

Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Financial Statements

For the Year Ended 31 May 2022

Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

For the Year Ended 31 May 2022

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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 2022, 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.

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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 2022 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

2nd August 2022

Barham & District Services Memorial Club Ltd

ABN: 32 000 893 701

Directors' Report

31 May 2022

Your directors present their report on the company and its controlled entities for the financial year ended 31 May 2022.

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
Gerard Keane	Director
Stephen Arthur	Director (appointed 6th October 2021)
Ian Bennett	Director
Dallas Bibby	Director
Gregory Hall	Director
Wesley O'Neill	Director
Steven Tanner	Director

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:

Jason Wallace

2. Business review

(a) Operating Results

The consolidated profit of the Company after providing for income tax amounted to \$1,970,730 (prior year \$1,853,279).

(b) Dividends paid or declared

The constitution of this company prohibits the payment of dividends.

(c) Covid-19

The Covid-19 pandemic and resulting lockdowns and border closures have had a significant impact

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Directors' Report

31 May 2022

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.

3. Other items

(a) After balance day events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the 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 33.

(c) Significant Changes in State of Affairs

There were no significant changes in the Company's state of affairs 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
Stephen Fullerton	11	11	2	2
Glenn Faul	11	10	2	2
Gerard Keane	11	9	2	2
Ian Bennett	11	11	2	2
Stephen Arthur	8	7	1	1
Dallas Bibby	11	8	2	2
Gregory Hall	11	11	2	2
Wesley O'Neill	11	9	2	2
Steven Tanner	11	5	2	2

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Directors' Report

31 May 2022

4. Honorary Report

(a) Honorary Report

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

(b) Details of honorary for year ended 31 May 2022

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

Directors	Directors fees \$
Stephen Fullerton	8,000
Glenn Faul	4,000
Gerard Keane	4,000
Stephen Arthur	2,667
Ian Bennett	4,000
Dallas Bibby	4,000
Gregory Hall	4,000
Wesley O'Neill	4,000
Steven Tanner	4,000
	<hr/>
	38,667
	<hr/> <hr/>

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Directors' Report

31 May 2022

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 2nd August 2022

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 2022 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 2nd August 2022

Barham & District Services Memorial Club Ltd

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Comprehensive Income Statement

For the Year Ended 31 May 2022

	Note	2022 \$	2021 \$
Sales revenue	2	4,082,890	3,560,993
Cost of sales		<u>(1,123,835)</u>	<u>(940,892)</u>
Gross profit		2,959,055	2,620,101
Other revenues	2	7,796,350	7,235,061
Marketing expenses		(277,654)	(193,205)
Occupancy expenses		(646,039)	(559,917)
Administration expenses		(155,733)	(109,972)
Finance Costs		(2,018)	0
Depreciation & impairments		(855,403)	(926,859)
Employee benefits expense		(3,406,201)	(3,261,726)
Members expenses		(273,686)	(242,615)
Donations & sponsorships		(92,540)	(50,725)
Other expenses		<u>(3,075,401)</u>	<u>(2,656,864)</u>
Profit attributable to members		1,970,730	1,853,279

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Balance Sheet

31 May 2022

	Note	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	8,327,524	6,636,922
Trade and other receivables	5	157,435	48,812
Inventories	6	230,833	147,889
Other current assets	7	29,702	17,019
Total current assets		8,745,494	6,850,642
Non-current assets			
Property, plant and equipment	8	29,929,063	28,560,709
Intangible assets	9	1,601,500	1,457,850
Right of use assets	10	146,756	-
Total non-current assets		31,677,319	30,018,559
TOTAL ASSETS		40,422,813	36,869,201
LIABILITIES			
Current liabilities			
Trade and other payables	11	2,320,914	1,084,294
Financial liabilities	12	4,013	3,332
Lease liabilities	13	54,444	-
Short-term provisions	14	368,013	338,726
Other current liabilities	15	144,751	102,921
Total current liabilities		2,892,135	1,529,273
Non-current liabilities			
Lease liabilities	13	79,285	-
Long-term provisions	14	114,881	117,796
Total non-current liabilities		194,166	117,796
TOTAL LIABILITIES		3,086,301	1,647,069
NET ASSETS		37,336,512	35,222,132
EQUITY			
Reserves		6,805,558	6,661,908
Retained earnings		30,530,954	28,560,224
TOTAL EQUITY		37,336,512	35,222,132

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Statement of Changes in Equity

For the Year Ended 31 May 2022

2022		Retained	Asset	
	Note	Earnings	Revaluatio	Total
		\$	n Reserve	\$
			\$	
Balance at 1 June 2021		28,560,224	6,661,908	35,222,132
Profit attributable to members		1,970,730	-	1,970,730
Revaluation increment /(decrement)			143,650	143,650
Sub-total		1,970,730	143,650	2,114,380
Balance at 31 May 2022		30,530,954	6,805,558	37,336,512

2021		Retained	Asset	
	Note	Earnings	Revaluatio	Total
		\$	n Reserve	\$
			\$	
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

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Statement of Cash Flows

For the Year Ended 31 May 2022

	Note	2022 \$	2021 \$
Cash from operating activities:			
Receipts from customers		11,399,231	10,887,913
Payments to suppliers and employees		(7,698,578)	(7,550,737)
Interest paid		(2,018)	-
Interest received		5,118	13,339
Rent Received		24,194	25,013
Net cash provided by (used in) operating activities	16	3,727,947	3,375,528
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment		919,361	461,330
Payments for property, plant and equipment		(2,791,786)	(681,079)
Payments for right of use assets		(164,920)	-
Net cash provided by (used in) investing activities		(2,037,345)	(219,749)
Cash flows from financing activities:			
Proceeds from leases		164,920	-
Repayment of leases		(31,191)	-
Net cash provided by (used in) financing activities		133,729	-
Net increase (decreases) in cash held			
Cash at beginning of financial year		6,636,922	3,481,143
Cash at end of financial year	4	8,327,524	6,636,922

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Notes to the Financial Statements

For the Year Ended 31 May 2022

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 \$ 5,853,357 (2021 - \$5,321,369 surplus)
- b. Cash from Operations 3,727,947 surplus (2021 – 3,375,528 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 2022

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.

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Notes to the Financial Statements

For the Year Ended 31 May 2022

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.

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Notes to the Financial Statements

For the Year Ended 31 May 2022

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.

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Notes to the Financial Statements

For the Year Ended 31 May 2022

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 2022

2 Revenue

	Note	2022 \$	2021 \$
Revenue from Operating activities			
Sales revenue		4,082,890	3,560,993
Bingo & raffles		73,062	82,829
Members subscriptions		166,389	161,816
Gaming income		6,000,897	5,503,891
Other income		753,143	555,202
		<u>11,076,381</u>	<u>9,864,731</u>
Revenue from Other activities			
Interest received	2(a)	5,934	12,156
Jobkeeper & Government Subsidies		430,656	810,969
Rental income		24,194	25,013
Profit on Sale of Assets	3(b)	342,074	83,185
		<u>802,859</u>	<u>931,323</u>
Total Revenue		<u>11,879,240</u>	<u>10,796,054</u>

(a) Interest revenue breakup

	2022 \$	2021 \$
Interest revenue from:		
bank	5,934	12,156
Total interest revenue	<u>5,934</u>	<u>12,156</u>

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Notes to the Financial Statements

For the Year Ended 31 May 2022

3 (a) Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor of the parent entity for:		
Auditing or reviewing the financial report	20,760	16,900
Taxation and accounting services	210	210

(b) Significant Revenue & Expenses

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

Property, Plant and Equipment

Proceeds on disposal	919,361	461,330
Written down value	571,122	303,808
Net gain/(loss) on disposal at 31st May	348,239	157,522

4 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash on hand	722,007	770,962
Cash at bank	4,283,537	2,548,993
Short-term bank deposits	3,321,981	3,316,967
	8,327,524	6,636,922

The effective interest rate on short term bank deposits was 0.28% (2021: 0.13%) 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:

	2022	2021
	\$	\$
Cash and cash equivalents	8,327,524	6,636,922
	8,327,524	6,636,922

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Notes to the Financial Statements

For the Year Ended 31 May 2022

5 Trade and Other Receivables

	2022	2021
Note	\$	\$
CURRENT		
Trade Receivables	157,435	48,812
	<u>157,435</u>	<u>48,812</u>

6 Inventories

	2022	2021
Note	\$	\$
CURRENT		
At Cost		
Stock on hand	230,833	147,889
	<u>230,833</u>	<u>147,889</u>

7 Other Assets

	2022	2021
Note	\$	\$
CURRENT		
Prepayments	27,958	15,207
Accrued Income	1,550	705
	<u>29,508</u>	<u>15,912</u>

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2022

8 Property Plant and Equipment

	2022	2021
	\$	\$
LAND AND BUILDINGS		
<hr/>		
Land & Buildings		
At cost	24,844,241	24,851,842
Less accumulated depreciation	-	-
<hr/>		
Total land & buildings	24,844,241	24,851,842
<hr/>		
Total land and buildings	24,844,241	24,851,842
<hr/>		
PLANT AND EQUIPMENT		
<hr/>		
Capital works in progress		
At cost	2,417,865	1,522,365
<hr/>		
Total capital works in progress	2,417,865	1,522,365
<hr/>		
Plant and equipment		
At cost	8,116,350	7,500,132
Less accumulated depreciation	(5,720,186)	(5,643,499)
<hr/>		
Total plant and equipment	2,396,164	1,856,633
<hr/>		
Furniture, fixture and fittings		
At cost	818,140	814,940
Less accumulated depreciation	(547,347)	(485,071)
<hr/>		
Total furniture, fixture and fittings	270,793	329,869
<hr/>		
Total plant and equipment	5,084,823	3,708,867
<hr/>		
Total property, plant and equipment	29,929,063	28,560,709
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Notes to the Financial Statements

For the Year Ended 31 May 2022

8(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	1,522,365	24,851,844	1,864,887	321,613	28,560,709
Additions	960,638	509,781	1,318,174	3,200	2,791,793
Disposals	-	(532,035)	(45,260)	-	(577,295)
Transfers	(65,138)	14,653	50,485	-	-
Depreciation expense	-	-	(783,866)	(62,279)	(846,145)
Carrying amount at the end of year	<u>2,417,866</u>	<u>24,844,243</u>	<u>2,404,419</u>	<u>262,535</u>	<u>29,929,063</u>

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2022

9 Intangible Assets

	2022	2021
	\$	\$
Other intangible assets		
Balance at the beginning of the year	1,457,850	1,287,000
Valuation increment / (impairment)	143,650	170,850
Net Carrying Value	1,601,500	1,457,850
Total Intangibles	1,601,500	1,457,850

	2022	2021
	\$	\$
Other Intangible Assets		
Goodwill		
Balance at the beginning of the year	12,000	24,000
Balance at the end of the year	12,000	12,000
Water entitlements		
Original Cost	306,000	306,000
Prior Years Valuation increments/(impairments)	1,139,850	969,000
Balance at the beginning of the year	1,445,850	1,275,000
Current Year Valuation increment / (impairment)	143,650	170,850
Balance at the end of the year	1,589,500	1,445,850
Total Intangible Assets	1,601,500	1,457,850

The water entitlement of \$1,589,500 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.

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2022

10 Right of Use Assets

	2022	2021
	\$	\$
Type 4 Poker Machines - Leased Asset	164,920	-
Less: Accumulated Amortisation	(18,164)	-
	<u>146,756</u>	-
	<u>146,756</u>	-

(a) Movements in Carrying Amounts

	Type 4 Poker Machines \$
Balance at the beginning of year	-
Additions	164,920
Depreciation expense	(18,164)
Carrying amount at the end of	<u>146,756</u>

11 Trade and Other Payables

	2022	2021
Note	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	1,411,126	370,935
Accrued Expenses	620,033	436,720
Tax and other payables	173,235	157,421
	<u>2,204,394</u>	<u>965,076</u>

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2022

12 Financial Liabilities

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

Bank Facility

	2022	2021
	\$	\$
CURRENT		
Credit Card Facility	4,013	3,332
	4,013	3,332

13 Lease Liabilities

	2022	2021
	\$	\$
CURRENT		
Lease - Type 4 Poker Machines	54,444	-
	54,444	-
NON CURRENT		
Lease - Type 4 Poker Machines	79,285	-
	79,285	-

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2022

14 Provisions

Analysis of Total Provisions

	Note	2022 \$	2021 \$
Current		368,013	338,726
Non-current		114,881	117,796
		482,893	456,523

	Employee Entitlements	Total
Opening balance at 1 June 2020	456,523	456,523
Additional provisions raised / (used) during the year	26,371	26,371
Balance at 31 May 2021	482,893	482,893

15 Other Liabilities

Current

	2022 \$	2021 \$
Subs and revenue in advance	115,101	75,255
Other payables	29,651	27,666
	144,751	102,921

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2022

16 Cash Flow Information

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

	2022	2021
	\$	\$
Net income/loss for the period	1,970,730	1,853,279
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
Depreciation	864,309	935,121
Net (gain)/loss on disposal of property, plant and equipment	(342,074)	(157,521)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(108,623)	287,732
(Increase)/decrease in other assets	(12,683)	5,088
(Increase)/decrease in inventories	(82,944)	(28,939)
Increase/(decrease) in trade and other payables	1,236,620	488,908
Increase/(decrease) in financial liabilities	681	2,399
Increase/(decrease) in lease liabilities	133,729	-
Increase/(decrease) in other liabilities	41,830	32,746
Increase/(decrease) in provisions	26,372	(43,285)
	3,727,947	3,375,528

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2022

17 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.

2022			
	Effective interest rate	Total \$	12 months or less \$
Loans & Receivables	- %	157,435	157,435
Cash and cash equivalents	0.28%	8,327,524	8,327,524
Trade payables	- %	(2,320,914)	(2,320,914)
Credit card facility	15.75%	(4,013)	(4,013)
Total		6,160,032	6,160,032

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

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2022

(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 2022.

(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 2022, 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

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Notes to the Financial Statements

For the Year Ended 31 May 2022

(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:

	2022		2021	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Financial Assets				
Loans and receivables	157,435	157,435	48,812	48,812
	157,435	157,435	48,812	48,812
Financial Liabilities				
Credit Card Facility	(4,013)	(4,013)	(3,332)	(3,332)
	(4,013)	(4,013)	(3,332)	(3,332)

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 2022

18 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 2022, amounts owing to these suppliers were approximately \$0.

b) Other Contingent Liabilities

There are no contingent liabilities at year end.

19 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 \$2.531m.

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2022

20 Key Management Personnel Compensation

(a) Key Management Personnel

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

Key Management

Person	Position
Stephen Fullerton	Director
Glenn Faul	Director
Gerard Keane	Director
Stephen Arthur	Director (appointed 6th October 2021)
Ian Bennett	Director
Dallas Bibby	Director
Gregory Hall	Director
Wesley O'Neill	Director
Steven Tanner	Director

Other Key Management Personnel

Jason Wallace	CEO
Joshua Forster	Club Manager
Narelle Malone	Finance Manager
Sienna Voglis	Golf & Sports 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 2022 is \$530,522 (2021 - \$543,060)

Barham & District Services Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 May 2022

21 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

		2022	2021
		\$	\$
(a) Purchase of goods & services			
Barham IGA	Glenn Faul	15,107	17,901
Gowben Pty Ltd	Ian Bennett	213,432	122,086
(b) Donation of goods & services			
Murray Haven Homes	Wes O'Neill	12,500	2,410

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 2022 the number of members was 6,383 (2021: 6,247).

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 2022 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)

2nd August 2022

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