

# EUMUNDI COMBINED COMMUNITY ORGANISATION LIMITED

Financial Statements

For the year ending 30 June, 2015

**MICHAEL R PALMER C.A**

Registered Auditor

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GYMPIE 4570

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## Financial Report for the Year Ended 30 June 2015

### DIRECTORS' REPORT

The Directors of Eumundi Combined Community Organisation Ltd present this report on the entity for the period ended 30 June 2015.

#### Directors

The names of each person who have been a Director during the year and to the date of this report are:

Terry Lawrence	appointed	27/10/2012
Barrie Adams	appointed	01/07/2010
Louise Formosa	appointed	12/08/2015
Paul Curtis	appointed	14/11/2014
Donata Page	appointed	25/10/2014
Caroline Dolan	appointed	15/06/2015

Directors have been in office since the 1<sup>st</sup> July, 2014 to the date of this report unless otherwise stated.

#### Company Secretary

The following person held the position of Secretary at the end of the financial year:

Barrie Adams

#### Operating Results

The loss of the entity amounted to \$13114 (LY \$66256)

#### Dividends Paid or Recommended

ECCO is a company limited by guarantee and has no shareholders or shares; therefore no dividends can be paid or recommended.

#### Principal Activities

##### ECCO Objects

The objects of the Company are to:

- a) support projects that benefit the town of Eumundi and its surrounding areas, including but not limited to projects that enhance:
  - i) community spirit and enjoyment;
  - ii) community amenities;
  - iii) community wellbeing and sustainability;
  - iv) charitable purposes;
  - v) cultural purposes;
  - vi) historical purposes; and
  - vii) benevolent purposes.
- b) promote and encourage tourism and business opportunities that enhance the town of Eumundi and its surrounding areas;
- c) acquire and operate community activities including but not limited to a community market car park for the general benefit of the town of Eumundi and its surrounding areas and to assist the Company in achieving its objects generally;

*and to do all acts and things as may be deemed reasonably necessary or incidental to the achievement of similar objects.*

## **DIRECTORS' REPORT**

To implement the company's objects, the objectives detailed below are utilised in operating the business of the company:

### **Short - term Objectives**

1. To improve the current financial controls and operational management of the company in order to maximise the company's ability to continue to return funds into the community for the support of local community activities
  2. Maintain good governance
  3. Seek further opportunities and continue to provide in kind support to community activities
  4. Maintain and expand the car parking facilities of the Eumundi Township in support of the main community activities of the markets and businesses of Eumundi
  5. To improve and provide RV parking facilities for the tourists coming to Eumundi who share and visit and add to the cultural pursuits of the township
  6. Improve and maintain a safe working place for the company's employees and contractors and a safe environment for visitors and the community
- To maintain communication and provision of promotion material for the Eumundi district through The Green

### **Long – term Objectives**

1. To ensure the effective profitable operation of the Company
2. Develop the company brand "The Green" and "Experience Eumundi" brand
3. Seek other opportunities to enhance the facilities for Tourism within the Cultural realms of the Township
4. Work with stakeholders to achieve 7 day business sustainability for the Township

### **Strategy for achieving short and long –term objectives**

1. Implement and improve technology solutions within its systems
2. Review current policies and procedures and update if necessary
3. Review the operations annually and implement human resource and succession plans
4. Ensure that adequate financial resources are available through grants and retention of profits
5. Work with all stakeholders to achieve marketing and economic development strategies

### **Significant Changes in the State of affairs**

There were no significant changes in the state of affairs during the year ended 30 June 2015

### **Events subsequent to reporting date**

There are no matters or circumstances that have arisen since the end of the financial year and the date of this report

### **Environmental Regulation**

The operations of the company are not subject to significant environmental regulation under Commonwealth, State or Territory legislation.

## DIRECTORS' REPORT

### Directors meeting attendances

Adrian Combes (resigned 8/8/2015)	(5)
Barrie Adams	(6)
Caroline Dolan (appointed 15/6/2015)	(1)
Donata Page	(6)
Louise Formosa (appointed 8/8/2015)	(0)
Michael Arnett (resigned 23/5/2015)	(3)
Paul Curtis	(4)
Terry Lawrence	(6)
Louis Formosa (retired 14/11/2014)	(2)
Robert John McCallum (retired 14/11/2014)	(1)

### Contribution to winding up

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 \$100 each towards meeting any outstanding obligations of the entity.

At 30 June 2015 the total amount that members of the company are liable if the company wound up is \$nil.



Barrie Adams (Director)



Terry Lawrence (Director)

Dated this

28th

day of

October

2015

### Auditors Independent Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 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.

Signed:



Name of Firm: Michael R Palmer

Name of Auditor: Michael Ronald Palmer

Date:

Address : 22 Young Street, Gympie Qld 4570

# EUMUNDI COMBINED COMMUNITY ORGANISATION LIMITED

## INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Revenue	2	618036	986594
Other income	2	<u>25433</u>	<u>39821</u>
<b>Total Income</b>		643459	1026415
<b>Expenditure</b>			
Employee / Volunteers expense	3	343672	574101
Depreciation and amortisation	3	13078	9464
Direct costs Eumundi Green		112587	78308
Direct costs Medical Centre		0	5650
Promotion and Public relations including Web		41801	76616
Repairs, maintenance and improvement		27982	36317
Insurance		8241	20706
Rental expense		27361	47670
Audit, legal and ASIC fees		39691	54127
Administration expenses		20918	37997
Bad Debts		738	3498
Projects		8205	6050
Shuttle bus expense and hire		<u>12298</u>	<u>9655</u>
<b>Total expenditure</b>		656573	960158
(Loss) Profit before income tax	3	(13114)	66257
Income tax expense		0	0
<b>(Loss) Profit after income tax</b>		<u>(13114)</u>	<u>66257</u>

The accompanying notes form part of these financial statements.

# EUMUNDI COMBINED COMMUNITY ORGANISATION LIMITED

## BALANCE SHEET AS AT 30 JUNE 2014

	Note	2015	2014
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	170663	288538
Trade and other receivables	5	13243	11850
Inventories	6		
Financial assets	8		
Other assets	7		
<b>TOTAL CURRENT ASSETS</b>		<u>183906</u>	<u>300388</u>
<b>NON-CURRENT ASSETS</b>			
Financial assets	8		
Property, plant and equipment	9	310952	190988
Intangible assets	10	42759	24429
<b>TOTAL NON-CURRENT ASSETS</b>		<u>353711</u>	<u>215417</u>
<b>TOTAL ASSETS</b>		<u>537617</u>	<u>515805</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	37205	2254
Borrowings	12		
Short-term provisions	13		
<b>TOTAL CURRENT LIABILITIES</b>		<u>37205</u>	<u>2254</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	12		
Long-term provisions	13		
<b>TOTAL NON-CURRENT LIABILITIES</b>			
<b>TOTAL LIABILITIES</b>		<u>37205</u>	<u>2254</u>
<b>NET ASSETS</b>		<u>500412</u>	<u>513551</u>
<b>EQUITY</b>			
Retained Earnings		460412	473551
Reserves		40000	40000
<b>TOTAL EQUITY</b>		<u>500412</u>	<u>513551</u>

The accompanying notes form part of these financial statements

EUMUNDI COMBINED COMMUNITY ORGANISATION LIMITED

	Retained Earnings	Asset Revaluation Reserve	Financial Assets Reserve	Total
	\$	\$	\$	\$
<b>Balance at 1<sup>st</sup> July 2014</b>	473551	40000		513551
Profit attributable to the entity	(13114)			(13114)
Revaluation increment				
<b>Balance at 30 June 2015</b>	460437	40000		500437
Prior year adjustment	(25)			(25)
Transfer on sale of asset				
Revaluation decrement – financial assets				
<b>Balance at 30 June 2015</b>	460412	40000		500412

The accompanying notes form part of these financial statements.



# EUMUNDI COMBINED COMMUNITY ORGANISATION LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Note	2015 \$	2014 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipt of grants			
Other receipts		637072	1010001
Payments to suppliers and employees		(608569)	(982117)
Interest received		4993	5084
Dividends received			
Finance costs			
Net cash generated from operating activities	18	33496	32968
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Legal and professional costs Terraces		(22800)	0
Proceeds from sale of fixed assets		0	59500
Payment for Equipment (net of Disposals)		(128571)	(165274)
Payment for Web design		0	(4470)
Net cash used in investing activities		(151371)	(110244)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of Loans			
Loans received			
Net cash used in financing activities		0	0
Net increase in cash held		(117875)	(77276)
Cash at beginning of the financial year		288538	365814
Cash at the end of the financial year	4	170663	288538

The accompanying notes form part of these financial statements.

EUMUNDI COMBINED COMMUNITY ORGANISATION  
LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 JUNE 2015

**1 Nature of operations**

The principal activity is to provide car parking services to the Eumundi Markets and advertising promotional activities for the township of Eumundi and its surrounding areas to enhance the Tourism and Cultural aspects of the location.

**2 General information and statement of compliance**

The special purpose financial statements of the entity have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the Entity applying not-for-profit specific requirements contained in the Australian Accounting Standards.

Eumundi Combined Community Organisation Ltd is a public company limited by guarantee incorporated and domiciled in Australia. The address of its registered office and its principal place of business See note 20.

The financial statements for the year ended 30 June 2015 were approved and authorised for issue by the board of directors on 26 October 2015.

### **3 Changes in accounting policies**

#### **3.1 New and amended standards adopted by the Entity**

##### **AASB 2010-8 Amendments to Australian Accounting Standard – Deferred Tax: Recovery of Underlying Assets (Applies to annual reporting periods beginning on or after 1 January 2012)<sup>1</sup>**

AASB 2010-8 provides clarification on the determination of deferred tax assets and deferred tax liabilities when investment property is measured using the fair value model in AASB 140 *Investment Property*. It introduces a rebuttable presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model where the objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

AASB 2010-8 also includes the requirement that the measurement of deferred tax assets and deferred tax liabilities on non-depreciable assets measured using the revaluation model in AASB 116 *Property, Plant and Equipment* should always be based on recovery through sale.

These amendments have had no impact on the Entity.

##### **AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (Applies annual reporting periods beginning on or after 1 July 2012)**

AASB 2011-9 requires entities to Entity items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently, and changes the title of 'statement of comprehensive income' to 'statement of profit or loss and other comprehensive income'.

The adoption of the new and revised Australian Accounting Standards and Interpretations has had no significant impact on the Entity's accounting policies or the amounts reported during the current half-year period. The adoption of AASB 2011-9 has resulted in changes to the Entity's presentation of its financial statements.

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<sup>1</sup>

## **4 Summary of accounting policies**

### **4.1 Overall considerations**

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below<sup>2</sup>.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

### **4.2 Revenue**

Revenue comprises revenue from the car parking activities, advertising and promotion activities, and in the period until sale revenue from the management of the local medical practice. Revenue from major products and services is shown in Note 2.

Revenue is measured by reference to the fair value of consideration received or receivable by the Entity for goods supplied and services provided, excluding sales taxes, rebates, and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Entity's different activities have been met. Details of the activity-specific recognition criteria are described below.

**Sale of goods**

Revenue from the sale of goods where applicable comprises revenue earned from the sale of goods donated and purchased for resale. Sales revenue is recognised when the control of goods passes to the customer.

**Client contributions**

Fees charged for care or services provided to clients are recognised when the service is provided.

**Donations and Bequests**

Donations collected, including cash and goods for resale, are recognised as revenue when the Entity gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the Entity becomes legally entitled to the shares or property.

**Interest and dividend income**

Interest income is recognised on an accrual basis using the effective interest method. Dividend income are recognised at the time the right to receive payment is established.

**4.4 Operating expenses**

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

#### **4.5 Intangible assets Recognition of other intangible assets**

##### **Acquired intangible assets**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software.

##### **Subsequent measurement**

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 4.8. The following useful lives are applied:

- Software: 3-5 years

Amortisation has been included within depreciation and amortisation.

Subsequent expenditures on the maintenance of computer software and brand names are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

#### **4.6 Property, plant and equipment Land**

Land held for use in production or administration is stated at re-valued amounts. Re-valued amounts are fair market values based on appraisals prepared by external professional valuers once every two years or more frequently if market factors indicate a material change in fair value.

Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

As no finite useful life for land can be determined, related carrying amounts are not depreciated.

##### **Buildings, plant and other equipment**

Buildings, plant and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Entity's management.

Buildings, plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, plant and other equipment. The following useful lives are applied:

- Buildings: 25-50 years
- Plant and equipment: 3-10 years
- Leasehold improvements: life of lease
- Computer hardware: 3 – 7 years
- Motor vehicles: 4-10 years
- Office equipment: 3 – 13 years.

In the case of leasehold property, expected useful lives are determined by reference to comparable owned assets or over the term of the lease, if shorter.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

#### **4.7 Leases Operating leases**

Where the Entity is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

#### **4.8 Impairment testing of intangible assets and property, plant and equipment**

For impairment assessment purposes, assets are entered at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Entity at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Entity's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Entity's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each

cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

#### **4.9 Financial Instruments**

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

##### **Classification and subsequent measurement of financial assets**

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at fair value through profit or loss (FVTPL)
- held-to-maturity (HTM) investments
- available-for-sale (AFS) financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or an Entity of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.



**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Entity's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in Entity's, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified Entity.

**Financial assets at FVTPL**

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

**HTM investments**

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Entity has the intention and ability to hold them until maturity. The Entity currently holds long term deposits designated into this category.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

**AFS financial assets**

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Entity's AFS financial assets include listed securities.

All AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within 'revenue'.

Reversals of impairment losses are recognised in other comprehensive income, except for financial assets that are debt securities which are recognised in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

#### **Classification and subsequent measurement of financial liabilities**

The Entity's financial liabilities do not include borrowings and trade and other payable.

#### **4.10 Inventories**

Inventories comprises goods for resale and goods for distribution at no or nominal consideration as part of the Entity's charitable activities. Inventories may be purchased or received by way of donation.

##### **Goods for resale**

Inventories of goods for resale are valued at the lower of cost and net realisable value. No value is ascribed to goods for resale that have been donated to the Entity where fair value cannot be reliably determined. Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

##### **Goods held for distribution**

Donated goods and goods purchased for nominal consideration held for distribution are initially recognised at their current replacement cost at date of acquisition. Inventories of goods purchased and held for distribution are initially recognised at cost. The cost of bringing each product to its present location and condition is determined on a first-in, first-out basis.

#### **4.11 Income taxes**

No provision for income tax has been raised as the Entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

#### **4.12 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **4.13 Reserves**

Other components of equity include the following:

- Revaluation reserve - comprises gains and losses from the revaluation of land if applicable (see Note 4.6)
- AFS financial assets reserves – comprises gains and losses relating to these types of financial instruments if applicable (see Note 4.9)

Retained earnings include all current and prior period retained profits.

#### **4.14 Post-employment benefits and short-term employee benefits**

The Entity provides post-employment benefits through normal superannuation funds.

##### **Defined contribution plans**

##### **Short-term employee benefits**

Short-term employee benefits, including annual leave entitlement, are current liabilities included in employee benefits, measured at the undiscounted amount that the Entity expects to pay as a result of the unused entitlement.

##### **Long-term employee benefits**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy the vesting requirements. Those cash outflows are discounted using the market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

#### **4.15 Provisions, contingent liabilities and contingent assets**

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Entity can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

#### **4.16 Deferred income**

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current.

#### **4.17 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 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 statement of financial position are shown inclusive of GST.

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

#### **4.18 Economic Dependence**

The Entity is dependent upon the ongoing receipt of Federal and State government grants and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue.

#### **4.19 Significant management judgement in applying accounting policies**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

##### **Estimation uncertainty**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

##### **Impairment**

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

##### **Useful lives of depreciable assets**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

##### **Inventories**

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

##### **Long Service Leave**

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

**NOTE 2: REVENUE AND OTHER INCOME**

	2015	2014
	\$	\$
<b>Revenue</b>		
<i>Revenue from Operations</i>		
— Car Parking Services	495104	519985
Medical Centre Income	-2500	320906
Advertising newspaper services	125432	145703
	<u>618036</u>	<u>986594</u>
<i>Other revenue</i>		
— Donations and Sponsorship	20430	19147
— Profit on sale of Medical Centre interest received	0	15590
	<u>4993</u>	<u>5084</u>
	<u>25433</u>	<u>39821</u>
<b>Total Revenue</b>	<u>643459</u>	<u>1026415</u>

**NOTE 3: PROFIT FOR THE YEAR**

	2015	2014
	\$	\$
<b>a. Expenses</b>		
Depreciation and Amortisation		
— Leasehold Improvements	2149	2149
Shuttle Bus	3523	4336
RV facilities	6256	0
Portable Building	630	
— Office Equipment/Medical Centre	520	159
— Boom Gates	0	2820
Total Depreciation and Amortisation	<u>13078</u>	<u>9464</u>
Employee/ Volunteers/ Contractors		
Contractors	178665	243478
Volunteers	55048	55833
Employees	100688	253518
Superannuation	<u>9271</u>	<u>21272</u>
Employee / Volunteer /Contractor Expense	<u>343672</u>	<u>574101</u>
Rental expense on operating leases		
— minimum lease payments	27361	47570
— contingent rentals		
Auditor Remuneration		
— audit services	2273	3600
— other services		
Total Audit Remuneration	<u>2273</u>	<u>3600</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

**NOTE 2: REVENUE AND OTHER INCOME**

2015	2014
\$	\$

**NOTE 4: CASH AND CASH EQUIVALENTS**

	2015	2014
	\$	\$
CURRENT		
Cash at bank	170663	288538
Cash on hand	0	0
Total Cash equivalents	<u>170663</u>	<u>288538</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

**NOTE 5: TRADE AND OTHER RECEIVABLES**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Accounts receivable	13243	11850

**NOTE 6: INVENTORIES**

The Company does not maintain any inventories

**NOTE 7: OTHER ASSETS**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Accrued income	0	0
Prepayments	0	0
	<u>0</u>	<u>0</u>

**NOTE 8: FINANCIAL ASSETS**

	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
<b>CURRENT</b>			
Financial assets at fair value through profit or loss		0	0
<b>NON-CURRENT</b>			
Available-for-sale financial assets		0	0
Held-to-maturity financial assets		0	0
		<u>0</u>	<u>0</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	2015	2014
	\$	\$
<b>LAND AND BUILDINGS</b>		
Streetscaping and Park:	16396	0
At fair value		
Total Land		
Buildings at cost	275283	158787
Less accumulated depreciation	6736	0
Total Buildings	268547	158787
Total Land and Buildings	284943	158787
<b>PLANT AND EQUIPMENT</b>		
Plant and equipment		
At cost	54473	54473
Less accumulated amortisation	(43730)	(41061)
	10743	13412
Total plant and equipment	10743	13412
<b>MOTOR VEHICLES</b>		
Motor vehicles at cost	48439	48439
Less Accumulated amortisation	(33173)	(29650)
	15266	18789
Total property and plant	310952	190988

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Land and Buildings	Motor Vehicles	Furniture and Equipment	Total
	\$	\$	\$	\$
<b>2015</b>				
Balance at the beginning of the year	158787	18790	13411	190988
Additions at cost	133042		0	133042
Additions at fair value				
Disposals				
Amortisation expense	(6886)	(3524)	(2668)	(13078)
Carrying amount at end of year	284943	15266	10743	310952



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

2015	2014
\$	\$

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

**NOTE 10: INTANGIBLE ASSET**

	2015	2014
	\$	\$
Company formation Costs	2459	2459
Payments to Legal firm re Terraces	22800	0
Web Design	0	4470
Goodwill Eumundi Green	17500	17500
Net carrying value	42759	24429

**NOTE 11: TRADE AND OTHER PAYABLES**

Amount owing to taxation Department and Superannuation	14315	-6952
Accounts payable	22890	9206
	37205	2254

**NOTE 12: BORROWINGS**

The Company has no borrowings

**NOTE 13: PROVISIONS**

The Company has no Short term provisions

**NOTE 14: CAPITAL AND LEASING COMMITMENTS**

	2015	2014
	\$	\$
<b>a. Finance Lease Commitments</b>		
Payable — minimum lease payments		
— not later than 12 months	0	0
— later than 12 months but not later than 5 years	0	0
— greater than 5 years	0	0
Minimum lease payments	0	0
Less future finance charges	0	0
Present value of minimum lease payments	0	0
<b>b. Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable — minimum lease payments		
— not later than 12 months		
— later than 12 months but not later than 5 years		
— greater than 5 years		

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### NOTE 15: CONTINGENT LIABILITIES AND ASSETS

The Company has no known contingent liabilities or assets

### NOTE 16: EVENTS AFTER THE BALANCE DATE

There has been no events after balance date that affect the accounts

### NOTE 17: RELATED PARTY TRANSACTIONS

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

### NOTE 18: CASH FLOW INFORMATION

	Note	2015 \$	2014 \$
a. <b>Reconciliation of Cash</b>			
Cash at bank		170663	288538
Other cash		0	0
	4	<u>170663</u>	<u>288538</u>
b. <b>Reconciliation of Cash flow from Operations with Profit after Income Tax</b>			
Profit after income tax		(13114)	66257
Non cash flows			
Depreciation and amortisation		13078	9464
Impairment of receivables		0	0
Book Profit on sale of business		0	(15589)
Changes in assets and liabilities			
(Increase)/decrease in trade and other receivables		(1393)	4267
Increase/(decrease) in trade and other payables		<u>34925</u>	<u>(31431)</u>
		<u>33496</u>	<u>32968</u>

### NOTE 19: FINANCIAL RISK MANAGEMENT

The Company as no financial instruments

### NOTE 20: ENTITY DETAILS

The registered office of the entity is:

139 Wust Road Doonan Qld 4562

The principal place of business is:

1-8 Napier Street Eumundi Queensland 4562

**NOTE 19: FINANCIAL RISK MANAGEMENT****NOTE 21: MEMBERS' GUARANTEE**

The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding and obligations of the entity. At 30 June 2015 the number of members was three

## EUMUNDI COMBINED COMMUNITY ORGANISATION LIMITED

### DIRECTORS' DECLARATION

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 1 to 26, are in accordance with the *Corporations Act 2001*:
  - a. comply with Australian Accounting Standards; and
  - b. give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the entity 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.



Barrie Adams as (Director)

Dated this 28th day of October 2015

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
EUMUNDI COMBINED COMMUNITY ORGANISATION LIMITED**

We have audited the accompanying financial report of EUMUNDI COMBINED COMMUNITY ORGANISATION LIMITED which comprises the balance sheet as at 30 June 2015 and the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

**The Responsibility of the Directors 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 (including the 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.

**Auditor's 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 auditor's 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 auditor considers 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 EUMUNDI COMBINED COMMUNITY ORGANISATION LIMITED

on 14 September, would be in the same terms if provided to the directors as at the date of this auditor's report.

**Auditors Opinion**

In our opinion, the financial report presents fairly, in all material respects, the financial position of EUMUNDI COMBINED COMMUNITY ORGANISATION LIMITED

as of 30 June 2015, and its financial performance and cash flows for the year then ended in accordance with the *Corporations Act 2001* and the Australian Accounting Standards (including Australian Accounting Interpretations).

Signature of Auditor:



Name of auditor: MICHAEL RONALD PALMER

Auditors Registration Number: 3437

Name of firm: MICHAEL R PALMER

Address: 22 YOUNG STREET, GYMPIE QLD 4570

Dated this Sixteenth day of October 2015