

Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Financial Statements

For the Year Ended 31 May 2021

Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

For the Year Ended 31 May 2021

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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 2021, 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 2021 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 September 2021

Barham & District Services Memorial Club Ltd

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Directors' Report

31 May 2021

Your directors present their report on the company and its controlled entities for the financial year ended 31 May 2021.

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

| | |
|-------------------|---|
| Stephen Fullerton | Director |
| Glenn Faul | Director |
| Steven Tanner | Director |
| Ian Bennett | Director (appointed October 2020) |
| Dallas Bibby | Director (appointed October 2020) |
| Douglas Carter | Director (resigned December 2020) |
| Colin D'Elton | Director (resigned October 2020) |
| Ian Ellis | Director (resigned July 2020) |
| Gregory Hall | Director (appointed October 2020) |
| Gerard Keane | Director |
| Wesley O'Neill | Director (appointed October 2020) |
| Bruce Venn | Director (appointed July 2020, resigned October 2020) |

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 Company 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, Lisa Morris & Jason Wallace

2. Business review

(a) Operating Results

The consolidated profit of the Company after providing for income tax amounted to \$1,853,279 (prior year \$51,591).

(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 2021

(c) Covid-19

The Covid-19 pandemic and resulting lockdowns and border closures have had a significant impact on trading at the Club. The Victorian and NSW border closures caused large fluctuations in trading income during the year, and it is difficult to estimate the financial impact.

The Club received Government support in the form of Jobkeeper wages subsidy and Economic Cashflow Boost of \$810,869.

3. Other items

(a) After balance day events

Ongoing border and travel restrictions continue to be imposed by the NSW and Victorian governments in response to Covid-19 outbreaks in both states. This continues to impact the operations of the Club, and the impact is being closely monitored by management and the Board.

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 Company, the results of those operations or the state of affairs of the Company 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

There were no significant changes in the Company's state of affairs during the financial year.

Barham & District Services Memorial Club Ltd

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Directors' Report

31 May 2021

(d) Meetings of Directors

18 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 |
| Stephen Fullerton | 12 | 12 | 6 | 6 |
| Glenn Faul | 12 | 11 | 6 | 3 |
| Steven Tanner | 12 | 10 | 6 | 3 |
| Ian Bennett | 7 | 7 | 3 | 3 |
| Dallas Bibby | 7 | 7 | 3 | 3 |
| Douglas Carter | 6 | 6 | 5 | 5 |
| Colin D'Elton | 5 | 5 | 3 | 3 |
| Ian Ellis | 2 | 2 | 1 | 1 |
| Gregory Hall | 7 | 7 | 3 | 3 |
| Gerard Keane | 12 | 11 | 6 | 6 |
| Wesley O'Neill | 7 | 7 | 3 | 3 |
| Bruce Venn | 3 | 3 | 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.

(b) Details of remuneration for year ended 31 May 2021

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

| Directors | Directors fees \$ |
|-------------------|-------------------|
| Stephen Fullerton | 6,667 |
| Glenn Faul | 4,000 |
| Steven Tanner | 4,000 |
| Ian Bennett | 2,667 |
| Dallas Bibby | 2,667 |
| Douglas Carter | 3,333 |
| Colin D'Elton | 1,333 |
| Ian Ellis | 333 |
| Gregory Hall | 2,667 |
| Gerard Keane | 4,000 |
| Wesley O'Neill | 2,667 |
| Bruce Venn | 1,000 |
| | <hr/> |
| | 35,334 |
| | <hr/> <hr/> |

Barham & District Services Memorial Club Ltd

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Directors' Report

31 May 2021

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:

Stephen Fullerton

Director:

Glenn Faul

Dated this 7th September 2021

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 31, 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 2021 and of the performance for the year ended on that date of the company and consolidated Company.
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
Stephen Fullerton

Director
Glenn Faul

Dated 7th September 2021

Barham & District Services Memorial Club Ltd

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Comprehensive Income Statement

For the Year Ended 31 May 2021

| | Note | 2021 \$ | 2020 \$ |
|---------------------------------------|------|--------------------|--------------------|
| Sales revenue | 2 | 3,495,613 | 3,412,066 |
| Cost of sales | | <u>(940,892)</u> | <u>(909,298)</u> |
| Gross profit | | 2,554,721 | 2,502,768 |
| Other revenues | 2 | 7,300,441 | 5,522,850 |
| Marketing expenses | | (193,205) | (315,115) |
| Occupancy expenses | | (559,917) | (567,097) |
| Administration expenses | | (109,972) | (139,073) |
| Depreciation & impairments | | (926,859) | (1,004,490) |
| Employee benefits expense | | (3,261,726) | (3,335,983) |
| Members expenses | | (242,615) | (323,283) |
| Donations & sponsorships | | (50,725) | (57,157) |
| Other expenses | | <u>(2,656,864)</u> | <u>(2,231,829)</u> |
| Profit attributable to members | | 1,853,279 | 51,591 |

Barham & District Services Memorial Club Ltd

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Balance Sheet

31 May 2021

| | Note | 2021 \$ | 2020 \$ |
|--------------------------------------|------|-------------------|-------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 4 | 6,636,922 | 3,481,143 |
| Trade and other receivables | 5 | 48,812 | 336,544 |
| Inventories | 6 | 147,889 | 118,950 |
| Other current assets | 9 | 17,019 | 22,107 |
| Total current assets | | 6,850,642 | 3,958,744 |
| Non-current assets | | | |
| Property, plant and equipment | 7 | 28,560,709 | 29,118,560 |
| Intangible assets | 8 | 1,457,850 | 1,287,000 |
| Total non-current assets | | 30,018,559 | 30,405,560 |
| TOTAL ASSETS | | 36,869,201 | 34,364,304 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 10 | 1,084,294 | 595,386 |
| Financial liabilities | 11 | 3,332 | 933 |
| Short-term provisions | 12 | 338,726 | 387,774 |
| Other current liabilities | 13 | 102,921 | 70,175 |
| Total current liabilities | | 1,529,273 | 1,054,268 |
| Non-current liabilities | | | |
| Long-term provisions | 12 | 117,796 | 112,033 |
| Total non-current liabilities | | 117,796 | 112,033 |
| TOTAL LIABILITIES | | 1,647,069 | 1,166,301 |
| NET ASSETS | | 35,222,132 | 33,198,003 |
| EQUITY | | | |
| Reserves | | 6,661,908 | 6,491,058 |
| Retained earnings | | 28,560,224 | 26,706,945 |
| TOTAL EQUITY | | 35,222,132 | 33,198,003 |

Barham & District Services Memorial Club Ltd

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Statement of Changes in Equity

For the Year Ended 31 May 2021

| | Note | \$ | \$ | \$ |
|------------------------------------|------|-------------------|------------------|-------------------|
| Balance at 1 June 2020 | | 26,706,945 | 6,491,058 | 33,198,003 |
| Profit attributable to members | | 1,853,279 | - | 1,853,279 |
| Revaluation increment /(decrement) | | | 170,850 | 170,850 |
| Sub-total | | 1,853,279 | 170,850 | 2,024,129 |
| Balance at 31 May 2021 | | 28,560,224 | 6,661,908 | 35,222,132 |

2020

| | Note | Retained Earnings \$ | Asset Revaluation Reserve \$ | Total \$ |
|------------------------------------|------|-------------------------|---------------------------------|-------------------|
| Balance at 1 June 2019 | | 26,655,354 | 6,372,058 | 33,027,412 |
| Profit attributable to members | | 51,591 | - | 51,591 |
| Revaluation increment /(decrement) | | | 119,000 | 119,000 |
| Sub-total | | 51,591 | 119,000 | 170,591 |
| Balance at 31 May 2020 | | 26,706,945 | 6,491,058 | 33,198,003 |

Barham & District Services Memorial Club Ltd

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Statement of Cash Flows

For the Year Ended 31 May 2021

| | Note | 2021 \$ | 2020 \$ |
|--|------|------------------|--------------------|
| Cash from operating activities: | | | |
| Receipts from customers | | 10,887,913 | 8,577,729 |
| Payments to suppliers and employees | | (7,550,737) | (8,381,961) |
| Interest received | | 13,339 | 53,943 |
| Rent Received | | 25,013 | 22,327 |
| Net cash provided by (used in) operating activities | 14 | 3,375,528 | 272,038 |
| Cash flows from investing activities: | | | |
| Proceeds from sale of plant and equipment | | 461,330 | 59,815 |
| Acquisition of property, plant and equipment | | (681,079) | (1,815,559) |
| Net cash provided by (used in) investing activities | | (219,749) | (1,755,744) |
| Net increase (decreases) in cash held | | | |
| Cash at beginning of financial year | | 3,481,143 | 4,964,850 |
| Cash at end of financial year | 4 | 6,636,922 | 3,481,143 |

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2021

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 Company 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 \$5,321,369 (2020 - \$2,904,476 surplus)
- b. Cash from Operations \$3,375,528 surplus (2020 - \$336,568 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 Company 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 2021

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 2021

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 Company's intention to hold these investments to maturity. Any held-to-maturity investments held by the Company are stated at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the Company 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 2021

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 Company 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

In light of recent changes to the Company's constitution, the significant capital expenditure on the Bowling Green's project and continued commitments to Bowls, Golf and Tennis, the Directors have self-assessed the Club to be a sporting club for income tax purposes. The sporting club status of the Club will be re-assessed annually by the Directors to ensure the Club continues to meet the guidelines issued under Taxation Ruling TR97/22.

(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.

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2021

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

(m) Goods and Services Tax (GST)

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

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

(n) Rounding of Amounts

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

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2021

2 Revenue

| | Note | 2021 \$ | 2020 \$ |
|--|------|-------------------|------------|
| Revenue from Operating activities | | | |
| Sales revenue | | 3,495,613 | 3,412,066 |
| Bingo & raffles | | 82,829 | 177,118 |
| Members subscriptions | | 161,816 | 165,417 |
| Gaming Income | | 5,503,891 | 4,137,701 |
| Other income | | 620,582 | 659,344 |
| | | 9,864,731 | 8,551,646 |
| Revenue from Other activities | | | |
| Interest received | 2(a) | 12,156 | 48,781 |
| Jobkeeper & Government Subsidies | | 810,969 | 262,422 |
| Rental income | | 25,013 | 22,327 |
| Profit on Sale of Assets | 3(b) | 83,185 | 49,740 |
| | | 931,323 | 383,270 |
| Total Revenue | | 10,796,054 | 8,934,916 |

(a) Interest revenue breakup

| | 2021 \$ | 2020 \$ |
|-------------------------------|---------------|------------|
| Interest revenue from: | | |
| bank | 12,156 | 48,781 |
| Total interest revenue | 12,156 | 48,781 |

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2021

3 (a) Auditors' Remuneration

| | 2021 | 2020 |
|---|--------|--------|
| | \$ | \$ |
| Remuneration of the auditor of the parent entity for: | | |
| Auditing or reviewing the financial report | 16,900 | 12,000 |
| Taxation and accounting services | 210 | 3,850 |

(b) Significant Revenue & Expenses

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

Property, Plant and Equipment

| | | |
|--|----------------|-----------------|
| Proceeds on disposal | 461,330 | 59,815 |
| Written down value | 303,808 | 84,409 |
| Net gain/(loss) on disposal at 31st May | 157,522 | (24,595) |

4 Cash and Cash Equivalents

| | 2021 | 2020 |
|--------------------------|------------------|------------------|
| | \$ | \$ |
| Cash on hand | 770,962 | 240,147 |
| Cash at bank | 2,548,993 | 1,737,355 |
| Short-term bank deposits | 3,316,967 | 1,503,642 |
| | 6,636,922 | 3,481,143 |

The effective interest rate on short term bank deposits was 0.13% (2020: 1.08%) these deposits have an average maturity of 90 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:

| | 2021 | 2020 |
|---------------------------|------------------|------------------|
| | \$ | \$ |
| Cash and cash equivalents | 6,636,922 | 3,481,143 |
| | 6,636,922 | 3,481,143 |

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2021

5 Trade and Other Receivables

| | 2021 | 2020 |
|-------------------|---------------|----------------|
| Note | \$ | \$ |
| CURRENT | | |
| Trade Receivables | <u>48,812</u> | 336,544 |
| | <u>48,812</u> | <u>336,544</u> |

6 Inventories

| | 2021 | 2020 |
|---------------|----------------|----------------|
| Note | \$ | \$ |
| CURRENT | | |
| At Cost | | |
| Stock on hand | <u>147,889</u> | 118,950 |
| | <u>147,889</u> | <u>118,950</u> |

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2021

7 Property Plant and Equipment

| | 2021 | 2020 |
|--|-------------------|-------------------|
| | \$ | \$ |
| LAND AND BUILDINGS | | |
| <hr/> | | |
| Land & Buildings | | |
| At cost | 24,851,842 | 25,155,579 |
| Less accumulated depreciation | - | - |
| <hr/> | | |
| Total land & buildings | 24,851,842 | 25,155,579 |
| <hr/> | | |
| Total land and buildings | 24,851,842 | 25,155,579 |
| <hr/> | | |
| PLANT AND EQUIPMENT | | |
| <hr/> | | |
| Capital works in progress | | |
| At cost | 1,522,365 | 918,421 |
| <hr/> | | |
| Total capital works in progress | 1,522,365 | 918,421 |
| <hr/> | | |
| Plant and equipment | | |
| At cost | 7,500,132 | 7,498,523 |
| Less accumulated depreciation | (5,643,499) | (4,857,964) |
| <hr/> | | |
| Total plant and equipment | 1,856,633 | 2,640,559 |
| <hr/> | | |
| Furniture, fixture and fittings | | |
| At cost | 814,940 | 814,940 |
| Less accumulated depreciation | (485,071) | (410,939) |
| <hr/> | | |
| Total furniture, fixture and fittings | 329,869 | 404,001 |
| <hr/> | | |
| Total plant and equipment | 3,708,867 | 3,962,981 |
| <hr/> | | |
| Total property, plant and equipment | 28,560,709 | 29,118,560 |
| <hr/> | | |

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2021

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

Consolidated

| | Capital Works in Progress \$ | Land & Buildings \$ | Plant and Equipment \$ | Furniture, Fixtures and Fittings \$ | Total \$ |
|---------------------------------------|---------------------------------------|---------------------------|------------------------------|--|-------------|
| Balance at the beginning of year | 918,422 | 25,155,581 | 2,640,551 | 404,007 | 29,118,560 |
| Additions | 603,944 | - | 77,136 | - | 681,080 |
| Disposals | - | (303,737) | (71) | - | (303,808) |
| Transfers | - | - | - | - | - |
| Depreciation expense | - | - | (852,729) | (82,393) | (935,122) |
| Carrying amount at the end of year | 1,522,365 | 24,851,844 | 1,864,887 | 321,613 | 28,560,709 |

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2021

8 Intangible Assets

| | 2021 | 2020 |
|------------------------------------|------------------|------------------|
| | \$ | \$ |
| Other intangible assets | | |
| Cost | 1,287,000 | 1,168,000 |
| Valuation increment / (impairment) | 170,850 | 119,000 |
| Net Carrying Value | 1,457,850 | 1,287,000 |
| Total Intangibles | 1,457,850 | 1,287,000 |

| | 2021 | 2020 |
|---|------------------|------------------|
| | \$ | \$ |
| 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 | | |
| Original Cost | 306,000 | 306,000 |
| Prior Years Valuation increments/(impairments) | 969,000 | 850,000 |
| Balance at the beginning of the year | 1,275,000 | 1,156,000 |
| Current Year Valuation increment / (impairment) | 170,850 | 119,000 |
| Balance at the end of the year | 1,445,850 | 1,275,000 |
| Total Intangible Assets | 1,457,850 | 1,287,000 |

The water entitlement of \$1,457,850 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

| | 2021 | 2020 |
|----------------|---------------|---------------|
| Note | \$ | \$ |
| CURRENT | | |
| Prepayments | 15,207 | 19,947 |
| Accrued Income | 705 | 1,929 |
| | 15,912 | 21,876 |

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2021

10 Trade and Other Payables

| | Note | 2021 \$ | 2020 \$ |
|------------------------|------|----------------|----------------|
| CURRENT | | | |
| Unsecured liabilities | | | |
| Trade payables | | 370,935 | 460,244 |
| Accrued Expenses | | 436,720 | 27,826 |
| Tax and other payables | | 157,421 | (5,090) |
| | | 965,076 | 482,979 |

11 Financial Liabilities

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

Bank Facility

| | 2021 \$ | 2020 \$ |
|----------------------|--------------|------------|
| CURRENT | | |
| Credit Card Facility | 3,332 | 933 |
| | 3,332 | 933 |

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2021

12 Provisions

Analysis of Total Provisions

| | Note | 2021 \$ | 2020 \$ |
|-------------|------|----------------|----------------|
| Current | | 338,726 | 387,774 |
| Non-current | | 117,796 | 112,033 |
| | | 456,523 | 499,807 |

| | Employee Entitlements | Total |
|---|--------------------------|----------------|
| Opening balance at 1 June 2020 | 499,807 | 499,807 |
| Additional provisions raised / (used) during the year | (43,284) | (43,284) |
| Balance at 31 May 2021 | 456,523 | 456,523 |

13 Other Liabilities

Current

| | 2021 \$ | 2020 \$ |
|-----------------------------|----------------|---------------|
| Subs and revenue in advance | 75,255 | 15,157 |
| Other payables | 27,666 | 55,018 |
| | 102,921 | 70,175 |

Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Notes to the Financial Statements

For the Year Ended 31 May 2021

14 Cash Flow Information

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

| | 2021 | 2020 |
|---|------------------|----------------|
| | \$ | \$ |
| Net income/loss for the period | 1,853,279 | 51,591 |
| Cash flows excluded from profit attributable to operating activities | | |
| Non-cash flows in profit: | | |
| Depreciation | 935,121 | 1,012,398 |
| Net (gain)/loss on disposal of property, plant and equipment | (157,521) | 24,596 |
| Changes in assets and liabilities: | | |
| (Increase)/decrease in trade and other receivables | 287,732 | (305,513) |
| (Increase)/decrease in other assets | 5,088 | 20,546 |
| (Increase)/decrease in inventories | (28,939) | 36,869 |
| Increase/(decrease) in trade and other payables | 488,908 | (492,512) |
| Increase/(decrease) in financial liabilities | 2,399 | 2,054 |
| Increase/(decrease) in other liabilities | 32,746 | (71,228) |
| Increase/(decrease) in provisions | (43,285) | (6,763) |
| | 3,375,528 | 272,038 |

Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Notes to the Financial Statements

For the Year Ended 31 May 2021

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.

| 2021 | | | |
|---------------------------|-------------------------|------------------|----------------------|
| | Effective interest rate | Total \$ | 12 months or less \$ |
| Loans & Receivables | - % | 48,812 | 48,812 |
| Cash and cash equivalents | 0.13% | 6,636,922 | 6,636,922 |
| Trade payables | - % | (1,084,294) | (1,084,294) |
| Credit card facility | 15.75% | (3,332) | (3,332) |
| Total | | 5,598,108 | 5,598,108 |

| 2020 | | | |
|---------------------------|-------------------------|------------------|----------------------|
| | Effective interest rate | Total \$ | 12 months or less \$ |
| Loans & Receivables | - % | 336,544 | 336,544 |
| Cash and cash equivalents | 1.08% | 3,481,143 | 3,481,143 |
| Trade payables | - % | (595,386) | (595,386) |
| Credit card facility | 15.75% | (933) | (933) |
| Total | | 3,221,368 | 3,221,368 |

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2021

(b) Financial Risk Management

The Company'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 Company operations.

The Company does not have any derivative financial instruments at 31 May 2021.

(i) Treasury Risk Management

A finance committee consisting of senior executives of the Company 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 2021, approximately 0% of Company debt is fixed. It is the policy of the Company to keep debt at a minimum, and to finance expansion from operating cashflows.

Foreign currency risk

The Company is not exposed to fluctuations in foreign currencies.

Liquidity risk

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

Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Notes to the Financial Statements

For the Year Ended 31 May 2021

(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 Company intends to hold these assets to maturity.

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

| | 2021 | | 2020 | |
|------------------------------|-----------------|----------------|-----------------|----------------|
| | Carrying Amount | Net Fair Value | Carrying Amount | Net Fair Value |
| | \$ | \$ | \$ | \$ |
| Financial Assets | | | | |
| Loans and receivables | 48,812 | 48,812 | 336,544 | 336,544 |
| | 48,812 | 48,812 | 336,544 | 336,544 |
| Financial Liabilities | | | | |
| Credit Card Facility | (3,332) | (3,332) | (933) | (933) |
| | (3,332) | (3,332) | (933) | (933) |

Fair values are materially in line with carrying values.

Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Notes to the Financial Statements

For the Year Ended 31 May 2021

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 2021, amounts owing to these suppliers were approximately \$0.

b) Other Contingent Liabilities

There are no contingent liabilities at year end.

17 Capital Commitments

A contract has been signed for redevelopment at cluBarham, 6-8 Niemur St. The redevelopment encompasses building works including relocation of gym & kitchen and the construction of covered bowls greens. Total project cost is \$3.872m and total amount spent at time of report is \$1.827m.

Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Notes to the Financial Statements

For the Year Ended 31 May 2021

18 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

| | |
|-------------------|---|
| Stephen Fullerton | Director |
| Glenn Faul | Director |
| Steven Tanner | Director |
| Ian Bennett | Director (appointed October 2020) |
| Dallas Bibby | Director (appointed October 2020) |
| Douglas Carter | Director (resigned December 2020) |
| Colin D'Elton | Director (resigned October 2020) |
| Ian Ellis | Director (resigned July 2020) |
| Gregory Hall | Director (appointed October 2020) |
| Gerard Keane | Director |
| Wesley O'Neill | Director (appointed October 2020) |
| Bruce Venn | Director (appointed July 2020, resigned October 2020) |

Other Key Management Personnel

| | |
|-------------------|-------------------------------|
| Michael Alexander | CEO |
| Greg Ferguson | Interim CEO |
| Lisa Morris | Operations Manager/Acting CEO |
| Jason Wallace | CEO |
| John Waters | Interim CEO |

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 2021 is \$399,247 (2020 - \$389,745)

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2021

19 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:

| | 2021 | 2020 |
|---|---------|--------|
| | \$ | \$ |
| (a) Purchase of goods & services | | |
| Barham IGA | 17,901 | 21,039 |
| Doug Carter Painting | - | 19,375 |
| Gowben Pty Ltd | 122,086 | - |

20 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 2021 the number of members was 6,247 (2020: 7,545).

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 2021 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 September 2021

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