

# **Barham & District Services Memorial Club Ltd**

ABN: 32 000 893 701

## **Financial Statements**

For the Year Ended 31 May 2017

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

For the Year Ended 31 May 2017

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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 2017, 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

ABN: 32 000 893 701

## 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 1<sup>st</sup> 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 2017 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

2<sup>nd</sup> August 2017

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Directors' Report

31 May 2017

Your directors present their report on the company and its controlled entities for the financial year ended 31 May 2017.

## 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

Ian Ellis

Ian Bennett (resigned 4<sup>th</sup> July 2017)

Douglas Carter

Christine Dartnell

Colin D'Elton (appointed 5<sup>th</sup> October 2016)

Graeme Hare

Ruth Morpeth

Steven Tanner (appointed 5<sup>th</sup> October 2016)

Bruce Venn (resigned 5<sup>th</sup> October 2016)

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 \$2,839,403 (prior year \$604,297).

### (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 2017

## 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

16 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	10	4	3
Ian Ellis	12	12	4	4
Ian Bennett	12	11	4	4
Douglas Carter	12	12	4	4
Christine Dartnell	12	11	4	4
Colin D'Elton	8	8	2	2
Graeme Hare	12	11	4	3
Ruth Morpeth	12	12	4	4
Steven Tanner	8	8	2	2
Bruce Venn	4	3	2	1

## 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.

# Barham & District Services Memorial Club Ltd

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Directors' Report

31 May 2017

## 4. Remuneration Report continued

### (b) Details of remuneration for year ended 31 May 2017

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

	Directors fees \$
<b>Directors</b>	
Keith McDougall	8,000
Ian Ellis	4,000
Ian Bennett	4,000
Douglas Carter	4,000
Christine Dartnell	4,000
Colin D'Elton	2,667
Graeme Hare	4,000
Ruth Morpeth	4,000
Steven Tanner	2,667
Bruce Venn	1,333
	<hr/> <hr/> <b>38,677</b>

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Directors' Report

31 May 2017

## 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: .....

Ian Ellis

Dated this 1<sup>st</sup> day of August 2017



# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

## Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 8 to 30, 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 2017 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 .....  
Ian Ellis

Dated 1<sup>st</sup> August 2017

# Barham & District Services Memorial Club Ltd

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## Comprehensive Income Statement

For the Year Ended 31 May 2017

	Note	Consolidated		Parent	
		2017	2016	2017	2016
		\$	\$	\$	\$
Sales revenue	2	<b>3,626,934</b>	3,604,887	<b>3,085,759</b>	3,099,243
Cost of sales		<b>(1,078,158)</b>	(1,117,796)	<b>(1,059,659)</b>	(1,099,230)
Gross profit		<b>2,548,776</b>	2,487,091	<b>2,026,100</b>	2,000,013
Other revenues	2	<b>8,676,083</b>	6,468,105	<b>8,843,308</b>	6,623,667
Marketing expenses		<b>(378,605)</b>	(438,642)	<b>(371,970)</b>	(429,839)
Occupancy expenses		<b>(505,253)</b>	(518,894)	<b>(464,166)</b>	(478,397)
Administration expenses		<b>(148,719)</b>	(169,342)	<b>(130,490)</b>	(152,512)
Depreciation & impairments		<b>(851,903)</b>	(827,680)	<b>(833,984)</b>	(808,691)
Employee benefits expense		<b>(3,375,538)</b>	(3,308,396)	<b>(3,375,538)</b>	(3,308,396)
Members expenses		<b>(318,328)</b>	(271,499)	<b>(318,328)</b>	(271,499)
Donations & sponsorships		<b>(70,157)</b>	(88,088)	<b>(70,157)</b>	(88,088)
Other expenses		<b>(2,736,953)</b>	(2,728,358)	<b>(2,489,885)</b>	(2,502,044)
<b>Profit attributable to members</b>		<b>2,839,403</b>	604,297	<b>2,814,890</b>	584,214

# Barham & District Services Memorial Club Ltd

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Balance Sheet

31 May 2017

	Note	Consolidated		Parent	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	5,671,723	3,416,012	5,309,267	3,167,263
Trade and other receivables	5	28,441	27,655	26,892	26,087
Inventories	6	121,411	144,865	121,411	144,865
Other current assets	9	43,249	35,338	43,249	35,338
<b>Total current assets</b>		<b>5,864,824</b>	<b>3,623,870</b>	<b>5,500,819</b>	<b>3,373,553</b>
<b>Non-current assets</b>					
Trade and other receivables	5	-	-	2,090,490	2,020,787
Property, plant and equipment	7	25,779,352	24,904,720	23,596,780	22,708,862
Intangible assets	8	607,000	607,000	595,000	595,000
<b>Total non-current assets</b>		<b>26,386,352</b>	<b>25,511,720</b>	<b>26,282,270</b>	<b>25,324,649</b>
<b>TOTAL ASSETS</b>		<b>32,251,176</b>	<b>29,135,590</b>	<b>31,783,089</b>	<b>28,698,202</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	10	879,609	844,873	822,534	792,773
Financial liabilities	11	3,300	5,697	3,300	5,697
Short-term provisions	12	316,342	307,043	316,342	307,043
Other current liabilities	13	139,134	131,546	137,824	131,446
<b>Total current liabilities</b>		<b>1,338,385</b>	<b>1,289,159</b>	<b>1,280,000</b>	<b>1,236,959</b>
<b>Non-current liabilities</b>					
Long-term payables	10	-	-	-	-
Long-term provisions	12	121,219	130,156	121,219	130,156
<b>Total non-current liabilities</b>		<b>121,219</b>	<b>130,156</b>	<b>121,219</b>	<b>130,156</b>
<b>TOTAL LIABILITIES</b>		<b>1,459,604</b>	<b>1,419,315</b>	<b>1,401,219</b>	<b>1,367,115</b>
<b>NET ASSETS</b>		<b>30,791,572</b>	<b>27,716,275</b>	<b>30,381,870</b>	<b>27,331,087</b>
<b>EQUITY</b>					
Reserves		5,835,772	5,835,772	5,428,756	5,428,756
Retained earnings		24,955,800	21,880,503	24,953,114	21,902,331
<b>TOTAL EQUITY</b>		<b>30,791,572</b>	<b>27,716,275</b>	<b>30,381,870</b>	<b>27,331,087</b>

# Barham & District Services Memorial Club Ltd

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## Statement of Changes in Equity

For the Year Ended 31 May 2017

2017		Retained Earnings	Parent Asset Revaluation Reserve	Total
	Note	\$	\$	\$
Balance at 1 June 2016		21,902,331	5,428,756	27,331,087
Profit attributable to members		2,814,890	-	2,814,890
Prior Year Adjustment - Inner Clubs		235,893		235,893
Revaluation increment /(decrement)			-	-
<b>Sub-total</b>		<b>3,050,783</b>	<b>-</b>	<b>3,050,783</b>
<b>Balance at 31 May 2017</b>		<b>24,953,114</b>	<b>5,428,756</b>	<b>30,381,870</b>

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
<b>Sub-total</b>		<b>584,214</b>	<b>119,468</b>	<b>703,682</b>
<b>Balance at 31 May 2016</b>		<b>21,902,333</b>	<b>5,428,754</b>	<b>27,331,087</b>

2017		Retained Earnings	Consolidated Asset Revaluation Reserve	Total
	Note	\$	\$	\$
Balance at 1 June 2016		21,880,503	5,835,772	27,716,275
Profit attributable to members		2,839,403	-	2,839,403
Prior Year Adjustment - Inner Clubs		235,893		235,893
Revaluation increment /(decrement)			-	-
<b>Sub-total</b>		<b>3,075,296</b>	<b>-</b>	<b>3,075,296</b>
<b>Balance at 31 May 2017</b>		<b>24,955,799</b>	<b>5,835,772</b>	<b>30,791,571</b>

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
<b>Sub-total</b>		<b>604,297</b>	<b>119,468</b>	<b>723,765</b>

# Barham & District Services Memorial Club Ltd

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## Statement of Cash Flows

For the Year Ended 31 May 2017

	Note	Consolidated		Parent	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>Cash from operating activities:</b>					
Receipts from customers		9,826,981	9,963,863	9,285,787	9,458,948
Payments to suppliers and employees		(8,317,920)	(8,867,892)	(7,992,587)	(8,579,312)
Interest received		96,606	71,159	96,305	71,045
Rent Received		34,422	23,204	34,422	23,204
Other receipts		-	-	167,526	155,676
<b>Net cash provided by (used in) operating activities</b>	14	<b>1,640,089</b>	1,190,334	<b>1,591,453</b>	1,129,561
<b>Cash flows from investing activities:</b>					
Proceeds from sale of plant and		2,369,495	261,314	2,369,495	261,314
Acquisition of property, plant and		(1,753,873)	(1,875,435)	(1,749,241)	(1,868,723)
Loans to related parties		-	-	(69,703)	(61,353)
<b>Net cash provided by (used in) investing activities</b>		<b>615,622</b>	(1,614,121)	<b>550,551</b>	(1,668,762)
<b>Net increase (decreases) in cash held</b>		<b>2,255,711</b>	(423,787)	<b>2,142,004</b>	(539,201)
Cash at beginning of financial year		3,416,012	3,839,799	3,167,263	3,706,464
<b>Cash at end of financial year</b>	4	<b>5,671,723</b>	3,416,012	<b>5,309,267</b>	3,167,263

# Barham & District Services Memorial Club Ltd

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## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 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 4,526,439 (2016 - 2,334,711 surplus)
- b. Cash from Operations 1,640,089 surplus (2016 – 1,190,334 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 2017

## 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.

#### 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 2017

### 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 144 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.



# Barham & District Services Memorial Club Ltd

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## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 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 2017

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.

# Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2017

## 2 Revenue

	Note	Consolidated		Parent	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>Revenue from Operating activities</b>					
Sales revenue		3,626,934	3,604,887	3,085,759	3,099,243
Bingo & raffles		217,014	207,466	217,014	207,466
Members subscriptions		156,528	148,237	156,528	148,237
Gaming Income		4,947,704	5,162,541	4,947,704	5,162,541
Other income		763,652	845,385	930,877	885,132
		<b>9,711,832</b>	<b>9,968,515</b>	<b>9,337,882</b>	<b>9,502,618</b>
<b>Revenue from Other activities</b>					
Interest received	2(a)	93,096	70,539	212,541	186,354
Rental income		34,422	23,204	34,422	23,204
Profit on Sale of Assets	3(b)	2,344,222	10,734	2,344,222	10,734
		<b>2,471,740</b>	<b>104,477</b>	<b>2,591,185</b>	<b>220,292</b>
<b>Total Revenue</b>		<b>12,303,017</b>	<b>10,072,992</b>	<b>11,929,067</b>	<b>9,722,910</b>

### (a) Interest revenue breakup

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
Interest revenue from:				
wholly owned controlled entities	-	-	119,746	115,929
bank	93,096	70,539	92,795	70,425
<b>Total interest revenue</b>	<b>93,096</b>	<b>70,539</b>	<b>212,541</b>	<b>186,354</b>

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 3 (a) Auditors' Remuneration

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
Remuneration of the auditor of the parent entity for:				
Auditing or reviewing the financial report	14,085	10,351	13,245	10,351
Taxation and accounting services	1,500	6,479	1,500	6,239

### (b) Significant Revenue & Expenses

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

##### Property, Plant and Equipment

Proceeds on disposal	2,369,495	261,313	2,369,495	261,313
Written down value	25,274	250,579	25,274	250,579
<b>Net gain/(loss) on disposal at 31st May</b>	<b>2,344,221</b>	<b>10,734</b>	<b>2,344,221</b>	<b>10,734</b>

### 4 Cash and Cash Equivalents

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
Cash on hand	509,709	520,821	509,709	520,821
Cash at bank	2,281,788	907,272	1,919,332	658,523
Short-term bank deposits	2,880,226	1,987,919	2,880,226	1,987,919
	<b>5,671,723</b>	<b>3,416,012</b>	<b>5,309,267</b>	<b>3,167,263</b>

The effective interest rate on short term bank deposits was 2.60% (2016: 2.96%) these deposits have an average maturity of 182 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	
	2017	2016	2017	2016
	\$	\$	\$	\$
Cash and cash equivalents	5,671,723	3,416,012	5,309,267	3,167,263
	<b>5,671,723</b>	<b>3,416,012</b>	<b>5,309,267</b>	<b>3,167,263</b>

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Notes to the Financial Statements

For the Year Ended 31 May 2017

## 5 Trade and Other Receivables

	Note	Consolidated		Parent	
		2017	2016	2017	2016
		\$	\$	\$	\$
CURRENT					
Trade Receivables		<u>28,441</u>	<u>27,655</u>	<u>26,892</u>	<u>26,087</u>
		<u>28,441</u>	<u>27,655</u>	<u>26,892</u>	<u>26,087</u>
NON CURRENT					
Other related parties		<u>-</u>	<u>-</u>	<u>2,090,490</u>	<u>2,020,787</u>
		<u>-</u>	<u>-</u>	<u>2,090,490</u>	<u>2,020,787</u>

## 6 Inventories

	Note	Consolidated		Parent	
		2017	2016	2017	2016
		\$	\$	\$	\$
CURRENT					
At Cost					
Stock on hand		<u>121,411</u>	<u>144,865</u>	<u>121,411</u>	<u>144,865</u>
		<u>121,411</u>	<u>144,865</u>	<u>121,411</u>	<u>144,865</u>

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Notes to the Financial Statements

For the Year Ended 31 May 2017

## 7 Property Plant and Equipment

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>LAND AND BUILDINGS</b>				
Land & Buildings				
At cost	<b>22,319,108</b>	22,224,013	<b>20,198,368</b>	20,103,273
Less accumulated depreciation	-	-	-	-
<b>Total land &amp; buildings</b>	<b>22,319,108</b>	22,224,013	<b>20,198,368</b>	20,103,273
<b>Total land and buildings</b>	<b>22,319,108</b>	22,224,013	<b>20,198,368</b>	20,103,273
<b>PLANT AND EQUIPMENT</b>				
Capital works in progress				
At cost	<b>708,996</b>	51,383	<b>708,996</b>	51,383
<b>Total capital works in progress</b>	<b>708,996</b>	51,383	<b>708,996</b>	51,383
Plant and equipment				
At cost	<b>7,467,205</b>	7,104,082	<b>7,121,287</b>	6,762,797
Less accumulated depreciation	<b>(5,035,160)</b>	(4,759,404)	<b>(4,750,997)</b>	(4,493,113)
<b>Total plant and equipment</b>	<b>2,432,045</b>	2,344,678	<b>2,370,290</b>	2,269,684
Furniture, fixture and fittings				
At cost	<b>647,695</b>	567,749	<b>647,695</b>	567,749
Less accumulated depreciation	<b>(329,553)</b>	(284,797)	<b>(329,553)</b>	(284,797)
<b>Total furniture, fixture and fittings</b>	<b>318,142</b>	282,952	<b>318,142</b>	282,952
Low value asset pool				
At cost	<b>330,332</b>	330,332	<b>273,535</b>	273,535
Less accumulated depreciation	<b>(329,271)</b>	(328,638)	<b>(272,551)</b>	(271,965)
<b>Total low value asset pool</b>	<b>1,061</b>	1,694	<b>984</b>	1,570
<b>Total plant and equipment</b>	<b>3,460,244</b>	2,680,707	<b>3,398,412</b>	2,605,589
<b>Total property, plant and equipment</b>	<b>25,779,352</b>	24,904,720	<b>23,596,780</b>	22,708,862

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Notes to the Financial Statements

For the Year Ended 31 May 2017

## 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	51,382	20,103,273	2,271,253	282,954	22,708,862
Additions	772,672	85,040	849,868	39,601	1,747,182
Disposals	-	-	(25,274)	-	(25,274)
Transfers	(115,059)	10,055	68,223	36,781	-
Depreciation expense	-	-	(789,235)	(44,755)	(833,990)
Carrying amount at the end of year	708,995	20,198,368	2,374,836	314,581	23,596,780

### Consolidated

	Capital Works in Progress \$	Land & Buildings \$	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Total \$
Balance at the beginning of year	51,382	22,224,013	2,346,372	282,954	24,904,721
Additions	772,672	85,040	854,501	39,601	1,751,815
Disposals	-	-	(25,274)	-	(25,274)
Transfers	(115,059)	10,055	68,223	36,781	-
Depreciation expense	-	-	(807,153)	(44,755)	(851,908)
Carrying amount at the end of year	708,995	22,319,108	2,436,668	314,581	25,779,353

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Notes to the Financial Statements

For the Year Ended 31 May 2017

## 8 Intangible Assets

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Other intangible assets</b>				
Cost	<b>607,000</b>	437,000	<b>595,000</b>	425,000
Additions	-	-	-	-
Valuation increment / (impairment)	-	170,000	-	170,000
Net Carrying Value	<b>607,000</b>	607,000	<b>595,000</b>	595,000
Total Intangibles	<b>607,000</b>	607,000	<b>595,000</b>	595,000

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Other Intangible Assets</b>				
<b>Goodwill</b>				
Balance at the beginning of the year	<b>12,000</b>	12,000	-	-
Balance at the end of the year	<b>12,000</b>	12,000	-	-
<b>Water entitlements</b>				
Balance at the beginning of the year	<b>595,000</b>	425,000	<b>595,000</b>	425,000
Cost	-	-	-	-
Valuation increment / (impairment)	-	170,000	-	170,000
Balance at the end of the year	<b>595,000</b>	595,000	<b>595,000</b>	595,000
<b>Total Intangible Assets</b>	<b>607,000</b>	607,000	<b>595,000</b>	595,000

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 144 poker machine entitlements.

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

## 9 Other Assets

	Note	Consolidated		Parent	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>CURRENT</b>					
Prepayments		<b>27,873</b>	17,097	<b>27,873</b>	17,097
Accrued Income		<b>15,375</b>	18,241	<b>15,375</b>	18,241
		<b>43,249</b>	35,338	<b>43,249</b>	35,338



# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 10 Trade and Other Payables

	Note	Consolidated		Parent	
		2017	2016	2017	2016
		\$	\$	\$	\$
CURRENT					
Unsecured liabilities					
Trade payables		435,426	361,983	425,096	356,844
Accrued Expenses		326,474	362,946	286,286	321,868
Tax and other payables		117,709	119,943	110,663	112,956
wholly owned subsidiaries		-	-	490	1,105
		<b>879,609</b>	<b>844,872</b>	<b>822,534</b>	<b>792,773</b>
NON CURRENT					
Accrued Expenses		-	-	-	-
		-	-	-	-

### 11 Financial Liabilities

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

#### Bank Facility

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
CURRENT				
Credit Card Facility	3,300	5,697	3,300	5,697
	<b>3,300</b>	<b>5,697</b>	<b>3,300</b>	<b>5,697</b>

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Notes to the Financial Statements

For the Year Ended 31 May 2017

## 12 Provisions

Analysis of Total Provisions	Note	Consolidated		Parent	
		2017	2016	2017	2016
		\$	\$	\$	\$
Current		316,342	307,043	316,342	307,043
Non-current		121,219	130,156	121,219	130,156
		<b>437,561</b>	<b>437,199</b>	<b>437,561</b>	<b>437,199</b>

Parent	Employee Entitlements	Total
Opening balance at 1 June 2016	437,199	437,199
Additional provisions raised / (used) during the year	362	362
Balance at 31 May 2017	<b>437,561</b>	<b>437,561</b>

Consolidated	Employee Entitlements	Total
Opening balance at 1 June 2016	437,199	437,199
Additional provisions raised / (used) during the year	362	362
Balance at 31 May 2017	<b>437,561</b>	<b>437,561</b>

## 13 Other Liabilities

### Current

	Consolidated		Parent	
	2017	2016	2017	2015
	\$	\$	\$	\$
Subs and revenue in advance	130,179	127,299	128,869	127,299
Other payables	8,955	8,742	8,955	8,742
	<b>139,134</b>	<b>136,041</b>	<b>137,824</b>	<b>136,041</b>

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Notes to the Financial Statements

For the Year Ended 31 May 2017

## 14 Cash Flow Information

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

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
Net income/loss for the period	2,839,403	604,297	2,814,890	584,214
Cash flows excluded from profit attributable to operating activities				
Non-cash flows in profit:				
Depreciation	1,089,862	827,680	1,071,943	808,691
Net (gain)/loss on disposal of property, plant and equipment	(2,344,222)	(10,734)	(2,344,222)	(10,734)
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables	(786)	(4,032)	(805)	(3,303)
(Increase)/decrease in other assets	(7,911)	(5,706)	(7,911)	(5,706)
(Increase)/decrease in inventories	23,454	(3,397)	23,454	(3,397)
Increase/(decrease) in trade and other	34,736	(189,066)	29,761	(211,396)
Increase/(decrease) in financial liabilities	(2,397)	3,462	(2,397)	3,462
Increase/(decrease) in other liabilities	7,588	(4,495)	6,378	(4,595)
Increase/(decrease) in provisions	362	(27,675)	362	(27,675)
	<b>1,640,089</b>	<b>1,190,334</b>	<b>1,591,453</b>	<b>1,129,561</b>

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 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		2017		
	Effective interest rate	Total \$	12 months or less \$	More than 5 years \$
Loans & Receivables	- %	2,117,382	26,892	2,090,490
Cash and cash equivalents	2.60%	5,309,267	5,309,267	-
Trade payables	- %	(822,534)	(822,534)	-
Credit card facility	15.75%	(3,300)	(3,300)	-
<b>Total</b>		<b>6,600,815</b>	<b>4,510,325</b>	<b>2,090,490</b>

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)	-
<b>Total</b>		<b>4,415,667</b>	<b>2,394,880</b>	<b>2,020,787</b>

Consolidated		2017	
	Effective interest rate	Total \$	12 months or less \$
Loans & Receivables	- %	28,441	28,441
Cash and cash equivalents	2.60%	5,671,723	5,671,723
Trade payables	- %	(879,609)	(879,609)
Credit card facility	15.75%	(3,300)	(3,300)
<b>Total</b>		<b>4,817,255</b>	<b>4,817,255</b>

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)
<b>Total</b>		<b>2,593,097</b>	<b>2,593,097</b>

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

## Notes to the Financial Statements

For the Year Ended 31 May 2017

### (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 2017.

#### (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 2017, 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

ABN: 32 000 893 701

## Notes to the Financial Statements

For the Year Ended 31 May 2017

### (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:

	2017		2016	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
<b>Financial Assets</b>				
Loans and receivables	28,441	28,441	27,655	27,655
	<b>28,441</b>	<b>28,441</b>	<b>27,655</b>	<b>27,655</b>
<b>Financial Liabilities</b>				
Credit Card Facility	(3,300)	(3,300)	(5,697)	(5,697)
	<b>(3,300)</b>	<b>(3,300)</b>	<b>(5,697)</b>	<b>(5,697)</b>

Fair values are materially in line with carrying values.

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 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 9 lots have been sold, and a total of \$118,000 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 2017, amounts owing to these suppliers were approximately \$618.

### 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:

<b>Key Management Person</b>	<b>Position</b>
Keith McDougall	Director
Ian Ellis	Director
Ian Bennett	Director (resigned 4th July 2017)
Douglas Carter	Director
Christine Dartnell	Director
Colin D'Elton	Director (appointed 5th October 2016)
Graeme Hare	Director
Ruth Morpeth	Director
Steven Tanner	Director (appointed 5th October 2016)
Bruce Venn	Director (resigned 5th October 2016)
<b>Other Key Management Personnel</b>	
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 31<sup>st</sup> May 2017 is \$357,488 (2016 - \$326,410).

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 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:

	2017	2016
	\$	\$
<b>(a) Purchase of goods &amp; services</b>		
Doug Carter Painting	4,500	9,410
<b>(b) Sale of goods &amp; services</b>	-	-

### 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 2017 the number of members was 6,860 (2016: 5,915).

### 20 Controlled Entities

#### (a) Detailed table

Name	Country of incorporation	Percentage Owned 2012	Percentage Owned 2011
<b>Parent Entity:</b>			
Barham & District Services Memorial Club Ltd	Australia	100%	100%
<b>Subsidiaries of parent entity:</b>			
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  
6-8 Niemur St  
BARHAM NSW 2732



# **Barham & District Services Memorial Club Ltd**

**ABN: 32 000 893 701**

## **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 2017 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)

2<sup>nd</sup> August 2017

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