

Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Financial Statements

For the Year Ended 31 May 2016

Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

For the Year Ended 31 May 2016

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Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Independent Audit Report to the members of Barham & District Services Memorial Club Ltd

Report on the Financial Report

We have audited the accompanying financial report of Barham & District Services Memorial Club Ltd, which comprises the balance sheet as at 31 May 2016, and the income statement, statement of changes in equity and statement of cash flows for the year ended that date a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the Barham & District Services Memorial Club Ltd and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (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 judgement, 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 company'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.

Barham & District Services Memorial Club Ltd

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Independent Audit Report to the members of Barham & District Services Memorial Club Ltd

Independence

In conducting our review, 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 Barham & District Services Memorial Club Ltd on 1st August 2016, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion the financial report of Barham & District Services Memorial 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 May 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Brian McCleary & Co
Chartered Accountants

Brian McCleary (RCA665)
Deniliquin

24th August 2016

Barham & District Services Memorial Club Ltd

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Directors' Report

31 May 2016

Your directors present their report on the company and its controlled entities for the financial year ended 31 May 2016.

1. General information

(a) Directors

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

Names

Keith McDougall	
Bruce Venn	
Ian Bennett	
Douglas Carter	
Christine Dartnell	(appointed 7 th October 2015)
Ian Ellis	
Graeme Hare	(appointed 7 th October 2015)
Andrew Hollingworth	(resigned 7 th October 2015)
Ruth Morpeth	
Karen Pasco	(resigned 1 st February 2016)
Adrian Peel	(resigned 7 th October 2015)

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

(b) Principal Activities

The principal activities of the Group during the financial year were that of a NSW Registered Club.

No significant change in the nature of these activities occurred during the year.

(c) Company Secretary

The following persons held the position of company secretary during the financial year:

Michael Alexander

2. Business review

(a) Operating Results

The consolidated profit of the Group after providing for income tax and eliminating minority equity interests amounted to \$604,297 (prior year \$749,622).

(b) Dividends paid or declared

The constitution of this company prohibits the payment of dividends.

Barham & District Services Memorial Club Ltd

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Directors' Report

31 May 2016

3. Other items

(a) After balance day events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

(b) Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 32.

(c) Significant Changes in State of Affairs

No significant changes in the Group's state of affairs occurred during the financial year.

(d) Meetings of Directors

15 meetings of directors were held during the year. The attendance by each director during the year was as follows:

	Directors' Meeting		Special Meeting	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Keith McDougall	12	11	5	5
Bruce Venn	12	11	5	5
Ian Bennett	12	10	5	5
Douglas Carter	12	12	5	5
Christine Dartnell	7	7	3	3
Ian Ellis	12	12	5	5
Graeme Hare	7	7	3	3
Andrew Hollingworth	5	4	2	2
Ruth Morpeth	12	11	5	5
Karen Pasco	8	8	3	3
Adrian Peel	5	2	2	2

4. Remuneration Report

(a) Remuneration Report

This report details the nature and amount of remuneration for each director of Barham & District Services Memorial Club Ltd.

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Directors' Report

31 May 2016

4. Remuneration Report continued

(b) Details of remuneration for year ended 31 May 2016

The remuneration for each director of the Group during the year was as follows:

	Directors fees \$
Directors	
Keith McDougall	8,000
Bruce Venn	4,000
Ian Bennett	4,000
Douglas Carter	4,000
Christine Dartnell	2,667
Ian Ellis	4,000
Graeme Hare	2,677
Andrew Hollingworth	1,333
Ruth Morpeth	4,000
Karen Pasco	2,667
Adrian Peel	1,333
	<hr/> <hr/> 38,677

Barham & District Services Memorial Club Ltd

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Directors' Report

31 May 2016

5. Indemnifying Officers or Auditors

(a) Indemnities

During or since the end of the financial year the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

(b) Insurance premiums paid for directors

The company has paid premiums to insure each of its directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.

6. Proceedings on Behalf of Company

(a) No Leave or proceedings

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

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

Director:

Keith McDougall

Director:

Bruce Venn

Dated this 24th day of August 2016

Barham & District Services Memorial Club Ltd

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Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 8 to 32, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 May 2016 and of the performance for the year ended on that date of the company and consolidated group.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director
Keith McDougall

Director
Bruce Venn

Dated 24th August 2016

Barham & District Services Memorial Club Ltd

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Comprehensive Income Statement

For the Year Ended 31 May 2016

	Note	Consolidated		Parent	
		2016	2015	2016	2015
		\$	\$	\$	\$
Sales revenue	2	3,604,887	3,505,940	3,099,243	3,048,282
Cost of sales		(1,117,796)	(1,151,666)	(1,099,230)	(1,135,423)
Gross profit		2,487,091	2,354,274	2,000,013	1,912,859
Other revenues	2	6,468,105	6,766,873	6,623,667	6,918,832
Marketing expenses		(438,642)	(518,523)	(429,839)	(511,293)
Occupancy expenses		(518,894)	(598,696)	(478,397)	(555,020)
Administration expenses		(169,342)	(169,863)	(152,512)	(153,170)
Depreciation & impairments		(827,680)	(813,353)	(808,691)	(783,804)
Employee benefits expense		(3,308,396)	(3,164,873)	(3,308,396)	(3,164,873)
Members expenses		(271,499)	(172,170)	(271,499)	(172,170)
Donations & sponsorships		(88,088)	(99,614)	(88,088)	(99,514)
Other expenses		(2,728,358)	(2,834,433)	(2,502,044)	(2,636,283)
Profit attributable to members		604,297	749,622	584,214	755,564

Barham & District Services Memorial Club Ltd

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Balance Sheet

31 May 2016

	Note	Consolidated		Parent	
		2016 \$	2015 \$	2016 \$	2015 \$
ASSETS					
Current assets					
Cash and cash equivalents	4	3,416,012	3,839,799	3,167,263	3,706,464
Trade and other receivables	5	27,655	23,623	26,087	22,784
Inventories	6	144,865	141,468	144,865	141,468
Other current assets	9	35,338	29,632	35,338	29,632
Total current assets		3,623,870	4,034,522	3,373,553	3,900,348
Non-current assets					
Trade and other receivables	5	-	-	2,020,787	1,959,434
Property, plant and equipment	7	24,904,720	24,158,077	22,708,862	21,949,942
Intangible assets	8	607,000	437,000	595,000	425,000
Total non-current assets		25,511,720	24,595,077	25,324,649	24,334,376
TOTAL ASSETS		29,135,590	28,629,599	28,698,202	28,234,724
LIABILITIES					
Current liabilities					
Trade and other payables	10	844,873	997,563	792,773	967,793
Financial liabilities	11	5,697	2,235	5,697	2,235
Short-term provisions	12	307,043	317,331	307,043	317,331
Other current liabilities	13	131,546	136,041	131,446	136,041
Total current liabilities		1,289,159	1,453,170	1,236,959	1,423,400
Non-current liabilities					
Long-term payables	10	-	36,376	-	36,376
Long-term provisions	12	130,156	147,543	130,156	147,543
Total non-current liabilities		130,156	183,919	130,156	183,919
TOTAL LIABILITIES		1,419,315	1,637,089	1,367,115	1,607,319
NET ASSETS		27,716,275	26,992,510	27,331,087	26,627,405
EQUITY					
Reserves		5,835,772	5,716,302	5,428,756	5,309,286
Retained earnings		21,880,503	21,276,208	21,902,331	21,318,119
TOTAL EQUITY		27,716,275	26,992,510	27,331,087	26,627,405

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Statement of Changes in Equity

For the Year Ended 31 May 2016

2016		Retained Earnings	Parent Asset Revaluation Reserve	Total
	Note	\$	\$	\$
Balance at 1 June 2015		21,318,119	5,309,286	26,627,405
Profit attributable to members		584,214	-	584,214
Revaluation increment /(decrement)			119,468	119,468
Sub-total		584,214	119,468	703,682
Balance at 31 May 2016		21,902,333	5,428,754	27,331,087

2015		Retained Earnings	Parent Asset Revaluation Reserve	Total
	Note	\$	\$	\$
Balance at 1 June 2014		20,562,555	5,192,648	25,755,203
Profit attributable to members		755,564	-	755,564
Revaluation increment /(decrement)			116,638	116,638
Sub-total		755,564	116,638	872,202
Balance at 31 May 2015		21,318,119	5,309,286	26,627,405

2016		Retained Earnings	Consolidated Asset Revaluation Reserve	Total
	Note	\$	\$	\$
Balance at 1 June 2015		21,276,208	5,716,302	26,992,510
Profit attributable to members		604,297	-	604,297
Revaluation increment /(decrement)			119,468	119,468
Sub-total		604,297	119,468	723,765
Balance at 31 May 2016		21,880,505	5,835,770	27,716,275

2015		Retained Earnings	Consolidated Asset Revaluation Reserve	Total
	Note	\$	\$	\$
Balance at 1 June 2014		20,551,492	5,509,452	26,060,944
Profit attributable to members		749,622	-	749,622
Prior Year Adj - Depreciation & Revaluation		(24,907)	90,213	65,306
Revaluation increment /(decrement)			116,638	116,638
Sub-total		724,715	206,851	931,566
Balance at 31 May 2015		21,276,207	5,716,303	26,992,510

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Statement of Cash Flows

For the Year Ended 31 May 2016

	Note	Consolidated		Parent	
		2016 \$	2015 \$	2016 \$	2015 \$
Cash from operating activities:					
Receipts from customers		9,963,863	10,204,477	9,458,948	9,747,327
Payments to suppliers and employees		(8,867,892)	(9,064,190)	(8,579,312)	(8,778,667)
Interest received		71,159	75,871	71,045	72,076
Rent Received		23,204	21,791	23,204	21,791
Other receipts		-	-	155,676	155,013
Net cash provided by (used in) operating activities	14	1,190,334	1,237,949	1,129,561	1,217,540
Cash flows from investing activities:					
Proceeds from sale of plant and		261,314	69,137	261,314	69,137
Acquisition of property, plant and		(1,875,435)	(857,571)	(1,868,723)	(848,787)
Loans to related parties		-	-	(61,353)	52,506
Net cash provided by (used in) investing activities		(1,614,121)	(788,434)	(1,668,762)	(727,144)
Net increase (decreases) in cash held		(423,787)	449,515	(539,201)	490,396
Cash at beginning of financial year		3,839,799	3,390,284	3,706,464	3,216,068
Cash at end of financial year	4	3,416,012	3,839,799	3,167,263	3,706,464

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2016

1 Statement of Significant Accounting Policies

(a) General information

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the economic entity of Barham & District Services Memorial Club Ltd as an individual parent entity and Barham & District Services Memorial Club Ltd and the controlled entity as an economic entity. Barham & District Services Memorial Club Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report of Barham & District Services Memorial Club Ltd and the controlled entity and Barham & District Services Memorial Club Ltd as an individual parent entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(b) Basis of Preparation

The financial statements have been prepared on a going concern basis that contemplates continuity of normal business activities.

- a. Working Capital Surplus 2,334,711 (2015 - 2,581,352 surplus)
- b. Cash from Operations 1,190,334 surplus (2015 – 1,237,949 surplus)

(c) Comparative Figures

Where appropriate comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(d) Property, Plant and Equipment

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Low value pool assets are depreciated on the diminishing value basis in accordance with Div 40 ITAA1997.

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

Class of Fixed Asset

Buildings	0%
Plant and Equipment	5-20%
Furniture, Fixtures and Fittings	5-20%
Low Value Asset Pool	37.5%

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2016

1 Statement of Significant Accounting Policies continued

(d) Property, Plant and Equipment continued

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on cost basis. In a change in policy for 2015, the cost of poker machines were recognised net of any discounts or trade-ins. This change in policy resulted in a reduction in Net Profit of \$51,613 (2015).

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least every five years, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

A valuation of Land Buildings and Intangibles was conducted in May 2013 and the change in values reflected in the May 2013 Financial Statements.

(e) Inventories

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

(f) Financial Instruments

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Fair value

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

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2016

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Held-to-maturity investments

These investments have fixed maturities, and it is the Group's intention to hold these investments to maturity. Any held-to-maturity investments held by the Group are stated at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the Group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

(g) Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investment in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Poker Machine Entitlements

The company holds 181 poker machine entitlements. These entitlements were granted to the company at no cost by the NSW government prior to June 1 2004. The entitlements can be sold should the company decide to reduce or cease its poker machine activities. The company cannot record these initial poker machine entitlements in the financial report as there was no purchase price paid on acquisition.

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Notes to the Financial Statements

For the Year Ended 31 May 2016

Water entitlements

The company holds water entitlements of 635 megalitres of general security and 219 megalitres of high security water. Of the water entitlements held, only 170 megalitres of high security water has been purchased and is recognised in the financial reports. The remaining entitlements have come into ownership as a result of entitlements being created out of land ownership of the company. The company cannot record these entitlements in the financial reports as there was no purchase price paid on acquisition.

(h) Cash and Cash Equivalents

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

(i) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

(j) Provisions

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

(k) Income Tax

The company adopts the principal of mutuality in relation to income and expenditure. This means that the company is taxable to the extent of net income from non members after allowing for statutory income and specified expenses. Income tax is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

The club has significant tax losses carried forward from prior years, and the directors are of the opinion that they are unlikely to be recouped and have not recognised these losses as an asset of the company.

(l) 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 investment properties is recognised on an accruals basis or straight-line basis in accordance with lease agreements.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of services is recognised upon the delivery of the service to the

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2016

customers.

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

(m) 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 balance sheet are shown inclusive of GST.

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

(n) Rounding of Amounts

The company has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest \$1.

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Notes to the Financial Statements

For the Year Ended 31 May 2016

2 Revenue

	Note	Consolidated		Parent	
		2016	2015	2016	2015
		\$	\$	\$	\$
Operating activities					
- Sales revenue		3,604,887	3,505,940	3,099,243	3,048,282
- Rental income		23,204	21,791	23,204	21,791
- Bingo & raffles		207,466	157,037	207,466	157,037
- Interest received	2(a)	70,539	85,807	186,354	198,424
- Members subscriptions		148,237	152,536	148,237	152,536
- Gaming Income		5,162,541	5,479,560	5,162,541	5,479,560
- Other income		856,119	870,141	895,866	909,483
Total Revenue		10,072,992	10,272,813	9,722,910	9,967,114

(a) Interest revenue breakup

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
Interest revenue from:				
wholly owned controlled entities	-	-	115,929	115,671
bank	70,539	85,807	70,425	82,753
Total interest revenue	70,539	85,807	186,354	198,424

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Notes to the Financial Statements

For the Year Ended 31 May 2016

3 (a) Auditors' Remuneration

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
Remuneration of the auditor of the parent entity for:				
- Auditing or reviewing the financial report	10,351	14,110	10,351	13,050
- Taxation and accounting services	6,479	750	6,239	500

(b) Significant Revenue & Expenses

Net gain/(loss) on disposal of non-current assets

Property, Plant and Equipment

Proceeds on disposal	261,313	69,137	261,313	69,137
Written down value	250,579	97,574	250,579	97,574
Net gain/(loss) on disposal at 31st May	10,734	(28,437)	10,734	(28,437)

4 Cash and Cash Equivalents

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
Cash on hand	520,821	486,788	520,821	486,788
Cash at bank	907,272	1,399,879	658,523	1,266,544
Short-term bank deposits	1,987,919	1,953,132	1,987,919	1,953,132
	3,416,012	3,839,799	3,167,263	3,706,464

The effective interest rate on short term bank deposits was 2.96% (2015: 3.17%) these deposits have an average maturity of 183 days.

Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
Cash and cash equivalents	3,416,012	3,839,799	3,167,263	3,706,464
	3,416,012	3,839,799	3,167,263	3,706,464

Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Notes to the Financial Statements

For the Year Ended 31 May 2016

5 Trade and Other Receivables

	Note	Consolidated		Parent	
		2016	2015	2016	2015
		\$	\$	\$	\$
CURRENT					
Trade Receivables		<u>27,655</u>	<u>23,623</u>	<u>26,087</u>	<u>22,784</u>
		<u>27,655</u>	<u>23,623</u>	<u>26,087</u>	<u>22,784</u>
NON CURRENT					
Other related parties		<u>-</u>	<u>-</u>	<u>2,020,787</u>	<u>1,959,434</u>
		<u>-</u>	<u>-</u>	<u>2,020,787</u>	<u>1,959,434</u>

6 Inventories

	Note	Consolidated		Parent	
		2016	2015	2016	2015
		\$	\$	\$	\$
CURRENT					
At Cost					
Stock on hand		<u>144,865</u>	<u>141,468</u>	<u>144,865</u>	<u>141,468</u>
		<u>144,865</u>	<u>141,468</u>	<u>144,865</u>	<u>141,468</u>

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2016

7 Property Plant and Equipment

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
LAND AND BUILDINGS				
Land & Buildings				
At cost	22,224,013	21,459,228	20,103,273	19,338,488
Less accumulated depreciation	-	-	-	-
Total land & buildings	22,224,013	21,459,228	20,103,273	19,338,488
Total land and buildings	22,224,013	21,459,228	20,103,273	19,338,488
PLANT AND EQUIPMENT				
Capital works in progress				
At cost	51,383	57,685	51,383	57,685
Total capital works in progress	51,383	57,685	51,383	57,685
Plant and equipment				
At cost	7,104,082	6,867,227	6,762,797	6,532,653
Less accumulated depreciation	(4,759,404)	(4,537,533)	(4,493,113)	(4,290,158)
Total plant and equipment	2,344,678	2,329,694	2,269,684	2,242,495
Furniture, fixture and fittings				
At cost	567,749	545,872	567,749	545,872
Less accumulated depreciation	(284,797)	(237,110)	(284,797)	(237,110)
Total furniture, fixture and fittings	282,952	308,762	282,952	308,762
Low value asset pool				
At cost	330,332	330,332	273,535	273,535
Less accumulated depreciation	(328,638)	(327,624)	(271,965)	(271,023)
Total low value asset pool	1,694	2,708	1,570	2,512
Total plant and equipment	2,680,707	2,698,849	2,605,589	2,611,454
Total property, plant and equipment	24,904,720	24,158,077	22,708,862	21,949,942

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2016

7(a) Property Plant and Equipment – Movement in Carrying Amounts

Parent

	Capital Works in Progress \$	Land & Buildings \$	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Total \$
Balance at the beginning of year	57,685	19,338,488	2,245,008	308,762	21,949,942
Additions	1,034,477	243,267	590,977	-	1,868,721
Disposals	-	(236,314)	(14,266)	-	(250,580)
Transfers	(1,040,780)	808,363	210,540	21,878	-
Revaluation	-	(50,531)	-	-	(50,531)
Depreciation expense	-	-	(761,005)	(47,686)	(808,691)
Carrying amount at the end of year	51,382	20,103,273	2,271,253	282,954	22,708,862

Consolidated

	Capital Works in Progress \$	Land & Buildings \$	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Total \$
Balance at the beginning of year	57,685	21,459,228	2,332,403	308,762	24,158,078
Additions	1,034,477	243,267	597,688	-	1,875,433
Disposals	-	(236,314)	(14,266)	-	(250,580)
Transfers	(1,040,780)	808,363	210,540	21,878	-
Revaluation	-	(50,531)	-	-	(50,531)
Depreciation expense	-	-	(779,994)	(47,686)	(827,680)
Carrying amount at the end of year	51,382	22,224,013	2,346,372	282,954	24,904,720

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2016

8 Intangible Assets

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
Other intangible assets				
Cost	437,000	320,362	425,000	308,362
Additions	-	-	-	-
Valuation increment / (impairment)	170,000	116,638	170,000	116,638
Net Carrying Value	607,000	437,000	595,000	425,000
Total Intangibles	607,000	437,000	595,000	425,000

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
Other Intangible Assets				
Goodwill				
Balance at the beginning of the year	12,000	12,000	-	-
Balance at the end of the year	12,000	12,000	-	-
Water entitlements				
Balance at the beginning of the year	425,000	308,362	425,000	308,362
Cost	-	-	-	-
Valuation increment / (impairment)	170,000	116,638	170,000	116,638
Balance at the end of the year	595,000	425,000	595,000	425,000
Total Intangible Assets	607,000	437,000	595,000	425,000

The water entitlement of \$595,000 is made up of 170 megalitres of high security water. The company holds additional water entitlements of 635 megalitres of general security and 49 megalitres of high security water, as well as 181 poker machine entitlements.

As detailed in Note 1(g), these additional entitlements cannot be recognised in the accounts.

9 Other Assets

	Note	Consolidated		Parent	
		2016	2015	2016	2015
		\$	\$	\$	\$
CURRENT					
Prepayments		17,097	8,952	17,097	8,952
Accrued Income		18,241	20,680	18,241	20,680
		35,338	29,632	35,338	29,632

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2016

10 Trade and Other Payables

	Note	Consolidated		Parent	
		2016	2015	2016	2015
		\$	\$	\$	\$
CURRENT					
Unsecured liabilities					
Trade payables		361,983	449,771	356,844	437,000
Accrued Expenses		362,946	445,949	321,868	431,560
Tax and other payables		119,943	101,842	112,956	98,415
wholly owned subsidiaries		-	-	1,105	819
		844,872	997,563	792,773	967,794
NON CURRENT					
Accrued Expenses		-	36,376	-	36,376
		-	36,376	-	36,376

11 Financial Liabilities

The credit card facility is an ongoing arrangement with a facility limit of \$35,000.

Bank Facility

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
CURRENT				
Credit Card Facility	5,697	2,235	5,697	2,235
	5,697	2,235	5,697	2,235

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2016

12 Provisions

Analysis of Total Provisions	Note	Consolidated		Parent	
		2016	2015	2016	2015
		\$	\$	\$	\$
Current		307,043	317,331	307,043	317,331
Non-current		130,156	147,543	130,156	147,543
		437,199	464,874	437,199	464,874

Parent	Employee Entitlements	Total
Opening balance at 1 June 2015	464,874	464,874
Additional provisions raised / (used) during the year	(27,675)	(27,675)
Balance at 31 May 2016	437,199	437,199

Consolidated	Employee Entitlements	Total
Opening balance at 1 June 2015	464,874	464,874
Additional provisions raised / (used) during the year	(27,675)	(27,675)
Balance at 31 May 2016	437,199	437,199

13 Other Liabilities

Current

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
Subs and revenue in advance	123,284	127,299	123,184	127,299
Other payables	8,262	8,742	8,262	8,742
	131,546	136,041	131,446	136,041

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2016

14 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
Net income/loss for the period	604,297	749,622	584,214	755,564
Cash flows excluded from profit attributable to operating activities				
Non-cash flows in profit:				
Depreciation	827,680	813,353	808,691	783,804
Net (gain)/loss on disposal of property, plant and equipment	(10,734)	28,437	(10,734)	28,437
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables	(4,032)	889	(3,303)	656
(Increase)/decrease in other assets	(5,706)	(18,138)	(5,706)	(18,879)
(Increase)/decrease in inventories	(3,397)	9,089	(3,397)	9,089
Increase/(decrease) in trade and other	(189,066)	(313,507)	(211,396)	(309,543)
Increase/(decrease) in financial liabilities	3,462	(217)	3,462	(217)
Increase/(decrease) in other liabilities	(4,495)	8,346	(4,595)	8,554
Increase/(decrease) in provisions	(27,675)	(39,925)	(27,675)	(39,925)
	1,190,334	1,237,949	1,129,561	1,217,540

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2016

15 Financial instruments

(a) Effective interest rates

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they mature or fall due.

Parent		2016		
	Effective interest rate	Total \$	12 months or less \$	More than 5 years \$
Loans & Receivables	- %	2,046,874	26,087	2,020,787
Cash and cash equivalents	2.96%	3,167,263	3,167,263	-
Trade payables	- %	(792,773)	(792,773)	-
Credit card facility	15.75%	(5,697)	(5,697)	-
Total		4,415,667	2,394,880	2,020,787

Parent		2015		
	Effective interest rate	Total \$	12 months or less \$	More than 5 years \$
Loans & Receivables	- %	1,982,218	22,784	1,959,434
Cash and cash equivalents	3.17%	3,706,464	3,706,464	-
Trade payables	- %	(967,793)	(967,793)	-
Credit card facility	15.75%	(2,235)	(2,235)	-
Total		4,718,654	2,759,220	1,959,434

Consolidated		2016	
	Effective interest rate	Total \$	12 months or less \$
Loans & Receivables	- %	27,655	27,655
Cash and cash equivalents	2.96%	3,416,012	3,416,012
Trade payables	- %	(844,873)	(844,873)
Credit card facility	15.75%	(5,697)	(5,697)
Total		2,593,097	2,593,097

Consolidated		2015	
	Effective interest rate	Total \$	12 months or less \$
Loans & Receivables	- %	23,623	23,623
Cash and cash equivalents	3.17%	3,839,799	3,839,799
Trade payables	- %	(997,563)	(997,563)
Credit card facility	15.75%	(2,235)	(2,235)
Total		2,863,624	2,863,624

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2016

(b) Financial Risk Management

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

The main purpose for financial instruments is to raise finance for group operations.

The Group does not have any derivative financial instruments at 31 May 2016.

(i) Treasury Risk Management

A finance committee consisting of senior executives of the Group meet on a regular basis to analyse interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 31 May 2016, approximately 0% of group debt is fixed. It is the policy of the group to keep debt at a minimum, and to finance expansion from operating cashflows.

Foreign currency risk

The group is not exposed to fluctuations in foreign currencies.

Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The consolidated group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the consolidated group.

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2016

(c) Net Fair Value

The net fair values of:

- Term receivables, government and fixed interest securities and bonds are determined by discounting the cash flows, at the market interest rates of similar securities, to their present value.
- Listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred.
- Other loans and amounts due are determined by discounting the cash flows, at market interest rates of similar borrowings to their present value.
- Other assets and other liabilities approximate their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

Financial assets where the carrying amount exceeds net fair values have not been written down as the consolidated group intends to hold these assets to maturity.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date:

	2016		2015	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Financial Assets				
Loans and receivables	27,655	27,655	23,623	23,623
	27,655	27,655	23,623	23,623
Financial Liabilities				
Credit Card Facility	(5,697)	(5,697)	(2,235)	(2,235)
	(5,697)	(5,697)	(2,235)	(2,235)

Fair values are materially in line with carrying values.

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2016

16 Contingent Assets & Liabilities

a) Vinecombe Lane development

The company is undertaking a 21 Lot development of land at Vinecombe Lane, Barham. At the date of this report 6 lots have been sold, and a total of \$76,000 in deposits is being held in trust by BR&C Real Estate Ruralco.

b) Accounts payable guaranteed by bank

To secure amounts owing to certain suppliers, the reporting company limited by guarantee has provided bank guarantees of \$ 5,000 in favour of these suppliers. As at 31 May 2016, amounts owing to these suppliers were approximately \$700.

17 Key Management Personnel Compensation

(a) Key Management Personnel

Names and positions held of key management personnel in office at any time during the financial year are:

Key Management Person	Position
Keith McDougall	Director
Bruce Venn	Director
Ian Bennett	Director
Douglas Carter	Director
Christine Dartnell	Director (appointed 7th October 2015)
Ian Ellis	Director
Graeme Hare	Director (appointed 7th October 2015)
Andrew Hollingworth	Director (resigned 7th October 2015)
Ruth Morpeth	Director
Karen Pasco	Director (resigned 1st February 2016)
Adrian Peel	Director (resigned 7th October 2015)

Other Key Management Personnel

Michael Alexander	CEO
Lisa Morris	Operations Manager

Key management personnel remuneration has been included in the Remuneration Report section of the Directors Report.

(b) Compensation

Total compensation paid to key management personnel for the year ended 31st May 2016 is \$326,410 (2015 - \$351,788).

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2016

18 Related Party Transactions

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

Transactions with related parties:

	2016	2015
	\$	\$
(a) Purchase of goods & services		
B & K Venn	21,990	25,080
Doug Carter Painting	9,410	-
(b) Sale of goods & services	-	-

19 Members' Guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$2 each towards any outstanding obligations of the company. At 31 May 2016 the number of members was 5,915 (2015: 6,349).

20 Controlled Entities

(a) Detailed table

Name	Country of incorporation	Percentage Owned 2012	Percentage Owned 2011
Parent Entity: Barham & District Services Memorial Club Ltd	Australia	100%	100%
Subsidiaries of parent entity: Rivre Du Cinq Pty Ltd	Australia	100%	100%

21 Company Details

(a) Registered office

The registered office of the company is:
Barham & District Services Memorial Club Ltd
45 Murray St
BARHAM NSW 2732

Barham & District Services Memorial Club Ltd

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Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 31 May 2016 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.

Brian McCleary & Co
Chartered Accountants

Brian McCleary (RCA665)

24th August 2016

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