

Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Financial Statements

For the Year Ended 31 May 2019

Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

For the Year Ended 31 May 2019

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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 2019, 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, 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 2019 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

6th August 2019

Barham & District Services Memorial Club Ltd

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Directors' Report

31 May 2019

Your directors present their report on the company and its controlled entities for the financial year ended 31 May 2019.

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

Glenn Faul

Ian Ellis

(appointed 10th October 2018)

Annabel Barr

(appointed 10th October 2018)

Paul Boyd

(resigned 5th March 2019)

Christine Dartnell

(resigned 10th October 2018)

John Doidge

(resigned 10th October 2018)

Stephen Fullerton

(appointed 10th October 2018)

Graeme Hare

(resigned 10th October 2018, reappointed 7th November 2018)

Robert Lolicato

(resigned 22nd October 2018)

Ruth Morpeth

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 \$632,887 (prior year \$1,209,688).

(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 2019

3. Other items

(a) After balance day events

Since the end of the financial year the Club has entered into a contract to transfer ownership of the cluBarham Motel from Rivre Du Cinq Pty Ltd (Subsidiary company 100% owned) to Barham & District Services Memorial Club Ltd (Parent company).

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

13 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	11	2	2
Glenn Faul	11	11	2	2
Ian Ellis	7	7	1	1
Annabel Barr	7	6	1	1
Paul Boyd	9	7	2	2
Christine Dartnell	4	3	1	1
John Doidge	4	4	1	1
Stephen Fullerton	7	5	1	1
Graeme Hare	10	8	1	1
Robert Lolicato	4	4	2	2
Ruth Morpeth	11	11	2	2
Steven Tanner	11	10	2	2

4. Remuneration Report

(a) Remuneration Report

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

Barham & District Services Memorial Club Ltd

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Directors' Report

31 May 2019

4. Remuneration Report continued

(b) Details of remuneration for year ended 31 May 2019

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

	Directors fees \$
Directors	
Douglas Carter	8,000
Glenn Faul	4,000
Ian Ellis	2,667
Annabel Barr	2,667
Paul Boyd	3,000
Christine Dartnell	1,333
John Doidge	1,333
Stephen Fullerton	2,667
Graeme Hare	3,667
Robert Lolicato	1,333
Ruth Morpeth	4,000
Steven Tanner	4,000
	<hr/> <hr/> 38,667

Barham & District Services Memorial Club Ltd

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Directors' Report

31 May 2019

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:

Glenn Faul

Dated this 6th August 2019

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 2019 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
Glenn Faul

Dated 6th August 2019

Barham & District Services Memorial Club Ltd

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Comprehensive Income Statement

For the Year Ended 31 May 2019

	Note	Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
Sales revenue	2	4,270,478	3,808,560	3,631,563	3,234,461
Cost of sales		(1,142,115)	(1,124,064)	(1,124,807)	(1,106,947)
Gross profit		3,128,363	2,684,496	2,506,756	2,127,514
Other revenues	2	6,470,829	7,136,073	6,471,435	7,342,741
Marketing expenses		(390,703)	(364,521)	(384,494)	(358,263)
Occupancy expenses		(610,590)	(591,338)	(567,922)	(548,505)
Administration expenses		(161,594)	(164,195)	(141,400)	(145,638)
Depreciation & impairments		(964,656)	(888,013)	(945,601)	(869,476)
Employee benefits expense		(3,623,063)	(3,438,450)	(3,623,063)	(3,438,450)
Members expenses		(341,676)	(319,719)	(341,676)	(319,719)
Donations & sponsorships		(100,520)	(92,133)	(100,520)	(92,133)
Other expenses		(2,773,503)	(2,752,512)	(2,485,868)	(2,491,119)
Profit attributable to members		632,887	1,209,688	387,647	1,206,952

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Balance Sheet

31 May 2019

	Note	Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash and cash equivalents	4	4,964,850	5,747,709	4,599,635	5,431,815
Trade and other receivables	5	31,031	69,842	28,928	66,301
Inventories	6	155,819	157,097	155,819	157,097
Other current assets	9	42,653	57,418	42,653	57,418
Total current assets		5,194,353	6,032,066	4,827,035	5,712,631
Non-current assets					
Trade and other receivables	5	-	-	1,810,534	2,039,402
Property, plant and equipment	7	28,399,809	26,659,721	26,164,954	24,409,717
Intangible assets	8	1,168,000	693,498	1,156,000	681,498
Total non-current assets		29,567,809	27,353,219	29,131,488	27,130,617
TOTAL ASSETS		34,762,162	33,385,285	33,958,523	32,843,248
LIABILITIES					
Current liabilities					
Trade and other payables	10	1,087,898	737,504	1,023,715	689,831
Financial liabilities	11	(1,121)	4,617	(1,121)	4,617
Short-term provisions	12	390,405	323,171	390,405	323,171
Other current liabilities	13	141,403	141,729	138,953	139,134
Total current liabilities		1,618,585	1,207,021	1,551,952	1,156,753
Non-current liabilities					
Long-term payables	10	-	-	-	-
Long-term provisions	12	116,165	115,219	116,165	115,219
Total non-current liabilities		116,165	115,219	116,165	115,219
TOTAL LIABILITIES		1,734,750	1,322,240	1,668,117	1,271,972
NET ASSETS		33,027,412	32,063,045	32,290,406	31,571,276
EQUITY					
Reserves		6,372,058	5,897,556	5,885,713	5,411,211
Retained earnings		26,655,354	26,165,489	26,404,693	26,160,065
TOTAL EQUITY		33,027,412	32,063,045	32,290,406	31,571,276

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Statement of Changes in Equity

For the Year Ended 31 May 2019

2019	Note	Retained	Parent	Total
		Earnings	Asset	
		\$	Revaluation	\$
			Reserve	
			\$	
Balance at 1 June 2018		26,160,065	5,411,211	31,571,276
Profit attributable to members		387,647	-	387,647
Prior Year Adjustment - PM Jackpots		(143,019)		(143,019)
Revaluation increment /(decrement)			474,502	474,502
Sub-total		244,628	474,502	719,130
Balance at 31 May 2019		26,404,693	5,885,713	32,290,406

2018	Note	Retained	Parent	Total
		Earnings	Asset	
		\$	Revaluation	\$
			Reserve	
			\$	
Balance at 1 June 2017		26,160,065	5,411,211	31,571,276
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		27,367,017	5,393,665	32,760,682

2019	Note	Retained	Consolidated	Total
		Earnings	Asset	
		\$	Revaluation	\$
			Reserve	
			\$	
Balance at 1 June 2018		26,165,489	5,897,556	32,063,045
Profit attributable to members		632,887	-	632,887
Prior Year Adjustment - PM Jackpots		(143,019)		(143,019)
Revaluation increment /(decrement)			474,500	474,500
Sub-total		489,868	474,500	964,368
Balance at 31 May 2019		26,655,357	6,372,056	33,027,413

2018	Note	Retained	Consolidated	Total
		Earnings	Asset	
		\$	Revaluation	\$
			Reserve	
			\$	
Balance at 1 June 2017		26,165,489	5,897,556	32,063,045
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

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Statement of Cash Flows

For the Year Ended 31 May 2019

	Note	Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
Cash from operating activities:					
Receipts from customers		10,580,247	10,389,074	9,939,894	9,816,967
Payments to suppliers and employees		(8,851,141)	(8,862,375)	(8,493,492)	(8,508,100)
Interest received		80,443	95,946	80,211	95,642
Rent Received		20,555	34,065	20,555	34,065
Other receipts		-	-	-	206,972
Net cash provided by (used in) operating activities	14	1,830,104	1,656,710	1,547,168	1,645,546
Cash flows from investing activities:					
Proceeds from sale of plant and equipment		241,638	1,323,322	241,638	1,323,322
Acquisition of property, plant and		(2,854,601)	(2,904,046)	(2,849,855)	(2,897,407)
Loans to related parties		-	-	228,869	51,087
Net cash provided by (used in) investing activities		(2,612,963)	(1,580,724)	(2,379,348)	(1,522,998)
Net increase (decreases) in cash held		(782,859)	75,986	(832,180)	122,548
Cash at beginning of financial year		5,747,709	5,671,723	5,431,815	5,309,267
Cash at end of financial year	4	4,964,850	5,747,709	4,599,635	5,431,815

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2019

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 3,575,768 (2018 - 4,825,045 surplus)
- b. Cash from Operations 1,830,104 surplus (2018 – 1,656,710 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 2019

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 2019

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.

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Notes to the Financial Statements

For the Year Ended 31 May 2019

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

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Notes to the Financial Statements

For the Year Ended 31 May 2019

customers.

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

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

(n) Rounding of Amounts

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

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Notes to the Financial Statements

For the Year Ended 31 May 2019

2 Revenue

	Note	Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
Revenue from Operating activities					
Sales revenue		4,270,478	3,808,560	3,631,563	3,234,461
Bingo & raffles		222,535	203,275	222,535	203,275
Members subscriptions		167,662	162,024	167,662	162,024
Gaming Income		4,987,328	5,346,556	4,987,328	5,346,556
Other income		896,322	794,003	896,928	1,000,671
		10,544,325	10,314,418	9,906,016	9,946,987
Revenue from Other activities					
Interest received	2(a)	76,948	92,022	76,717	212,002
Rental income		20,555	34,065	20,555	34,065
Profit on Sale of Assets	3(b)	98,873	384,147	99,711	384,147
		196,376	510,234	196,982	630,215
Total Revenue		10,741,307	10,944,633	10,102,998	10,577,202

(a) Interest revenue breakup

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Interest revenue from:				
wholly owned controlled entities	-	-	-	120,284
bank	76,948	92,022	76,717	91,718
Total interest revenue	76,948	92,022	76,717	212,002

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Notes to the Financial Statements

For the Year Ended 31 May 2019

3 (a) Auditors' Remuneration

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Remuneration of the auditor of the parent entity for:				
Auditing or reviewing the financial report	11,900	13,060	11,900	13,060
Taxation and accounting services	5,190	2,500	3,930	1,500

(b) Significant Revenue & Expenses

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

Property, Plant and Equipment

Proceeds on disposal	241,638	1,323,322	241,638	1,323,322
Written down value	142,764	939,174	141,926	939,174
Net gain/(loss) on disposal at 31st May	98,874	384,148	99,712	384,148

4 Cash and Cash Equivalents

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Cash on hand	704,885	612,990	704,885	612,990
Cash at bank	1,624,796	1,671,204	1,259,581	1,355,310
Short-term bank deposits	2,635,169	3,463,515	2,635,169	3,463,515
	4,964,850	5,747,709	4,599,635	5,431,815

The effective interest rate on short term bank deposits was 2.45% (2018: 2.43%) these deposits have an average maturity of 183 days.

Reconciliation of Cash

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

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Cash and cash equivalents	4,964,850	5,747,709	4,599,635	5,431,815
	4,964,850	5,747,709	4,599,635	5,431,815

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2019

5 Trade and Other Receivables

	Note	Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
CURRENT					
Trade Receivables		<u>31,031</u>	<u>69,842</u>	<u>28,928</u>	<u>66,301</u>
		<u>31,031</u>	<u>69,842</u>	<u>28,928</u>	<u>66,301</u>
NON CURRENT					
Other related parties		<u>-</u>	<u>-</u>	<u>1,810,534</u>	<u>2,039,402</u>
		<u>-</u>	<u>-</u>	<u>1,810,534</u>	<u>2,039,402</u>

6 Inventories

	Note	Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
CURRENT					
At Cost					
Stock on hand		<u>155,819</u>	<u>157,097</u>	<u>155,819</u>	<u>157,097</u>
		<u>155,819</u>	<u>157,097</u>	<u>155,819</u>	<u>157,097</u>

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2019

7 Property Plant and Equipment

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
LAND AND BUILDINGS				
Land & Buildings				
At cost	24,966,361	23,540,151	22,766,292	21,340,082
Less accumulated depreciation	-	-	-	-
Total land & buildings	24,966,361	23,540,151	22,766,292	21,340,082
Total land and buildings	24,966,361	23,540,151	22,766,292	21,340,082
PLANT AND EQUIPMENT				
Capital works in progress				
At cost	235,752	146,486	235,752	146,486
Total capital works in progress	235,752	146,486	235,752	146,486
Plant and equipment				
At cost	7,824,850	7,796,844	7,482,108	7,449,152
Less accumulated depreciation	(5,066,235)	(5,265,703)	(4,758,279)	(4,967,891)
Total plant and equipment	2,758,615	2,531,141	2,723,829	2,481,261
Furniture, fixture and fittings				
At cost	896,326	830,105	896,326	830,105
Less accumulated depreciation	(457,246)	(388,832)	(457,246)	(388,832)
Total furniture, fixture and fittings	439,080	441,273	439,080	441,273
Low value asset pool				
At cost	-	330,332	-	273,535
Less accumulated depreciation	-	(329,662)	-	(272,920)
Total low value asset pool	-	670	-	615
Total plant and equipment	3,433,448	3,119,570	3,398,662	3,069,635
Total property, plant and equipment	28,399,809	26,659,721	26,164,954	24,409,717

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2019

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	146,485	21,340,081	2,481,874	441,277	24,409,717
Additions	811,354	1,054,590	970,574	13,327	2,849,845
Disposals	-	(108,958)	(32,968)	-	(141,926)
Transfers	(722,087)	480,580	183,847	57,660	-
Revaluation	-	-	-	-	-
Depreciation expense	-	-	(879,500)	(73,182)	(952,682)
Carrying amount at the end of year	235,753	22,766,293	2,723,827	439,082	26,164,954

Consolidated

	Capital Works in Progress \$	Land & Buildings \$	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Total \$
Balance at the beginning of year	146,485	23,540,150	2,531,803	441,277	26,659,715
Additions	811,354	1,054,590	975,321	13,327	2,854,592
Disposals	-	(108,958)	(33,806)	-	(142,764)
Transfers	(722,087)	480,580	183,847	57,660	-
Revaluation	-	-	-	-	-
Depreciation expense	-	-	(898,554)	(73,182)	(971,736)
Carrying amount at the end of year	235,753	24,966,362	2,758,611	439,082	28,399,808

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2019

8 Intangible Assets

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Other intangible assets				
Cost	693,498	693,498	681,498	681,498
Additions	-	-	-	-
Valuation increment / (impairment)	474,502	86,498	474,502	86,498
Net Carrying Value	1,168,000	779,996	1,156,000	767,996
Total Intangibles	1,168,000	779,996	1,156,000	767,996

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
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	681,498	595,000	681,498	595,000
Cost	-	-	-	-
Valuation increment / (impairment)	474,502	86,498	474,502	86,498
Balance at the end of the year	1,156,000	681,498	1,156,000	681,498
Total Intangible Assets	1,168,000	693,498	1,156,000	681,498

The water entitlement of \$1,156,000 is made up of 170 megalitres of high security water. The company holds additional water entitlements of 635 megalitres of general security and 49 megalitres of high security water, as well as 144 poker machine entitlements.

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

9 Other Assets

	Note	Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
CURRENT					
Prepayments		35,900	46,318	35,900	46,318
Accrued Income		7,308	11,101	7,308	11,101
		43,208	57,418	43,208	57,418

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2019

10 Trade and Other Payables

	Note	Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
CURRENT					
Unsecured liabilities					
Trade payables		435,232	284,618	430,741	278,130
Accrued Expenses		374,876	346,059	323,392	311,068
Tax and other payables		147,894	106,826	139,687	100,372
wholly owned subsidiaries		-	-	-	260
		958,002	737,503	893,820	689,831
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	
	2019	2018	2019	2018
	\$	\$	\$	\$
CURRENT				
Credit Card Facility	(1,121)	4,617	(1,121)	4,617
	(1,121)	4,617	(1,121)	4,617

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2019

12 Provisions

Analysis of Total Provisions	Note	Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
Current		390,405	323,171	390,405	323,171
Non-current		116,165	115,219	116,165	115,219
		506,570	438,390	506,570	438,390

Parent	Employee Entitlements	Total
Opening balance at 1 June 2018	438,390	438,390
Additional provisions raised / (used) during the year	68,180	68,180
Balance at 31 May 2019	506,570	506,570

Consolidated	Employee Entitlements	Total
Opening balance at 1 June 2018	438,390	438,390
Additional provisions raised / (used) during the year	68,180	68,180
Balance at 31 May 2019	506,570	506,570

13 Other Liabilities

Current

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Subs and revenue in advance	130,700	131,934	128,250	129,339
Other payables	9,157	9,574	9,157	9,574
	139,856	141,508	137,406	138,913

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2019

14 Cash Flow Information

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

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Net income/loss for the period	632,887	1,209,688	387,647	1,206,952
Cash flows excluded from profit attributable to operating activities				
Non-cash flows in profit:				
Depreciation	971,744	1,059,789	952,689	1,041,252
Net (gain)/loss on disposal of property, plant and equipment	(98,873)	(384,147)	(99,711)	(384,147)
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables	38,811	(41,401)	37,373	(39,409)
(Increase)/decrease in other assets	14,765	(14,169)	14,765	(14,169)
(Increase)/decrease in inventories	1,278	(35,686)	1,278	(35,686)
Increase/(decrease) in trade and other payables	207,376	(142,105)	190,866	(132,703)
Increase/(decrease) in financial liabilities	(5,738)	1,317	(5,738)	1,317
Increase/(decrease) in other liabilities	(326)	2,595	(181)	1,310
Increase/(decrease) in provisions	68,180	829	68,180	829
	1,830,104	1,656,710	1,547,168	1,645,546

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2019

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		2019		
	Effective interest rate	Total \$	12 months or less \$	More than 5 years \$
Loans & Receivables	- %	1,839,462	28,928	1,810,534
Cash and cash equivalents	2.45%	4,599,635	4,599,635	-
Trade payables	- %	(1,023,715)	(1,023,715)	-
Credit card facility	15.75%	1,121	1,121	-
Total		5,416,503	3,605,969	1,810,534

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

Consolidated		2019	
	Effective interest rate	Total \$	12 months or less \$
Loans & Receivables	- %	31,031	31,031
Cash and cash equivalents	2.45%	4,964,850	4,964,850
Trade payables	- %	(1,087,898)	(1,087,898)
Credit card facility	15.75%	1,121	1,121
Total		3,909,104	3,909,104

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

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2019

(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 2019.

(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 2019, 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 2019

(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:

	2019		2018	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Financial Assets				
Loans and receivables	31,031	31,031	69,842	69,842
	31,031	31,031	69,842	69,842
Financial Liabilities				
Credit Card Facility	1,121	1,121	(4,617)	(4,617)
	1,121	1,121	(4,617)	(4,617)

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 2019

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 2019, amounts owing to these suppliers were approximately \$0.

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
Glenn Faul	Director
Ian Ellis	Director (appointed 10th October 2018)
Annabel Barr	Director (appointed 10th October 2018)
Paul Boyd	Director (resigned 5th March 2019)
Christine Dartnell	Director (resigned 10th October 2018)
John Doidge	Director (resigned 10th October 2018)
Stephen Fullerton	Director (appointed 10th October 2018)
Graeme Hare	Director (resigned 10th Oct 2018, reappointed 7th November 2018)
Robert Lolicato	Director (resigned 22nd October 2018)
Ruth Morpeth	Director
Steven Tanner	Director
Other Key Management Personnel	
Michael Alexander	CEO
Lisa Morris	Operations Manager

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

(b) Compensation

Total compensation paid to key management personnel for the year ended 31st May 2019 is \$366,329 (2018 - \$373,180).

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2019

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:

	2019	2018
	\$	\$
(a) Purchase of goods & services		
Barham IGA	9,852	8,669
Boyd Plumbing & Supplies Pty Ltd	30,700	17,835
Doug Carter Painting	35,730	4,900
Riveredge Embroidery	5,607	4,540

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 2019 the number of members was 6,593 (2018: 6,436).

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

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

I declare that, to the best of my knowledge and belief, during the year ended 31 May 2019 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)

6th August 2019

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