

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

**ABN: 32 000 893 701**

## **Financial Statements**

**For the Year Ended 31 May 2015**

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

For the Year Ended 31 May 2015

## CONTENTS

	<u>Page</u>
<b>Financial Statements</b>	
Independent Audit Report	1
Directors' Report	3
Directors' Declaration	7
Comprehensive Income Statement	8
Balance Sheet	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Auditors Independence Declaration under Section 307C of the Corporations Act 2001	31

# **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 2015, 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 2015, 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 2015 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

4<sup>th</sup> August 2015

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Directors' Report

31 May 2015

Your directors present their report on the company and its controlled entities for the financial year ended 31 May 2015.

## 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

Ian Ellis

(appointed 8<sup>th</sup> October 2014)

Andrew Hollingworth

Ruth Morpeth

William O'Malley

(resigned 8<sup>th</sup> October 2014)

Karen Pasco

Adrian Peel

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 (appointed 6<sup>th</sup> October 2014)

Lisa Morris (appointed 4<sup>th</sup> July 2014, resigned 6<sup>th</sup> October 2014)

Paul Biddlestone (resigned 4<sup>th</sup> July 2014)

## 2. Business review

### (a) Operating Results

The consolidated profit of the Group after providing for income tax and eliminating minority equity interests amounted to \$ 749,622 (prior year \$719,707).

### (b) Dividends paid or declared

The constitution of this company prohibits the payment of dividends.

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

## Directors' Report

31 May 2015

### 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	4
Bruce Venn	12	12	5	5
Ian Bennett	12	12	5	5
Douglas Carter	12	12	5	4
Ian Ellis	7	7	3	3
Andrew Hollingworth	12	12	5	4
Ruth Morpeth	12	10	5	4
William O'Malley	5	4	2	2
Karen Pasco	12	12	5	5
Adrian Peel	12	12	5	5

### 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

ABN: 32 000 893 701

Directors' Report

31 May 2015

## 4. Remuneration Report continued

### (b) Details of remuneration for year ended 31 May 2015

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

	<b>Directors fees \$</b>
<b>Directors</b>	
Keith McDougall	6,667
Bruce Venn	4,000
Ian Bennett	4,000
Douglas Carter	4,000
Ian Ellis	3,000
Andrew Hollingworth	4,000
Ruth Morpeth	4,000
William O'Malley	1,333
Karen Pasco	4,000
Adrian Peel	5,000
	<hr/> <hr/> <b>40,000</b>

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Directors' Report

31 May 2015

## 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 4<sup>th</sup> day of August 2015



# 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 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 2015 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 4<sup>th</sup> August 2015

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

## Comprehensive Income Statement

For the Year Ended 31 May 2015

	Note	Consolidated		Parent	
		2015 \$	2014 \$	2015 \$	2014 \$
Sales revenue	2	<b>3,505,940</b>	3,648,098	<b>3,048,282</b>	3,179,303
Cost of sales		<b>(1,151,666)</b>	(1,217,824)	<b>(1,135,423)</b>	(1,198,758)
Gross profit		<b>2,354,274</b>	2,430,274	<b>1,912,859</b>	1,980,545
Other revenues	2	<b>6,766,873</b>	6,924,231	<b>6,918,832</b>	7,071,406
Marketing expenses		<b>(518,523)</b>	(564,052)	<b>(511,293)</b>	(558,407)
Occupancy expenses		<b>(598,696)</b>	(676,343)	<b>(555,020)</b>	(634,026)
Administration expenses		<b>(169,863)</b>	(174,757)	<b>(153,170)</b>	(159,156)
Depreciation & impairments		<b>(813,353)</b>	(747,104)	<b>(783,804)</b>	(734,389)
Employee benefits expense		<b>(3,164,873)</b>	(3,219,679)	<b>(3,164,873)</b>	(3,219,679)
Members expenses		<b>(172,170)</b>	(187,081)	<b>(172,170)</b>	(187,081)
Donations & sponsorships		<b>(99,614)</b>	(115,838)	<b>(99,514)</b>	(115,738)
Other expenses		<b>(2,834,433)</b>	(2,949,944)	<b>(2,636,283)</b>	(2,742,318)
<b>Profit attributable to members</b>		<b>749,622</b>	719,707	<b>755,564</b>	701,157

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Balance Sheet

31 May 2015

	Note	Consolidated		Parent	
		2015 \$	2014 \$	2015 \$	2014 \$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	<b>3,839,799</b>	3,390,284	<b>3,706,464</b>	3,216,068
Trade and other receivables	5	<b>23,623</b>	24,512	<b>22,784</b>	23,440
Inventories	6	<b>141,468</b>	150,557	<b>141,468</b>	150,557
Other current assets	9	<b>29,632</b>	11,494	<b>29,632</b>	10,753
<b>Total current assets</b>		<b>4,034,522</b>	3,576,847	<b>3,900,348</b>	3,400,818
<b>Non-current assets</b>					
Trade and other receivables	5	-	-	<b>1,959,434</b>	2,011,940
Property, plant and equipment	7	<b>24,158,077</b>	24,146,127	<b>21,949,942</b>	21,982,533
Intangible assets	8	<b>437,000</b>	320,362	<b>425,000</b>	308,362
<b>Total non-current assets</b>		<b>24,595,077</b>	24,466,489	<b>24,334,376</b>	24,302,835
<b>TOTAL ASSETS</b>		<b>28,629,599</b>	28,043,336	<b>28,234,724</b>	27,703,653
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	10	<b>997,563</b>	1,165,566	<b>967,793</b>	1,131,832
Financial liabilities	11	<b>2,235</b>	2,452	<b>2,235</b>	2,452
Short-term provisions	12	<b>317,331</b>	348,326	<b>317,331</b>	348,326
Other current liabilities	13	<b>136,041</b>	127,695	<b>136,041</b>	127,487
<b>Total current liabilities</b>		<b>1,453,170</b>	1,644,039	<b>1,423,400</b>	1,610,097
<b>Non-current liabilities</b>					
Long-term payables	10	<b>36,376</b>	181,880	<b>36,376</b>	181,880
Long-term provisions	12	<b>147,543</b>	156,473	<b>147,543</b>	156,473
<b>Total non-current liabilities</b>		<b>183,919</b>	338,353	<b>183,919</b>	338,353
<b>TOTAL LIABILITIES</b>		<b>1,637,089</b>	1,982,392	<b>1,607,319</b>	1,948,450
<b>NET ASSETS</b>		<b>26,992,510</b>	26,060,944	<b>26,627,405</b>	25,755,203
<b>EQUITY</b>					
Reserves		<b>5,716,302</b>	5,509,452	<b>5,309,286</b>	5,192,648
Retained earnings		<b>21,276,208</b>	20,551,492	<b>21,318,119</b>	20,562,555
<b>TOTAL EQUITY</b>		<b>26,992,510</b>	26,060,944	<b>26,627,405</b>	25,755,203

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

## Statement of Changes in Equity

For the Year Ended 31 May 2015

2015	Note	Retained	Parent	Total
		Earnings	Asset	
		\$	Revaluation	\$
			Reserve	\$
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
<b>Sub-total</b>		<b>755,564</b>	<b>116,638</b>	<b>872,202</b>
<b>Balance at 31 May 2015</b>		<b>21,318,119</b>	<b>5,309,286</b>	<b>26,627,405</b>

2014	Note	Retained	Parent	Total
		Earnings	Asset	
		\$	Revaluation	\$
			Reserve	\$
Balance at 1 June 2013		19,861,398	5,192,648	25,054,046
Profit attributable to members		701,157	-	701,157
Sub-total		701,157	-	701,157
Balance at 31 May 2014		20,562,555	5,192,648	25,755,203

2015	Note	Retained	Consolidated	Total
		Earnings	Asset	
		\$	Revaluation	\$
			Reserve	\$
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
<b>Sub-total</b>		<b>724,715</b>	<b>206,851</b>	<b>931,566</b>
<b>Balance at 31 May 2015</b>		<b>21,276,207</b>	<b>5,716,303</b>	<b>26,992,510</b>

2014	Note	Retained	Consolidated	Total
		Earnings	Asset	
		\$	Revaluation	\$
			Reserve	\$
Balance at 1 June 2013		19,831,785	5,509,452	25,341,237
Profit attributable to members		719,707	-	719,707
Sub-total		719,707	-	719,707
Balance at 31 May 2014		20,551,492	5,509,452	26,060,944

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

## Statement of Cash Flows

For the Year Ended 31 May 2015

	Note	Consolidated		Parent	
		2015 \$	2014 \$	2015 \$	2014 \$
<b>Cash from operating activities:</b>					
Receipts from customers		<b>10,204,477</b>	10,320,992	<b>9,747,327</b>	9,853,241
Payments to suppliers and employees		<b>(9,064,190)</b>	(8,658,986)	<b>(8,778,667)</b>	(8,348,065)
Interest received		<b>75,871</b>	104,340	<b>72,076</b>	99,864
Rent Received		<b>21,791</b>	16,465	<b>21,791</b>	16,465
Other receipts		-	-	<b>155,013</b>	151,252
<b>Net cash provided by (used in) operating activities</b>	14	<b>1,237,949</b>	1,782,811	<b>1,217,540</b>	1,772,757
<b>Cash flows from investing activities:</b>					
Proceeds from sale of plant and		<b>69,137</b>	121,399	<b>69,137</b>	121,399
Acquisition of property, plant and		<b>(857,571)</b>	(2,298,280)	<b>(848,787)</b>	(2,224,106)
Loans to related parties		-	12,574	<b>52,506</b>	(16,584)
<b>Net cash provided by (used in) investing activities</b>		<b>(788,434)</b>	(2,164,307)	<b>(727,144)</b>	(2,119,291)
<b>Net increase (decreases) in cash held</b>					
Cash at beginning of financial year		<b>3,390,284</b>	3,771,780	<b>3,216,068</b>	3,562,602
<b>Cash at end of financial year</b>	4	<b>3,839,799</b>	3,390,284	<b>3,706,464</b>	3,216,068

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

## Notes to the Financial Statements

For the Year Ended 31 May 2015

### 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 2,581,355 (2014 - 1,932,808 surplus)
- b. Cash from Operations 1,237,941 surplus (2014 – 1,782,811 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

ABN: 32 000 893 701

## Notes to the Financial Statements

For the Year Ended 31 May 2015

### 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 is now recognised net of any discounts or trade-ins. This change in policy resulted in a reduction in Net Profit of \$51,613.

##### 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

ABN: 32 000 893 701

## Notes to the Financial Statements

For the Year Ended 31 May 2015

### 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.



# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

## Notes to the Financial Statements

For the Year Ended 31 May 2015

### 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

ABN: 32 000 893 701

## Notes to the Financial Statements

For the Year Ended 31 May 2015

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

ABN: 32 000 893 701

Notes to the Financial Statements

For the Year Ended 31 May 2015

## 2 Revenue

	Note	Consolidated		Parent	
		2015	2014	2015	2014
		\$	\$	\$	\$
Operating activities					
- Sales revenue		<b>3,505,940</b>	3,648,098	<b>3,048,282</b>	3,179,303
- Rental income		<b>21,791</b>	16,465	<b>21,791</b>	16,465
- Bingo & raffles		<b>157,037</b>	146,751	<b>157,037</b>	146,751
- Interest received	2(a)	<b>85,807</b>	95,466	<b>198,424</b>	207,743
- Members subscriptions		<b>152,536</b>	151,744	<b>152,536</b>	151,744
- Gaming Income		<b>5,479,560</b>	5,592,096	<b>5,479,560</b>	5,592,096
- Other income		<b>870,141</b>	921,709	<b>909,483</b>	956,606
<b>Total Revenue</b>		<b>10,272,813</b>	10,572,329	<b>9,967,114</b>	10,250,709

### (a) Interest revenue breakup

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
Interest revenue from:				
wholly owned controlled entities	-	-	<b>115,671</b>	116,354
bank	<b>85,807</b>	95,466	<b>82,753</b>	91,389
<b>Total interest revenue</b>	<b>85,807</b>	95,466	<b>198,424</b>	207,743

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

## Notes to the Financial Statements

For the Year Ended 31 May 2015

### 3 (a) Auditors' Remuneration

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
Remuneration of the auditor of the parent entity for:				
- Auditing or reviewing the financial report	14,110	12,000	13,050	12,000
- Taxation and accounting services	750	4,700	500	4,700

### (b) Significant Revenue & Expenses

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

##### Property, Plant and Equipment

Proceeds on disposal	69,137	121,399	69,137	121,399
Written down value	97,574	2,713	97,574	2,713
<b>Net gain/(loss) on disposal at 31<sup>st</sup> May</b>	<b>(28,437)</b>	118,686	<b>(28,437)</b>	118,686

### 4 Cash and Cash Equivalents

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
Cash on hand	486,788	513,204	486,788	513,204
Cash at bank	1,399,879	848,683	1,266,544	778,905
Short-term bank deposits	1,953,132	2,028,397	1,953,132	1,923,958
	<b>3,839,799</b>	3,390,284	<b>3,706,464</b>	3,216,068

The effective interest rate on short term bank deposits was 3.17% (2014: 3.60%) these deposits have an average maturity of 170 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	
	2015	2014	2015	2014
	\$	\$	\$	\$
Cash and cash equivalents	3,839,799	3,390,284	3,706,464	3,216,068
	<b>3,839,799</b>	3,390,284	<b>3,706,464</b>	3,216,068

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Notes to the Financial Statements

For the Year Ended 31 May 2015

## 5 Trade and Other Receivables

	Note	Consolidated		Parent	
		2015	2014	2015	2014
		\$	\$	\$	\$
CURRENT					
Trade Receivables		<u>23,623</u>	<u>24,512</u>	<u>22,784</u>	<u>23,440</u>
		<u><b>23,623</b></u>	<u>24,512</u>	<u><b>22,784</b></u>	<u>23,440</u>
NON CURRENT					
Other related parties		<u>-</u>	<u>-</u>	<u>1,959,434</u>	<u>2,011,940</u>
		<u>-</u>	<u>-</u>	<u><b>1,959,434</b></u>	<u>2,011,940</u>

## 6 Inventories

	Note	Consolidated		Parent	
		2015	2014	2015	2014
		\$	\$	\$	\$
CURRENT					
At Cost					
Stock on hand		<u>141,468</u>	<u>150,557</u>	<u>141,468</u>	<u>150,557</u>
		<u><b>141,468</b></u>	<u>150,557</u>	<u><b>141,468</b></u>	<u>150,557</u>

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

## Notes to the Financial Statements

For the Year Ended 31 May 2015

### 7 Property Plant and Equipment

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>LAND AND BUILDINGS</b>				
Land & Buildings				
At cost	21,459,228	20,634,562	19,338,488	18,513,822
Less accumulated depreciation	-	-	-	-
<b>Total land &amp; buildings</b>	<b>21,459,228</b>	<b>20,634,562</b>	<b>19,338,488</b>	<b>18,513,822</b>
<b>Total land and buildings</b>	<b>21,459,228</b>	<b>20,634,562</b>	<b>19,338,488</b>	<b>18,513,822</b>
<b>PLANT AND EQUIPMENT</b>				
Capital works in progress				
At cost	57,685	868,856	57,685	868,856
<b>Total capital works in progress</b>	<b>57,685</b>	<b>868,856</b>	<b>57,685</b>	<b>868,856</b>
Plant and equipment				
At cost	6,867,227	6,686,122	6,532,653	6,448,372
Less accumulated depreciation	(4,537,533)	(4,276,486)	(4,290,158)	(4,081,275)
<b>Total plant and equipment</b>	<b>2,329,694</b>	<b>2,409,636</b>	<b>2,242,495</b>	<b>2,367,097</b>
Furniture, fixture and fittings				
At cost	545,872	441,056	545,872	441,056
Less accumulated depreciation	(237,110)	(212,315)	(237,110)	(212,315)
<b>Total furniture, fixture and fittings</b>	<b>308,762</b>	<b>228,741</b>	<b>308,762</b>	<b>228,741</b>
Low value asset pool				
At cost	330,332	330,332	273,535	273,535
Less accumulated depreciation	(327,624)	(326,000)	(271,023)	(269,518)
<b>Total low value asset pool</b>	<b>2,708</b>	<b>4,332</b>	<b>2,512</b>	<b>4,017</b>
<b>Total plant and equipment</b>	<b>2,698,849</b>	<b>3,511,565</b>	<b>2,611,454</b>	<b>3,468,711</b>
<b>Total property, plant and equipment</b>	<b>24,158,077</b>	<b>24,146,127</b>	<b>21,949,942</b>	<b>21,982,533</b>

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

## Notes to the Financial Statements

For the Year Ended 31 May 2015

### 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	868,855	18,513,824	2,371,113	228,741	21,982,533
Additions	277,128	-	564,231	7,431	848,790
Disposals	-	-	(96,118)	(1,455)	(97,573)
Transfers	(1,088,298)	824,663	147,191	116,444	0
Depreciation expense	-	-	(741,408)	(42,399)	(783,807)
Carrying amount at the end of year	57,685	19,338,488	2,245,008	308,762	21,949,942

#### Consolidated

	Capital Works in Progress \$	Land & Buildings \$	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Total \$
Balance at the beginning of year	868,855	20,634,564	2,413,966	228,741	24,146,126
Additions	277,128	-	573,015	7,431	857,574
Disposals	-	-	(96,118)	(1,455)	(97,573)
Transfers	(1,088,298)	824,663	147,191	116,444	0
Prior Year adjustment	-	-	65,305	-	65,305
Depreciation expense	-	-	(770,956)	(42,399)	(813,354)
Carrying amount at the end of year	57,685	21,459,228	2,332,403	308,762	24,158,078

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Notes to the Financial Statements

For the Year Ended 31 May 2015

## 8 Intangible Assets

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Other intangible assets</b>				
Cost	<b>320,362</b>	284,000	<b>308,362</b>	272,000
Additions	-	-	-	-
Valuation increment / (impairment)	<b>116,638</b>	36,362	<b>116,638</b>	36,362
Net Carrying Value	<b>437,000</b>	320,362	<b>425,000</b>	308,362
<b>Total Intangibles</b>	<b>437,000</b>	320,362	<b>425,000</b>	308,362

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
<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>308,362</b>	272,000	<b>308,362</b>	272,000
Cost	-	-	-	-
Valuation increment / (impairment)	<b>116,638</b>	36,362	<b>116,638</b>	36,362
Balance at the end of the year	<b>425,000</b>	308,362	<b>425,000</b>	308,362
<b>Total Intangible Assets</b>	<b>437,000</b>	320,362	<b>425,000</b>	308,362

The water entitlement of \$425,000 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.



# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

## Notes to the Financial Statements

For the Year Ended 31 May 2015

### 10 Trade and Other Payables

	Note	Consolidated		Parent	
		2015	2014	2015	2014
		\$	\$	\$	\$
CURRENT					
Unsecured liabilities					
Trade payables		<b>449,771</b>	540,911	<b>437,000</b>	516,097
Accrued Expenses		<b>445,949</b>	521,606	<b>431,560</b>	517,296
Tax and other payables		<b>101,842</b>	103,048	<b>98,415</b>	97,992
wholly owned subsidiaries		-	-	<b>819</b>	447
		<b>997,563</b>	1,165,565	<b>967,794</b>	1,131,832
NON CURRENT					
Accrued Expenses		<b>36,376</b>	181,880	<b>36,376</b>	181,880
		<b>36,376</b>	181,880	<b>36,376</b>	181,880

### 11 Financial Liabilities

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

#### Bank Facility

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
CURRENT				
Credit Card Facility	<b>2,235</b>	2,452	<b>2,235</b>	2,452
	<b>2,235</b>	2,452	<b>2,235</b>	2,452

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Notes to the Financial Statements

For the Year Ended 31 May 2015

## 12 Provisions

Analysis of Total Provisions	Note	Consolidated		Parent	
		2015	2014	2015	2014
		\$	\$	\$	\$
Current		317,331	348,326	317,331	348,326
Non-current		147,543	156,473	147,543	156,473
		<b>464,874</b>	504,799	<b>464,874</b>	504,799

Parent	Employee Entitlements	Total
Opening balance at 1 June 2014	504,799	504,799
Additional provisions raised / (used) during the year	(39,925)	(39,925)
Balance at 31 May 2015	<b>464,874</b>	<b>464,874</b>

Consolidated	Employee Entitlements	Total
Opening balance at 1 June 2014	504,799	504,799
Additional provisions raised / (used) during the year	(39,925)	(39,925)
Balance at 31 May 2015	<b>464,874</b>	<b>464,874</b>

## 13 Other Liabilities

### Current

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
Subs and revenue in advance	127,299	120,600	127,299	120,392
Other payables	8,742	7,095	8,742	7,095
	<b>136,041</b>	127,695	<b>136,041</b>	127,487

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Notes to the Financial Statements

For the Year Ended 31 May 2015

## 14 Cash Flow Information

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

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
Net income/loss for the period	<b>749,622</b>	719,707	<b>755,564</b>	701,157
Cash flows excluded from profit attributable to operating activities				
Non-cash flows in profit:				
Depreciation	<b>813,353</b>	747,104	<b>783,804</b>	734,389
Net (gain)/loss on disposal of property, plant and equipment	<b>28,437</b>	(118,686)	<b>28,437</b>	(118,686)
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables	<b>889</b>	(11,846)	<b>656</b>	(11,201)
(Increase)/decrease in other assets	<b>(18,138)</b>	15,633	<b>(18,879)</b>	15,233
(Increase)/decrease in inventories	<b>9,089</b>	6,344	<b>9,089</b>	6,344
Increase/(decrease) in trade and other	<b>(313,507)</b>	446,123	<b>(309,543)</b>	467,193
Increase/(decrease) in financial liabilities	<b>(217)</b>	(3,316)	<b>(217)</b>	(3,316)
Increase/(decrease) in other liabilities	<b>8,346</b>	(98)	<b>8,554</b>	(202)
Increase/(decrease) in provisions	<b>(39,925)</b>	(18,154)	<b>(39,925)</b>	(18,154)
	<b>1,237,949</b>	1,782,811	<b>1,217,540</b>	1,772,757

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

## Notes to the Financial Statements

For the Year Ended 31 May 2015

### 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		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)	-
<b>Total</b>		<b>4,718,654</b>	<b>2,759,220</b>	<b>1,959,434</b>

Parent		2014		
	Effective interest rate	Total \$	12 months or less \$	More than 5 years \$
Loans & Receivables	- %	2,035,380	23,440	2,011,940
Cash and cash equivalents	3.60%	3,216,068	3,216,068	-
Trade payables	- %	(1,131,832)	(1,131,832)	-
Credit card facility	15.75%	(2,452)	(2,452)	-
<b>Total</b>		<b>4,117,164</b>	<b>2,105,224</b>	<b>2,011,940</b>

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)
<b>Total</b>		<b>2,863,624</b>	<b>2,863,624</b>

Consolidated		2014	
	Effective interest rate	Total \$	12 months or less \$
Loans & Receivables	- %	24,512	24,512
Cash and cash equivalents	3.60%	3,390,284	3,390,284
Trade payables	- %	(1,165,566)	(1,165,566)
Credit card facility	15.75%	(2,452)	(2,452)
<b>Total</b>		<b>2,246,778</b>	<b>2,246,778</b>

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

## Notes to the Financial Statements

For the Year Ended 31 May 2015

### (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 2015.

#### (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 2015, 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 2015

### (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:

	2015		2014	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
<b>Financial Assets</b>				
Loans and receivables	23,623	23,623	24,512	24,512
	<b>23,623</b>	<b>23,623</b>	24,512	24,512
<b>Financial Liabilities</b>				
Credit Card Facility	(2,235)	(2,235)	(2,452)	(2,452)
	<b>(2,235)</b>	<b>(2,235)</b>	(2,452)	(2,452)

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 2015

### 19 Contingent liabilities

#### (a) 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 2015, amounts owing to these suppliers were approximately \$ Nil.

#### (b) Other contingent liabilities

### 20 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:

Keith McDougall	Director
Bruce Venn	Director
Ian Bennett	Director
Douglas Carter	Director
Ian Ellis	Director (appointed 8th October 2014)
Andrew Hollingworth	Director
Ruth Morpeth	Director
William O'Malley	Director (resigned 8th October 2014)
Karen Pasco	Director
Adrian Peel	Director

#### Other Key Management Personnel

Paul Biddlestone	CEO (resigned 6th July 2014)
Lisa Morris	Operations Manager
Michael Alexander	CEO (commenced 6th October 2014)

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 2015 is \$351,788 (2014 - \$288,227).

# Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

## Notes to the Financial Statements

For the Year Ended 31 May 2015

### 21 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:

	2015	2014
	\$	\$
<b>(a) Purchase of goods &amp; services</b>		
B & K Venn	25,080	-
Matthews & Carter	-	96,854
<b>(b) Sale of goods &amp; services</b>		
Adrian Peel	9,276	5,005

### 22 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 2015 the number of members was 6,349 (2014: 6,844).

### 23 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%

### 24 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**

**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 2015 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Brian McCleary & Co  
Chartered Accountants

Brian McCleary (RCA665)

4<sup>th</sup> August 2015

Deniliquin