation	-130,343	-120,471
Course Machinery	745,602	507,071
Less accumulated depreciation	-460,176	-467,877
Office & Other Equipment	27,055	27,055
Less accumulated depreciation	<u>-18,579</u>	<u>-15,025</u>
	<u>830,898</u>	<u>587,373</u>
Total Property, Plant and Equipment	<u>5,020,515</u>	<u>4,823,962</u>
NOTE 9 - Other Assets		
<i>Current</i>		
Prepayments	8,175	6,682
Deferred tax asset	<u>10,706</u>	<u>0</u>
	<u>18,881</u>	<u>6,682</u>

The accompanying notes form part of these financial statements.

PORT DOUGLAS & DISTRICT COMBINED CLUBS INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
NOTE 10 - Accounts Payable and Other Payables		
<i>Current</i>		
Accounts Payable	330,246	169,479
Other Creditor	5,171	12,206
Accrued Expense	3,913	0
Payg Tax Instalment	9,410	0
Payg Withholding Payable	23,793	50,918
Superannuation Payable	38,351	39,143
Deposits Held	16,712	2,150
Funds in Advance	66,457	86,358
GST on Supplies	<u>148,832</u>	<u>149,814</u>
	<u>642,885</u>	<u>510,068</u>

NOTE 11 - Borrowings

<i>Current</i>		
Chattel Mortgages	210,975	142,887
Business Loan	15,098	15,098
Commercial Bills	1,311,543	1,334,843
Lease Liabilities	<u>5,060</u>	<u>21,636</u>
	<u>1,542,676</u>	<u>1,514,464</u>
<i>Non-Current</i>		
Chattel Mortgages	262,096	88,712
Business Loan	78,406	86,008
Commercial Bills	0	0
Lease Liabilities	<u>3,821</u>	<u>11,197</u>
	<u>344,323</u>	<u>185,917</u>
Total Borrowings	<u>1,886,999</u>	<u>1,700,381</u>

Note 12 - Employee Provisions

<i>Current</i>		
Long Service Leave Entitlement	26,760	2,175
Annual Leave Entitlement	<u>98,876</u>	<u>69,230</u>
	<u>125,636</u>	<u>71,405</u>

Employee Provisions - Long Service and Annual Leave Entitlements

The provision for employee benefits represents amounts accrued for annual and long service leave.

Based on past experience, the association doesn't expect the full amount of long service and annual leave to be settled wholly within the next 12 months. However, the amount must be classified as a current liability because the association does not have an unconditional right to defer the settlement of the amount in the event employees wish to use their leave entitlements.

Note 13 - Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income). Income tax expense relating to prior years refers to income tax liability incurred in the 2018 financial year for the following financial years:

2014/15 Financial Year	\$44,187.00
2015/16 Financial year	\$69,142.80
2016/17 Financial Year	<u>\$36,193.30</u>
Total Liability Incurred	<u>\$149,523.10</u>

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.

PORT DOUGLAS & DISTRICT COMBINED CLUBS INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
NOTE 14 - Asset Revaluation Reserve		
Changes in the gaming and licencing regulations placed a value on poker machine entitlements. The club holds 24 entitlements which previously had no recorded value. These entitlements have now been valued at \$128,928 based on the average current value for poker machine licences in the 2017 year.		
NOTE 15 - Retained Profits		
Retained Surplus (Accumulated Losses) at the Beginning of the Financial Year	3,000,594	2,423,599
Net Surplus/(Loss) Attributable to Members of the Association	-185,617	217,473
Net Equity Received from Golf Club Merger	<u>0</u>	<u>359,522</u>
Retained Surplus (Accumulated Losses) at the End of the Financial Year	<u>2,814,977</u>	<u>3,000,594</u>

NOTE 16 - Events after the Balance Sheet Date

No events have occurred subsequent to balance date which require disclosure in the financial report.

NOTE 17 - Cash Flow Information

a) Reconciliation of cash		
Cash at bank and on hand	<u>455,079</u>	<u>359,282</u>
	455,079	359,282
b) Cash at 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:		
Current year (deficit)/surplus after income tax	-185,617	217,473
Adjustments for non-cash flows:		
Depreciation	309,474	270,375
Loss on Disposal of Fixed Assets	0	0
Amortisation of Leased Assets	<u>10,126</u>	<u>10,126</u>
	133,983	497,974
Increase in accounts receivable and other debtors	-14,510	-45,734
increase in prepayments	-1,493	-5,044
decrease/(increase) in inventories on hand	5,398	-50,333
increase in GST refundable	-11,786	-21,647
increase in trade and other payables	149,138	78,520
increase in employee benefits provisions	54,231	19,866
(decrease)/increase in GST payable	-984	25,610
increase in current tax liabilities	<u>111,357</u>	<u>0</u>
Net Cash provided by operating activities	<u>425,334</u>	<u>499,212</u>

The accompanying notes form part of these financial statements.

PORT DOUGLAS & DISTRICT COMBINED CLUBS INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 16 - Associations Details

The principal places of business are:

Tin Shed
7 Ashford Street
Port Douglas Qld 4877, and

Mossman Golf Club
Newell Beach Road
Mossman Qld 4873

NOTE 17 - Segment Reporting

The association operates predominantly in one business and geographical segment, being the sporting sector providing social facilities to members of the association.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PORT DOUGLAS & DISTRICT COMBINED CLUBS INC.
35 996 717 905**

Scope

We have audited the financial report of Port Douglas & District Combined Clubs Inc. for the financial year ended 30 June 2018. The Committee is responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the association's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independent

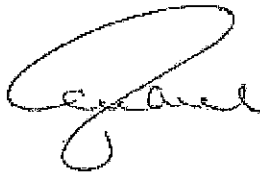
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the financial report presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia the financial position of Port Douglas & District Combined Clubs Inc. as at 30 June 2018, and the results of its operations and its cash flows for the year then ended.

Name of Firm: **SIDCOR Port Douglas Pty Ltd**
Chartered Accountants & Business Advisors

Name of Director:



Address: 10/32 Macrossan St, Port Douglas Qld 4877

Dated this 14th day of September 2018

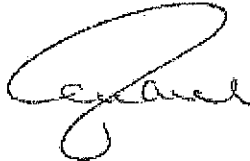
**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTOR OF
PORT DOUGLAS & DISTRICT COMBINED CLUBS INC.**

We declare that, to the best of our knowledge and belief, during the year ended 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: **SIDCOR Port Douglas Pty Ltd**
Chartered Accountants & Business Advisors

Name of Director:



Janelle Wheeler

Address: 10/32 Macrossan

Dated this 14th day of September 2018

PORT DOUGLAS & DISTRICT COMBINED CLUBS INC.
ABN 35 996 717 905

STATEMENT BY MEMBERS OF THE COMMITTEE

The committee has determined that the association is a reporting entity and that this general purpose financial statement should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial statements as set out on pages 1 to 12:

- 1 Present fairly the financial position of Port Douglas & District Combined Clubs Inc. as at 30 June 2018 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
- 2 At the date of this statement, there are reasonable grounds to believe that Port Douglas & District Combined Clubs Inc. will be able to pay its debts as and when they fall due.

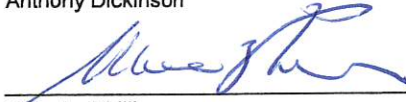
This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

President:



Anthony Dickinson

Treasurer:



Malcolm Phillips

Dated

 this day of

September 2018

PORT DOUGLAS DISTRICT COMBINED CLUBS INC.

MANAGEMENT COMMITTEE MEETINGS

ATTENDANCE REGISTER as at 20th September 2018

Name	Meetings Held	Meetings Attended
Tony Dickinson	10	9
Ian Ottaway	10	8
John Clifford	10	8
Mal Phillips	10	8
Stephen Warden	10	9
Peter Lewis	10	10
Gloria Bye	10	10

PORT DOUGLAS DISTRICT COMBINED CLUBS INC.

MEMEBERSHIP LIST

AS AT 20TH SEPTEMBER 2018

Category	Local Members	Others
Social Members	3097	1749
Fishing Members	21	0
Country Golfing	0	14
Full Golfing	104	1
Intermediate Golfing	2	0
Junior Golfing	5	0
Junior	12	0
Senior Golfing	55	38
Life	3	2
TOTAL - 5103	3299	1804