

Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Financial Statements

For the Year Ended 31 May 2018

Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

For the Year Ended 31 May 2018

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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 2018, and the income statement, statement of changes in equity and statement of cash flows for the year ended that date a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the Barham & District Services Memorial Club Ltd and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Barham & District Services Memorial Club Ltd

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

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Barham & District Services Memorial Club Ltd on 1st August 2016, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion the financial report of Barham & District Services Memorial Club Ltd is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 31 May 2018 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

7th August 2018

Barham & District Services Memorial Club Ltd

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Directors' Report

31 May 2018

Your directors present their report on the company and its controlled entities for the financial year ended 31 May 2018.

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

Douglas Carter	
Ruth Morpeth	
Graeme Hare	
Ian Bennett	(resigned 4 th July 2017)
Paul Boyd	(appointed 11 th October 2017)
Christine Dartnell	
Colin D'Elton	(resigned 11 th October 2017)
John Doidge	(appointed 11 th October 2017)
Ian Ellis	(resigned 11 th October 2017)
Glenn Faul	(appointed 11 th October 2017)
Robert Lolicato	(appointed 11 th October 2017)
Keith McDougall	(resigned 11 th October 2017)
Steven Tanner	

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 \$1,209,688 (prior year \$2,839,403).

(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 2018

3. Other items

(a) After balance day events

Since the end of the financial year the Club has entered into a contract to purchase the former Barham Motor Inn. This contract will settle on 6th August 2018.

No other 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

14 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
Douglas Carter	11	10	3	3
Ruth Morpeth	11	11	3	3
Graeme Hare	11	10	3	3
Ian Bennett	1	1	0	0
Paul Boyd	7	5	2	2
Christine Dartnell	11	11	3	3
Colin D'Elton	4	3	1	1
John Doidge	7	7	2	2
Ian Ellis	4	4	1	1
Glenn Faul	7	6	2	2
Robert Lolicato	7	6	2	2
Keith McDougall	4	3	1	1
Steven Tanner	11	8	3	3

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 2018

4. Remuneration Report continued

(b) Details of remuneration for year ended 31 May 2018

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

	Directors fees \$
Directors	
Douglas Carter	6,667
Ruth Morpeth	4,000
Graeme Hare	4,000
Ian Bennett	333
Paul Boyd	2,667
Christine Dartnell	4,000
Colin D'Elton	1,333
John Doidge	2,667
Ian Ellis	1,333
Glenn Faul	2,667
Robert Lolicato	2,667
Keith McDougall	2,667
Steven Tanner	4,000
	<hr/>
	39,001
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Barham & District Services Memorial Club Ltd

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Directors' Report

31 May 2018

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:

Douglas Carter

Director:

Ruth Morpeth

Dated this 7th August 2018

Barham & District Services Memorial Club Ltd

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Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 8 to 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 2018 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
Douglas Carter

Director
Ruth Morpeth

Dated 7th August 2018

Barham & District Services Memorial Club Ltd

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Comprehensive Income Statement

For the Year Ended 31 May 2018

	Note	Consolidated		Parent	
		2018	2017	2018	2017
		\$	\$	\$	\$
Sales revenue	2	3,808,560	3,626,934	3,234,461	3,085,759
Cost of sales		(1,124,064)	(1,078,158)	(1,106,947)	(1,059,659)
Gross profit		2,684,496	2,548,776	2,127,514	2,026,100
Other revenues	2	7,136,073	8,676,083	7,342,741	8,843,308
Marketing expenses		(364,521)	(378,605)	(358,263)	(371,970)
Occupancy expenses		(591,338)	(505,253)	(548,505)	(464,166)
Administration expenses		(164,195)	(148,719)	(145,638)	(130,490)
Depreciation & impairments		(888,013)	(851,903)	(869,476)	(833,984)
Employee benefits expense		(3,438,450)	(3,375,538)	(3,438,450)	(3,375,538)
Members expenses		(319,719)	(318,328)	(319,719)	(318,328)
Donations & sponsorships		(92,133)	(70,157)	(92,133)	(70,157)
Other expenses		(2,752,512)	(2,736,953)	(2,491,119)	(2,489,885)
Profit attributable to members		1,209,688	2,839,403	1,206,952	2,814,890

Barham & District Services Memorial Club Ltd

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Balance Sheet

31 May 2018

	Note	Consolidated		Parent	
		2018	2017	2018	2017
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash and cash equivalents	4	5,747,709	5,671,723	5,431,815	5,309,267
Trade and other receivables	5	69,842	28,441	66,301	26,892
Inventories	6	157,097	121,411	157,097	121,411
Other current assets	9	57,418	43,249	57,418	43,249
Total current assets		6,032,066	5,864,824	5,712,631	5,500,819
Non-current assets					
Trade and other receivables	5	-	-	2,039,402	2,090,490
Property, plant and equipment	7	26,659,721	25,779,352	24,409,717	23,596,780
Intangible assets	8	693,498	607,000	681,498	595,000
Total non-current assets		27,353,219	26,386,352	27,130,617	26,282,270
TOTAL ASSETS		33,385,285	32,251,176	32,843,248	31,783,089
LIABILITIES					
Current liabilities					
Trade and other payables	10	737,504	879,609	689,831	822,534
Financial liabilities	11	4,617	3,300	4,617	3,300
Short-term provisions	12	323,171	316,342	323,171	316,342
Other current liabilities	13	141,729	139,134	139,134	137,824
Total current liabilities		1,207,021	1,338,385	1,156,753	1,280,000
Non-current liabilities					
Long-term payables	10	-	-	-	-
Long-term provisions	12	115,219	121,219	115,219	121,219
Total non-current liabilities		115,219	121,219	115,219	121,219
TOTAL LIABILITIES		1,322,240	1,459,604	1,271,972	1,401,219
NET ASSETS		32,063,045	30,791,572	31,571,276	30,381,870
EQUITY					
Reserves		5,897,556	5,835,772	5,411,211	5,428,756
Retained earnings		26,165,489	24,955,800	26,160,065	24,953,114
TOTAL EQUITY		32,063,045	30,791,572	31,571,276	30,381,870

Barham & District Services Memorial Club Ltd

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Statement of Changes in Equity

For the Year Ended 31 May 2018

2018	Note	Retained	Parent	Total
		Earnings	Asset	
		\$	Revaluation	\$
			Reserve	
			\$	
Balance at 1 June 2017		24,953,114	5,428,756	30,381,870
Profit attributable to members		1,206,952	-	1,206,952
Revaluation increment /(decrement)			(17,546)	(17,546)
Sub-total		1,206,952	(17,546)	1,189,406
Balance at 31 May 2018		26,160,066	5,411,210	31,571,276

2017	Note	Retained	Parent	Total
		Earnings	Asset	
		\$	Revaluation	\$
			Reserve	
			\$	
Balance at 1 June 2016		24,953,114	5,428,756	30,381,870
Profit attributable to members		2,814,890	-	2,814,890
Prior Year Adjustment - Inner Clubs		235,893		235,893
Sub-total		3,050,783	-	3,050,783
Balance at 31 May 2017		28,003,897	5,428,756	33,432,653

2018	Note	Retained	Consolidated	Total
		Earnings	Asset	
		\$	Revaluation	\$
			Reserve	
			\$	
Balance at 1 June 2017		24,955,800	5,835,772	30,791,572
Profit attributable to members		1,209,688	-	1,209,688
Revaluation increment /(decrement)			61,784	61,784
Sub-total		1,209,688	61,784	1,271,472
Balance at 31 May 2018		26,165,488	5,897,556	32,063,044

2017	Note	Retained	Consolidated	Total
		Earnings	Asset	
		\$	Revaluation	\$
			Reserve	
			\$	
Balance at 1 June 2016		24,955,800	5,835,772	30,791,572
Profit attributable to members		2,839,403	-	2,839,403
Prior Year Adjustment - Inner Clubs		235,893		235,893
Sub-total		3,075,296	-	3,075,296
Balance at 31 May 2017		28,031,096	5,835,772	33,866,868

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Statement of Cash Flows

For the Year Ended 31 May 2018

	Note	Consolidated		Parent	
		2018	2017	2018	2017
		\$	\$	\$	\$
Cash from operating activities:					
Receipts from customers		10,389,074	9,826,981	9,816,967	9,285,787
Payments to suppliers and employees		(8,862,375)	(8,317,920)	(8,508,100)	(7,992,587)
Interest received		95,946	96,606	95,642	96,305
Rent Received		34,065	34,422	34,065	34,422
Other receipts		-	-	206,972	167,526
Net cash provided by (used in) operating activities	14	1,656,710	1,640,089	1,645,546	1,591,453
Cash flows from investing activities:					
Proceeds from sale of plant and equipment		1,323,322	2,369,495	1,323,322	2,369,495
Acquisition of property, plant and		(2,904,046)	(1,753,873)	(2,897,407)	(1,749,241)
Loans to related parties		-	-	51,087	(69,703)
Net cash provided by (used in) investing activities		(1,580,724)	615,622	(1,522,998)	550,551
Net increase (decreases) in cash held					
Cash at beginning of financial year		5,671,723	3,416,012	5,309,267	3,167,263
Cash at end of financial year	4	5,747,709	5,671,723	5,431,815	5,309,267

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2018

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 4,825,045 (2017 - 4,526,439 surplus)
- b. Cash from Operations 1,656,710 surplus (2017 – 1,640,089 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 2018

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 2018 and the change in values reflected in the May 2018 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 2018

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 2018

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 customers.

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

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2018

(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 2018

2 Revenue

	Note	Consolidated		Parent	
		2018	2017	2018	2017
		\$	\$	\$	\$
Revenue from Operating activities					
Sales revenue		3,808,560	3,626,934	3,234,461	3,085,759
Bingo & raffles		203,275	217,014	203,275	217,014
Members subscriptions		162,024	156,528	162,024	156,528
Gaming Income		5,346,556	4,947,704	5,346,556	4,947,704
Other income		794,003	763,652	1,000,671	930,877
		10,314,418	9,711,832	9,946,987	9,337,882
Revenue from Other activities					
Interest received	2(a)	92,022	93,096	212,002	212,541
Rental income		34,065	34,422	34,065	34,422
Profit on Sale of Assets	3(b)	384,147	2,344,222	384,147	2,344,222
		510,234	2,471,740	630,215	2,591,185
Total Revenue		10,944,633	12,303,017	10,577,202	11,929,067

(a) Interest revenue breakup

	Consolidated		Parent	
	2018	2017	2018	2017
	\$	\$	\$	\$
Interest revenue from:				
wholly owned controlled entities	-	-	120,284	119,746
bank	92,022	93,096	91,718	92,795
Total interest revenue	92,022	93,096	212,002	212,541

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Notes to the Financial Statements

For the Year Ended 31 May 2018

3 (a) Auditors' Remuneration

	Consolidated		Parent	
	2018	2017	2018	2017
	\$	\$	\$	\$
Remuneration of the auditor of the parent entity for:				
Auditing or reviewing the financial report	13,060	14,085	13,060	13,245
Taxation and accounting services	2,500	1,500	1,500	1,500

(b) Significant Revenue & Expenses

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

Property, Plant and Equipment

Proceeds on disposal	1,323,322	2,369,495	1,323,322	2,369,495
Written down value	939,174	25,274	939,174	25,274
Net gain/(loss) on disposal at 31st May	384,148	2,344,221	384,148	2,344,221

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2018

4 Cash and Cash Equivalents

	Consolidated		Parent	
	2018	2017	2018	2017
	\$	\$	\$	\$
Cash on hand	612,990	509,709	612,990	509,709
Cash at bank	1,671,204	2,281,788	1,355,310	1,919,332
Short-term bank deposits	3,463,515	2,880,226	3,463,515	2,880,226
	<u>5,747,709</u>	<u>5,671,723</u>	<u>5,431,815</u>	<u>5,309,267</u>

The effective interest rate on short term bank deposits was 2.43% (2017: 2.60%) these deposits have an average maturity of 122 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	
	2018	2017	2018	2017
	\$	\$	\$	\$
Cash and cash equivalents	5,747,709	5,671,723	5,431,815	5,309,267
	<u>5,747,709</u>	<u>5,671,723</u>	<u>5,431,815</u>	<u>5,309,267</u>

5 Trade and Other Receivables

	Note	Consolidated		Parent	
		2018	2017	2018	2017
		\$	\$	\$	\$
CURRENT					
Trade Receivables		69,842	28,441	66,301	26,892
		<u>69,842</u>	<u>28,441</u>	<u>66,301</u>	<u>26,892</u>
NON CURRENT					
Other related parties		-	-	2,039,402	2,090,490
		<u>-</u>	<u>-</u>	<u>2,039,402</u>	<u>2,090,490</u>

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2018

6 Inventories

	Note	Consolidated		Parent	
		2018	2017	2018	2017
CURRENT		\$	\$	\$	\$
At Cost					
Stock on hand		<u>157,097</u>	121,411	<u>157,097</u>	121,411
		<u>157,097</u>	121,411	<u>157,097</u>	121,411

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2018

7 Property Plant and Equipment

	Consolidated		Parent	
	2018	2017	2018	2017
	\$	\$	\$	\$
LAND AND BUILDINGS				
Land & Buildings				
At cost	23,540,151	22,319,108	21,340,082	20,198,368
Less accumulated depreciation	-	-	-	-
Total land & buildings	23,540,151	22,319,108	21,340,082	20,198,368
Total land and buildings	23,540,151	22,319,108	21,340,082	20,198,368
PLANT AND EQUIPMENT				
Capital works in progress				
At cost	146,486	708,996	146,486	708,996
Total capital works in progress	146,486	708,996	146,486	708,996
Plant and equipment				
At cost	7,796,844	7,467,205	7,449,152	7,121,287
Less accumulated depreciation	(5,265,703)	(5,035,160)	(4,967,891)	(4,750,997)
Total plant and equipment	2,531,141	2,432,045	2,481,261	2,370,290
Furniture, fixture and fittings				
At cost	830,105	647,695	830,105	647,695
Less accumulated depreciation	(388,832)	(329,553)	(388,832)	(329,553)
Total furniture, fixture and fittings	441,273	318,142	441,273	318,142
Low value asset pool				
At cost	330,332	330,332	273,535	273,535
Less accumulated depreciation	(329,662)	(329,271)	(272,920)	(272,551)
Total low value asset pool	670	1,061	615	984
Total plant and equipment	3,119,570	3,460,244	3,069,635	3,398,412
Total property, plant and equipment	26,659,721	25,779,352	24,409,717	23,596,780

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2018

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	708,995	20,198,368	2,374,836	314,581	23,596,780
Additions	1,892,807	11,055	808,672	13,093	2,725,627
Disposals	-	(912,663)	(22,239)	(4,271)	(939,173)
Transfers	(2,455,317)	2,147,364	127,072	180,881	-
Revaluation	-	(104,043)	-	-	(104,043)
Depreciation expense	-	-	(806,467)	(63,007)	(869,474)
Carrying amount at the end of year	146,485	21,340,081	2,481,874	441,277	24,409,717

Consolidated

	Capital Works in Progress \$	Land & Buildings \$	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Total \$
Balance at the beginning of year	708,995	22,319,108	2,436,668	314,581	25,779,353
Additions	1,892,807	11,055	815,310	13,093	2,732,264
Disposals	-	(912,663)	(22,239)	(4,271)	(939,173)
Transfers	(2,455,317)	2,147,364	127,072	180,881	-
Revaluation	-	(24,714)	-	-	(24,714)
Depreciation expense	-	-	(825,008)	(63,007)	(888,015)
Carrying amount at the end of year	146,485	23,540,150	2,531,803	441,277	26,659,715

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2018

8 Intangible Assets

	Consolidated		Parent	
	2018	2017	2018	2017
	\$	\$	\$	\$
Other intangible assets				
Cost	607,000	607,000	595,000	595,000
Additions	-	-	-	-
Valuation increment / (impairment)	86,498	-	86,498	-
Net Carrying Value	693,498	607,000	681,498	595,000
Total Intangibles	693,498	607,000	681,498	595,000

	Consolidated		Parent	
	2018	2017	2018	2017
	\$	\$	\$	\$
Other Intangible Assets				
Goodwill				
Balance at the beginning of the year	12,000	12,000	-	-
Balance at the end of the year	12,000	12,000	-	-
Water entitlements				
Balance at the beginning of the year	595,000	595,000	595,000	595,000
Cost	-	-	-	-
Valuation increment / (impairment)	86,498	-	86,498	-
Balance at the end of the year	681,498	595,000	681,498	595,000
Total Intangible Assets	693,498	607,000	681,498	595,000

The water entitlement of \$681,498 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	
		2018	2017	2018	2017
		\$	\$	\$	\$
CURRENT					
Prepayments		46,318	27,873	46,318	27,873
Accrued Income		11,101	15,375	11,101	15,375
		57,418	43,249	57,418	43,249

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2018

10 Trade and Other Payables

	Note	Consolidated		Parent	
		2018	2017	2018	2017
		\$	\$	\$	\$
CURRENT					
Unsecured liabilities					
Trade payables		284,618	435,426	278,130	425,096
Accrued Expenses		346,059	326,474	311,068	286,286
Tax and other payables		106,826	117,709	100,372	110,663
wholly owned subsidiaries		-	-	260	490
		737,503	879,609	689,831	822,534
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	
	2018	2017	2018	2017
	\$	\$	\$	\$
CURRENT				
Credit Card Facility	4,617	3,300	4,617	3,300
	4,617	3,300	4,617	3,300

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2018

12 Provisions

Analysis of Total Provisions	Note	Consolidated		Parent	
		2018	2017	2018	2017
		\$	\$	\$	\$
Current		323,171	316,342	323,171	316,342
Non-current		115,219	121,219	115,219	121,219
		438,390	437,561	438,390	437,561

Parent	Employee Entitlements	Total
Opening balance at 1 June 2017	437,561	437,561
Additional provisions raised / (used) during the year	829	829
Balance at 31 May 2018	438,390	438,390

Consolidated	Employee Entitlements	Total
Opening balance at 1 June 2017	437,561	437,561
Additional provisions raised / (used) during the year	829	829
Balance at 31 May 2018	438,390	438,390

13 Other Liabilities

Current

	Consolidated		Parent	
	2018	2017	2018	2017
	\$	\$	\$	\$
Subs and revenue in advance	131,934	130,179	129,339	128,869
Other payables	9,574	8,955	9,574	8,955
	141,508	139,134	138,913	137,824

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2018

14 Cash Flow Information

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

	Consolidated		Parent	
	2018	2017	2018	2017
	\$	\$	\$	\$
Net income/loss for the period	1,209,688	2,839,403	1,206,952	2,814,890
Cash flows excluded from profit attributable to operating activities				
Non-cash flows in profit:				
Depreciation	1,059,789	1,089,862	1,041,252	1,071,943
Net (gain)/loss on disposal of property, plant and equipment	(384,147)	(2,344,222)	(384,147)	(2,344,222)
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables	(41,401)	(786)	(39,409)	(805)
(Increase)/decrease in other assets	(14,169)	(7,911)	(14,169)	(7,911)
(Increase)/decrease in inventories	(35,686)	23,454	(35,686)	23,454
Increase/(decrease) in trade and other	(142,105)	34,736	(132,703)	29,761
Increase/(decrease) in financial liabilities	1,317	(2,397)	1,317	(2,397)
Increase/(decrease) in other liabilities	2,595	7,588	1,310	6,378
Increase/(decrease) in provisions	829	362	829	362
	1,656,710	1,640,089	1,645,546	1,591,453

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2018

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		2018		
	Effective interest rate	Total \$	12 months or less \$	More than 5 years \$
Loans & Receivables	- %	2,105,703	66,301	2,039,402
Cash and cash equivalents	2.43%	5,431,815	5,431,815	-
Trade payables	- %	(689,831)	(689,831)	-
Credit card facility	15.75%	(4,617)	(4,617)	-
Total		6,843,070	4,803,668	2,039,402

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)	-
Total		6,600,815	4,510,325	2,090,490

Consolidated		2018	
	Effective interest rate	Total \$	12 months or less \$
Loans & Receivables	- %	69,842	69,842
Cash and cash equivalents	2.43%	5,747,709	5,747,709
Trade payables	- %	(737,504)	(737,504)
Credit card facility	15.75%	(4,617)	(4,617)
Total		5,075,430	5,075,430

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)
Total		4,817,255	4,817,255

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2018

(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 2018.

(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 2018, 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 2018

(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:

	2018		2017	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Financial Assets				
Loans and receivables	69,842	69,842	28,441	28,441
	69,842	69,842	28,441	28,441
Financial Liabilities				
Credit Card Facility	(4,617)	(4,617)	(3,300)	(3,300)
	(4,617)	(4,617)	(3,300)	(3,300)

Fair values are materially in line with carrying values.

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2018

16 Contingent Assets & 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 2018, amounts owing to these suppliers were approximately \$691.

17 Key Management Personnel Compensation

(a) Key Management Personnel

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

Key Management Person	Position
Douglas Carter	Director
Ruth Morpeth	Director
Graeme Hare	Director
Ian Bennett	Director (resigned 4th July 2017)
Paul Boyd	Director (appointed 11th October 2017)
Christine Dartnell	Director
Colin D'Elton	Director (resigned 11th October 2017)
John Doidge	Director (appointed 11th October 2017)
Ian Ellis	Director (resigned 11th October 2017)
Glenn Faul	Director (appointed 11th October 2017)
Robert Lolicato	Director (appointed 11th October 2017)
Keith McDougall	Director (resigned 11th October 2017)
Steven Tanner	Director

Other Key Management Personnel

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

(b) Compensation

Total compensation paid to key management personnel for the year ended 31st May 2018 is \$373,180 (2017 - \$357,488).

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2018

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:

	2018	2017
	\$	\$
(a) Purchase of goods & services		
Barham IGA	8,669	N/A
Boyd Plumbing & Supplies Pty Ltd	17,835	N/A
Doug Carter Painting	4,900	4,500
Riveredge Embroidery	4,540	N/A

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 2018 the number of members was 6,436 (2017: 6,860).

20 Controlled Entities

(a) Detailed table

Name	Country of incorporation	Percentage Owned 2018	Percentage Owned 2017
Parent Entity:			
Barham & District Services Memorial Club Ltd	Australia	100%	100%
Subsidiaries of parent entity:			
Rivre Du Cinq Pty Ltd	Australia	100%	100%

21 Company Details

(a) Registered office

The registered office of the company is:
Barham & District Services Memorial Club Ltd
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 2018 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)

7th August 2018

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