

Moree & District Services Club Limited

ABN: 31 000 956 061

Financial Statements

For the Year Ended 30 June 2017

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**MOREE & DISTRICT SERVICES CLUB LIMITED
ABN 31 000 956 061**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of the Company will be held at "the Club" premises Albert Street, Moree on 24th day of September, 2017 at 10:00 a.m.

BUSINESS

1. **Confirm Minutes of the Meeting of 2016 Annual General Meeting.**
2. **Business arising therefrom.**
3. **To declare the result of the election of directors.**
4. **To consider reports of President and Treasurer and Manager's on the year's activities.**
5. **To receive the Financial Report of the Company for the year ended 30th June 2017.**
6. **The Board of Directors put the following motions.**
 - a) **That the meeting approve the provision of four car parking spaces for the use of the Board of Directors and one for the use of the Chairman.**
 - b) **That the meeting approve the provision of snacks and refreshments after each monthly board meeting and two dinners during the year.**
 - c) **That the meeting approve an allowance as set at past meetings that the board receive an increase of 5% year per.**

Explanation of the Motion

Due to requirements in the Registered Club Act, the minor benefits that have been given to the Members of the Board of Directors should now be approved by the general meeting of the members of the club each year.

These benefits are offered to all directors and are to offset the duties and expenses of the position.

7. **The WH&S committee put the following motion.**
 - **That the meeting approve the provision of five car parking spaces for the use of staff rostered on late from 6pm onwards in front of the club.**

Explanation of the Motion

Due to recent criminal incidents in the area the WH&S committee feel that staff rostered on late are unable to park close enough to the club entrance.

8. **Forum for Member Questions and Comments**

The Chairman will open the AGM to member questions and comments. Directors and management will be in attendance at the meeting to respond to questions from members. The Club's auditors, PKF Lawler will respond to any questions received in writing from members. Members are requested to provide these to the Secretary Manager before 5.00 pm 21st September.



Graham James
Secretary/Manager

Date: 1st September 2017

FINANCIAL REPORT

IN ACCORDANCE WITH THE PROVISIONS OF THE CORPORATIONS ACT, THE CLUBS FINANCIAL REPORT HAS BEEN POSTED ON THE WEBSITE.

IT IS AVAILABLE AT: www.moreeservicesclub.com.au

IF ANY MEMBERS REQUIRE A PRINTED COPY OF THE REPORT IT MAY BE OBTAINED FROM THE CLUB OFFICE.



Moree & District Services Club Limited

Chairman Report

It is again pleasing to announce that the Moree & district Services Club has progressed quite well this financial year with a combined net profit of \$547,000 which is still quite outstanding considering our economic conditions.

To the staff members of the Moree and District Services Club, I wish to thank you for your support for the last two years, to the board and management I would also like to thank you for the time and effort you have put in over the last few years as this was my last term I sincerely wish the new board all the best in the future it is a great club with very loyal members and a great place to have a beer and yarn. To the member's please give your full support to the new board as they may have to make some difficult decision but it is in the best interest of the club. Over the last 11 years I have seen a lot of changes within the club and also within the rules and regulations of the club industry some for the good and some bad for example we have to pay the price for things that happen in the city then it is passed onto us in the bush.

Once again I would like to express my sincere thanks to my fellow board members, the Secretary Manager Graham James, the Duty Managers, and all the staff members from the Club, Kitchen and Motel. You have all made the club to what it is today, with all your exceptional hard work and dedication, which does not go unnoticed by the board and also members and guest.,and I sincerely hope you also get the full support from the new board

I would like to thank my family for their continuous support and encouragement over the last 11 years for my involvement in the club and let's hope that 2017/2018 is a financially successful year for the Club, Town and District thank you.

Yours sincerely,

David McMahon
Chairman
Moree and District Services Club

MOREE & DISTRICT SERVICES CLUB LIMITED

ABN 31 000 956 061

SECRETARY MANAGERS REPORT

The Club has shown a slight increase in the net profit for the year as against last year, I will leave the figures to the Treasurer in his report. A large impact on our net was the cost coming from a ransom virus which froze all our computers resulting in us having to upgrade our systems to try and protect us from future threats, some of this cost will be carried through to next years figures.

We are still see Registered Clubs that have either closed their doors or have been forced into amalgamation to survive, one close to home was the Narrabri Golf Club which has recently amalgamated with the Narrabri RSL Club.

I would like to thank the Board Members for their support over the last twelve months, Clubs are being forced into diversifying to survive and we have seen what other Clubs have done and we need to look further down the track into what we can do.

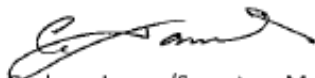
I would like to thank the Motel Managers Greg & Alice and the Staff for a job well done, the Motel is the most successful project the Club has undertaken so far.

I would like to thank the Assistant Manager Michael, Duty Mangers Leon, Ken, Damien, Peter and the Staff for a job well done throughout the year, a lot of pressure and long hours gets put on the current staff at times as we have trouble finding staff. I thank you all for your commitment to your jobs.

I would like to thank the Caterers City Group Catering and their Staff, they are constantly put under pressure and sometimes customers have to wait when busy, they appreciate that the members understand this.

The Club supports nineteen sporting bodies within the Club and also sponsors both the Moree Boars and the Boomerang Rugby League teams, the Board would like to encourage these sporting bodies and members to patronise the Club as with ongoing regulations and requirements funding and sponsorships such as these will be a thing of the past. I would also like to thank the sporting bodies and members for their help and support over the last twelve months.

Last but not least I would like to thank my partner Ann and My Family for putting up with and supporting me over the last years.



Graham James/Secretary Manager

MOREE & DISTRICT SERVICES CLUB LIMITED

ABN 31 000 956 061

TREASURERS REPORT

Dear Fellow Members

To the best of the Board of Directors knowledge, the annual accounts referred to in this report present fairly the operating result and financial position of both the Moree District Services Club and the Albert Motel for the full financial year ended 30th June 2017. The reports have been presented in accordance with Australian Accounting Standards and the Corporations Act and Regulations 2001.

Through the patronage of both our members and visitors the Club and the Motel have had sound financial operating results for the year.

Description	2017	2016	2015
Combined profit before income tax	834,454	812,418	720,269
Combined profit from continuing operations	547,089	539,441	490,218
Total Comprehensive income for the year	548,588	524,127	501,756

Throughout the year the Finance committee of the Club has met monthly to review the financial performance of the Club and Motel. This process has been guided by the services provided by C&W Chartered Accountants who were retained as the Club's accountants. On behalf of the Finance Committee I would like to thank C&W for their assistance over the financial year.

To our valued management team and staff both at the Club and Motel, I acknowledge your commitment, expertise, and hard work of which the ongoing success of the Club can be attributed.

In closing, I would like to take this opportunity to once again thank all Members for their continued support and patronage of our Club.

To my fellow Board of Directors, I would like to thank each of you for your continued efforts, commitment and support and I wish those of you intending to stand for re-election to the board all the best for the future.

As many of you would already know, I will not be standing for re-election this year but I leave the role of Club Treasurer with fond memories.

Finally, I would like to thank my family for supporting me whilst performing this role over the past eight years because without their support performing this role would not have been possible.

Regards,



Mitchell Johnson

Moree & District Services Club Limited

ABN: 31 000 956 061

Directors' Report

30 June 2017

The directors present their report on Moree & District Services Club Limited for the financial year ended 30 June 2017.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

David Francis McMahon	Chairperson
Occupation	Operations Manager Moree Plains Shire Council
Experience	Director Since 2006
Barrie James Brooks	Vice Chairperson
Occupation	Retired
Experience	Director Since 2006
Scott Andrew Beers	Vice Chairperson
Occupation	Fire Officer
Experience	Director from 2006-2008, and since 2015
Mitchell Brian Johnson	Treasurer
Occupation	Director of Corporate Services Moree Plains Shire Council
Experience	Director Since 2009
Malcolm Smith	Director
Occupation	Xerox Technician
Experience	Director Since 2007
Dennis Alan Sayers	Director
Occupation	Handyman/Lawn mowing
Experience	Director Since 2008
Kathryn Ann Weston	Director
Occupation	Primary School Principal
Experience	Director Since 2013

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of Moree & District Services Club Limited during the financial year was to provide licensed club and sporting facilities to its members and their guests as defined by the organisation's constitution and the operation of a motel. To achieve the company's objectives the directors and management have developed a strategic plan that is reviewed and revised on a regular basis. In order to achieve the company's stated objectives the directors and management use a number of key performance measures including, but not limited to earnings before interest, income tax, depreciation and amortisation, gauging member satisfaction, member growth and community support.

No significant changes in the nature of the Company's activities occurred during the financial year.

Directors' Report

30 June 2017

1. General information continued

Short term objectives

The Company's short term objectives are to:

- Provide a consistent level of service to members and their guests that regularly exceeds their expectations.
- Continue improvement program of Club facilities.

Long term objectives

The Company's long term objectives are to:

- Research, analyse and develop new business opportunities that assist the Club to fund its future and which provide excellent facilities and services to its members.
- The Club will be a viable, sustainable and profitable club, able to fund its future growth and development.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Continue the implementation of the fully costed annual training schedule for staff.
- Finalise improvements to Club facilities in accordance with budget and construction plan.
- Continuation of the Board Future Options taskforce, which will research and analyse the feasibility of new business opportunities and changing trends in the industry.

Performance measures

Benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

	2017	2016
% Revenue from Poker Machines	50%	50%
% Revenue from Bar Sales	20%	21%
% Revenue from Accommodation	20%	22%
% Bar Gross Profit	58%	60%

Moree & District Services Club Limited

ABN: 31 000 956 061

Directors' Report

30 June 2017

1. General information continued

Members guarantee

Moree & District Services Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 1.

At 30 June 2017 the collective liability of members was \$ 4,439 (2016: \$3,371).

2. Other items

Meetings of directors

During the financial year, 13 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
David Francis McMahon	13	10
Barrie James Brooks	13	11
Scott Andrew Beers	13	10
Mitchell Brian Johnson	13	7
Malcolm Smith	13	11
Dennis Alan Sayers	13	13
Kathryn Ann Weston	13	10

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2017 has been received and can be found on page 9 of the financial report.

Signed in accordance with a resolution of the Board of Directors:



Director:
David Francis McMahon



Director:
Mitchell Brian Johnson

Dated 4th September 2017

**Auditors Independence Declaration under Section 307C of the
Corporations Act 2001 to the Directors of Moree & District Services Club
Ltd**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, 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.

PKF Lawler Warburtons Audit & Assurance Pty Ltd



Margaret van Aanholt

Director

Tamworth NSW

Dated this 1st day of September 2017

PKF Lawler Warburtons
Audit & Assurance Pty Limited
ABN 39 082 276 506
Registered Auditor 306435

Liability limited by a scheme approved
under Professional Standards Legislation

PKF International Limited administers a network of legally independent firms which carry on separate business under the PKF name.
PKF International Limited is not responsible for the acts or omissions of individual member firms of the network.

For office locations visit www.pkf.com.au

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Moree & District Services Club Limited

ABN: 31 000 956 061

**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2017**

		2017	2016
	Note	\$	\$
Revenue	3	7,242,289	7,106,277
Interest income	3	102,031	81,211
Dividend income	3	4,562	4,350
Rental Income	3	44,677	41,847
Profit on disposal of fixed assets	3	52,380	49,650
Other income	3	15,656	10,000
Advertising		(70,283)	(63,835)
Accountancy		(50,720)	(49,900)
Audit		(20,172)	(20,755)
Cleaning		(64,283)	(61,066)
Cost of goods sold		(614,475)	(594,533)
Depreciation and amortisation expense		(590,305)	(514,569)
Employee benefits expense	4	(2,352,201)	(2,351,230)
Equipment hire		(94,018)	(143,287)
Insurance		(110,446)	(90,740)
Loss on sporting clubs		(59,861)	(54,219)
Members entertainment		(362,212)	(330,504)
Poker machine expenses		(52,913)	(66,371)
Poker machine tax		(630,677)	(604,307)
Raffle prizes		(192,621)	(189,409)
Rates		(118,833)	(109,404)
Repairs and maintenance		(301,586)	(325,447)
Staff training		(12,513)	(11,544)
Utilities expense		(301,532)	(312,029)
Other expenses		(627,490)	(587,768)
Profit before income tax		834,454	812,418
Income tax expense	5	(287,365)	(272,977)
Profit from continuing operations		547,089	539,441
Profit for the year		547,089	539,441
Other comprehensive income after income tax			
Items that may be reclassified subsequently to profit or loss			
Net fair value (Loss)/Gain on re-measurement of investment in listed shares		1,499	(15,314)
Other comprehensive income for the year, net of tax		1,499	(15,314)
Total comprehensive income for the year		548,588	524,127

The accompanying notes form part of these financial statements.

Moree & District Services Club Limited

ABN: 31 000 956 061

Statement of Financial Position**30 June 2017**

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,847,104	2,451,991
Trade and other receivables	7	36,502	22,632
Inventories	8	62,574	79,204
Financial assets	9	3,139,294	2,080,870
Other assets	11	172,011	138,973
TOTAL CURRENT ASSETS		5,257,485	4,773,670
NON-CURRENT ASSETS			
Financial assets	9	88,429	82,780
Property, plant and equipment	10	12,170,142	12,071,388
Deferred tax assets	16	233,055	227,992
TOTAL NON-CURRENT ASSETS		12,491,626	12,382,160
TOTAL ASSETS		17,749,111	17,155,830
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	360,129	440,764
Provisions	13	623,219	560,635
Income Tax Liabilities	16	140,054	92,096
TOTAL CURRENT LIABILITIES		1,123,402	1,093,495
NON-CURRENT LIABILITIES			
Trade and other payables	12	4,461	934
Deferred tax liabilities	16	537,975	527,878
Long-term provisions	13	10,329	9,167
TOTAL NON-CURRENT LIABILITIES		552,765	537,979
TOTAL LIABILITIES		1,676,167	1,631,474
NET ASSETS		16,072,944	15,524,356
MEMBER'S EQUITY			
Retained Earnings		15,405,900	14,857,312
Asset Revaluation Reserve		667,044	667,044
TOTAL MEMBER'S EQUITY		16,072,944	15,524,356

The accompanying notes form part of these financial statements.

Moree & District Services Club Limited

ABN: 31 000 956 061

Statement of Changes in Equity**For the Year Ended 30 June 2017****2017**

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2016	14,857,312	667,044	15,524,356
Profit attributable to members of the entity	547,089	-	547,089
Total other comprehensive income for the year	1,499	-	1,499
Balance at 30 June 2017	15,405,900	667,044	16,072,944

2016

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2015	14,333,185	667,044	15,000,229
Profit attributable to members of the entity	539,441	-	539,441
Total other comprehensive income for the year	(15,314)	-	(15,314)
Balance at 30 June 2016	14,857,312	667,044	15,524,356

The accompanying notes form part of these financial statements.

Moree & District Services Club Limited

ABN: 31 000 956 061

Statement of Cash Flows
For the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	7,848,761	7,727,143
Payments to suppliers and employees	(6,603,725)	(6,586,197)
Interest received	76,711	94,529
Dividends received	4,562	4,340
Income taxes paid	(231,974)	(235,492)
Net cash provided by (used in) operating activities	22 <u>1,094,335</u>	<u>1,004,323</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale of Shares	49	-
Payments for shares	(4,166)	(3,964)
Purchases of property, plant & equipment	(707,506)	(428,677)
Proceeds from sale of property, plant & equipment	70,825	49,650
Net cash used by investing activities	<u>(640,798)</u>	<u>(382,991)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Investment in term deposits	(1,058,424)	(73,348)
Net cash used by financing activities	<u>(1,058,424)</u>	<u>(73,348)</u>
Net increase (decrease) in cash and cash equivalents held	(604,887)	547,984
Cash and cash equivalents at beginning of year	2,451,991	1,904,007
Cash and cash equivalents at end of financial year	6 <u>1,847,104</u>	<u>2,451,991</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2017

The financial statements cover Moree & District Services Club Limited, as an individual entity, incorporated and domiciled in Australia. Moree and District Services Club Limited is a company limited by guarantee. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The functional and presentation currency of Moree & District Services Club Limited is Australian dollars.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities

2 Summary of Significant Accounting Policies

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

(a) Comparative Amounts

Comparatives are consistent with prior year, unless otherwise stated.

(b) Income Tax

Income tax payable is calculated using the Waratah formula which determines the taxable income for mutual entities.

Deferred income tax is provided on all temporary differences at the statement of financial performance date between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

Deferred tax assets and liabilities are not recognised where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each statement of financial performance date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all of part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial performance date. Income taxes relating to items recognised

Notes to the Financial Statements

For the Year Ended 30 June 2017

directly in equity are recognised in equity and not in the statement of comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial performance date, and any adjustment to tax payable in respect of previous years.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts & rebates.

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

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

(d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Notes to the Financial Statements

For the Year Ended 30 June 2017

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(f) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

Freehold Property

Freehold land and buildings are shown at their fair value based on periodic valuations by independent valuers, less subsequent depreciation for buildings.

In the periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

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.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model, usually every five years.

Notes to the Financial Statements

For the Year Ended 30 June 2017

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer Note 1(h) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line method from the date that management determine that the asset is available for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	1.25%-2.5%
Plant and Equipment	10% - 66.67%
Poker Machines	28%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(g) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in

Notes to the Financial Statements

For the Year Ended 30 June 2017

an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- . the amount at which the financial asset or financial liability is measured at initial recognition;
- . less principal repayments;
- . plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- . less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

The Company does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) 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 subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Notes to the Financial Statements

For the Year Ended 30 June 2017

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be sold within 12 months after the end of the reporting period.

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment

Notes to the Financial Statements

For the Year Ended 30 June 2017

losses on financial assets at amortised cost are taken directly to the asset.

(h) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Employee benefits

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage & salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they incurred.

(k) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its

Notes to the Financial Statements

For the Year Ended 30 June 2017

judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant & equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(l) New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Moree & District Services Club Limited

ABN: 31 000 956 061

Notes to the Financial Statements

For the Year Ended 30 June 2017

3 Revenue and Other Income

	2017	2016
	\$	\$
Sales revenue		
- Bar Sales	1,475,781	1,473,284
- Poker Machine Revenue	3,698,551	3,568,360
- Accommodation	1,518,202	1,537,750
- Keno Commissions	169,400	167,089
- TAB commissions	53,140	50,902
- Member Subscriptions	36,471	37,267
- Other Revenue	290,744	271,626
	<u>7,242,289</u>	<u>7,106,278</u>
Finance income		
- Interest received	102,031	81,211
- Dividend income	4,562	4,350
Other revenue		
- Rental income	44,677	41,847
- Profit on disposal of fixed assets	52,380	49,650
- Other income	15,656	10,000
	<u>219,306</u>	<u>187,058</u>
Total Revenue	<u><u>7,461,595</u></u>	<u><u>7,293,336</u></u>
Other Comprehensive Income		
- Net fair value (Loss)/Gain on re-measurement of investment in listed shares	1,499	(15,314)
	<u>1,499</u>	<u>(15,314)</u>

Notes to the Financial Statements

For the Year Ended 30 June 2017

4 Expenses

(a) Expenses from continuing operations - by nature

	2017	2016
	\$	\$
Expenses (by nature)		
Accountancy	50,720	49,900
Audit	20,172	20,755
Advertising	70,283	63,835
Cleaning	64,283	61,066
Cost of Goods Sold	614,475	594,533
Depreciation - Property, Plant & Equipment	590,305	514,569
Employee costs	2,168,631	2,163,168
Equipment Hire	94,018	143,287
Insurance	110,446	90,740
Loss on Sporting Clubs	59,861	54,219
Members Entertainment	362,212	330,504
Poker Machine Expenses	52,913	66,371
Poker Machine Tax	630,677	604,307
Raffle Prizes	192,621	189,409
Rates	118,833	109,404
Repairs and Maintenance	301,586	325,447
Staff Training	12,513	11,544
Superannuation contributions	183,570	188,062
Utilities Expense	301,532	312,029
Other Expenses	627,490	587,768
Total Expenses From Continuing Operations	<u>6,627,141</u>	<u>6,480,917</u>

Moree & District Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2017

5 Income Tax Expense

	2017	2016
	\$	\$
Consists of:		
Current tax	282,331	248,959
Deferred tax	5,034	24,018
	<u>287,365</u>	<u>272,977</u>

(a) The major components of tax expense comprise:

	2017	2016
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2016: 30%)	229,475	243,725
Tax effect of tax free mutual income	(39,004)	(34,302)
Tax effect of other non-deductible and non-assessable items	96,894	63,554
	<u>287,365</u>	<u>272,977</u>

6 Cash and cash equivalents

	2017	2016
	\$	\$
Cash on hand	128,536	128,525
Cash at bank	1,718,568	2,323,466
	<u>1,847,104</u>	<u>2,451,991</u>

7 Trade and other receivables

	2017	2016
	\$	\$
CURRENT		
Trade receivables	36,500	22,627
Other Receivables	2	5
Total current trade and other receivables	<u>36,502</u>	<u>22,632</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Moree & District Services Club Limited

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Notes to the Financial Statements**For the Year Ended 30 June 2017****8 Inventories**

	2017	2016
	\$	\$
CURRENT		
Inventory at cost	<u>62,574</u>	79,204
	<u>62,574</u>	<u>79,204</u>

9 Financial assets

	2017	2016
	\$	\$
CURRENT		
Held-to-maturity financial assets - Investments in interest bearing deposits	<u>3,139,294</u>	2,080,870
Total current assets	<u>3,139,294</u>	<u>2,080,870</u>
NON-CURRENT		
Available for sale financial assets - Investments in Australian listed shares, available for sale	<u>88,429</u>	82,780
Total non-current assets	<u>88,429</u>	<u>82,780</u>

Available-for-sale financial assets comprise of investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

Notes to the Financial Statements

For the Year Ended 30 June 2017

10 Property, plant and equipment

	2017	2016
Note	\$	\$
LAND AND BUILDINGS		
Independent valuation in 2013	11,362,332	11,339,225
Accumulated depreciation	<u>(555,586)</u>	<u>(408,709)</u>
Total land and buildings	<u>10,806,746</u>	<u>10,930,516</u>
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	126,257	36,248
Plant and equipment		
At cost	2,009,477	1,745,413
Accumulated depreciation	<u>(1,421,503)</u>	<u>(1,246,524)</u>
Total plant and equipment	<u>587,974</u>	<u>498,889</u>
Motor vehicles		
At cost	142,931	125,732
Accumulated depreciation	<u>(66,468)</u>	<u>(67,179)</u>
Total motor vehicles	<u>76,463</u>	<u>58,553</u>
Poker Machines		
At cost	2,627,669	2,458,463
Accumulated depreciation	<u>(2,054,967)</u>	<u>(1,911,281)</u>
Total Poker Machines	<u>572,702</u>	<u>547,182</u>
Total Property, Plant and Equipment	<u><u>12,170,142</u></u>	<u><u>12,071,388</u></u>

Notes to the Financial Statements

For the Year Ended 30 June 2017

10 Property, plant and equipment continued

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Capital Works in Progress	Land and Buildings	Plant and Equipment	Motor Vehicles
	\$	\$	\$	\$
Year ended 30 June 2017				
Balance at the beginning of year	36,248	10,930,516	498,889	58,553
Additions	90,009	23,107	264,058	42,140
Disposals - Written Down Value	-	-	-	(8,134)
Depreciation Expense	-	(146,877)	(174,973)	(16,096)
Balance at the end of the year	126,257	10,806,746	587,974	76,463
			Poker Machines	Total
			\$	\$
Year ended 30 June 2017				
Balance at the beginning of year			547,182	12,071,388
Additions			288,192	707,506
Disposals - Written Down Value			(10,313)	(18,447)
Depreciation Expense			(252,359)	(590,305)
Balance at the end of the year			572,702	12,170,142

Asset Revaluations

An independent valuation of freehold land and buildings (Club & Motel) was undertaken on 24 April 2013 by C.A. Brown Associates, Moree. The valuation was based on current fair market value. The independent valuation has assessed the value of the Club's land & buildings to be \$5,770,000 and that of the Motel at \$4,700,000. The valuation is deemed to apply as at 30 June 2013.

At 30 June 2017 the directors reviewed the key assumptions made by the valuers at 24 April 2013. They have concluded that these assumptions remain materially unchanged, and are satisfied that carrying amount does not exceed the recoverable amount of the land and buildings at 30 June 2017.

Core Property

The Directors have resolved that the Club's main premises and the land it occupies (excluding the carpark and other unrelated land) is deemed to be core property for the purposes of Section 41J of the Registered Clubs Act.

Moree & District Services Club Limited

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Notes to the Financial Statements**For the Year Ended 30 June 2017****11 Other non-financial assets**

	2017	2016
	\$	\$
CURRENT		
Prepayments	95,229	87,511
Accrued Income	76,782	51,462
	<u>172,011</u>	<u>138,973</u>

12 Trade and other payables

	2017	2016
	\$	\$
CURRENT		
Trade payables	144,786	232,597
Subscriptions in advance	10,536	23,178
GST payable	14,523	14,059
Accrued Expenses	12,350	8,165
Superannuation payable	32,761	36,226
Advance deposits - Motel	21,879	11,965
Other payables	123,294	114,574
	<u>360,129</u>	<u>440,764</u>
NON-CURRENT		
Unsecured liabilities		
Subscriptions in advance	4,461	934
	<u>4,461</u>	<u>934</u>

13 Provisions

	2017	2016
	\$	\$
CURRENT		
Provision for Sick Leave	9,780	9,678
Provision for Annual Leave	256,472	225,909
Provision for Long Service Leave	356,967	325,048
	<u>623,219</u>	<u>560,635</u>
NON-CURRENT		
Provision for Long Service Leave	10,329	9,167
	<u>10,329</u>	<u>9,167</u>

Moree & District Services Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2017

14 Reserves

(a) Revaluation Surplus

a. The revaluation surplus records the revaluations of non-current assets. .

15 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 1 each towards meeting any outstandings and obligations of the Company. At 30 June 2017 the number of members was 4,439.

16 Income Tax Liability

	2017	2016
	\$	\$
Income Tax Liability	140,054	92,096
	<u>140,054</u>	<u>92,096</u>

(i) Deferred Tax Liabilities

	2017	2016
	\$	\$
Deferred tax liabilities comprises temporary differences attributable to: Property, plant & equipment - Motel	537,975	527,878
Movements:		
Opening balance	527,878	517,784
Charged to the profit and loss	10,097	10,094
Closing balance	<u>537,975</u>	<u>527,878</u>

(ii) Deferred Tax Assets

	2017	2016
	\$	\$
Deferred tax asset comprises temporary differences attributable to: Property, plant & equipment - Club	134,168	142,484
Provisions and accrued expenses	98,887	85,508
	<u>233,055</u>	<u>227,992</u>
Movements:		
Opening balance	227,992	241,917
Charged to profit and loss	5,063	(13,925)
Closing balance	<u>233,055</u>	<u>227,992</u>

Moree & District Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2017

17 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of Moree & District Services Club Limited during the year are as follows:

	2017	2016
	\$	\$
Total Remuneration	111,700	115,700
	<u>111,700</u>	<u>115,700</u>

18 Auditors' Remuneration

	2017	2016
	\$	\$
Remuneration of the auditor of the company, Michael Carrigan, for:		
- auditing or reviewing the financial statements	-	1,005
Remuneration of the auditor of the company, PKF Tamworth, for:		
- auditing or reviewing the financial statements	20,172	19,750
Total	<u>20,172</u>	<u>20,755</u>

19 Fair Value Measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level Hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

	Level 1	Level 2	Level 3	Total
2017				
<i>Assets</i>				
Ordinary shares available-for-sale	88,429	-	-	82,780
Land and buildings	-	-	11,362,332	11,362,332
Total assets	<u>88,429</u>	<u>-</u>	<u>11,362,332</u>	<u>11,445,112</u>

Moree & District Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2017

	Level 1	Level 2	Level 3	Total
2016				
<i>Assets</i>				
Ordinary shares available-for-sale	82,780	-	-	82,780
Land and buildings	-	-	11,339,225	11,339,225
Total assets	<u>-</u>	<u>-</u>	<u>11,339,225</u>	<u>11,422,005</u>

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

20 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2017 (30 June 2016:None).

21 Related Parties

The directors named in the attached Directors' Report each held office as a director of the company during the year ended 30 June 2017. The company did not engage in any related party transactions during the year.

Notes to the Financial Statements

For the Year Ended 30 June 2017

22 Cash Flow Information

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

	2017	2016
	\$	\$
Profit after Income Tax	548,588	524,127
Depreciation and amortisation expense	590,305	514,569
Net fair value (loss)/gain on re-measurement of investment in listed shares	(1,498)	15,314
Net gain on disposal of Shares	(32)	-
Net gain on disposal of property, plant & equipment	(52,380)	(9,810)
(Increase)/Decrease in Prepayments and Accrued Income	(33,038)	(1,702)
(Increase)/Decrease in Sundry Debtors	(13,870)	18,386
(Increase)/Decrease in Inventories	16,630	(11,681)
(Increase)/Decrease in Deferred Tax Assets	(5,063)	13,925
(Increase)/Decrease in Accounts Payable and Accruals	(77,108)	(88,854)
Increase/(Decrease) in Leave Provisions	63,746	6,489
Increase/(Decrease) in Tax Payable & Deferred Tax Liability	58,055	23,560
	<u>1,094,335</u>	<u>1,004,323</u>

23 Events Occurring After the Reporting Date

The financial report was authorised for issue on 4th September 2017 by the Board of Directors.

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.

24 Company Details

The registered office of the company is:

Moree & District Services Club Limited
3 Albert Street
Moree, NSW, 2400

The principal places of business are:

Moree & District Services Club Limited
3 Albert Street
Moree, NSW, 2400

Moree & District Services Club Limited

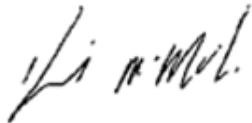
ABN: 31 000 956 061

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 10-30, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the 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
David Francis McMahon



Director
Mitchell Brian Johnson

Dated 4th September 2017

Independent Auditor's Report to the members of Moree & District Services Club Ltd

Report on the Financial Report

We have audited the accompanying financial report of Moree & District Services Club Ltd, which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Opinion

In our opinion, the financial report of Moree & District Services 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 30 June 2017 and of its financial performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards- Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

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

Independence

We are independent of the company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Directors' Responsibility for the Financial Report

The directors of Moree & District Services Club Ltd are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

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 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 entity's preparation of the financial report that gives a true and fair view 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.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of 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 conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

PKF Lawler Warburtons Audit & Assurance Pty Ltd

Margaret van Aanholt

Director

22-24 Bourke Street, Tamworth

4th September 2017

Disclaimer

For the Year Ended 30 June 2017

The additional financial data presented on the following pages is in accordance with the books and records of the Club which have been subjected to the auditing procedures applied in our statutory audit of the association for the year ended 30 June 2017. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Moree District and Services Club) in respect of such data, including any errors of omissions therein however caused.

PKF Lawler Warburtons Audit & Assurance Pty Ltd



Margaret van Aanholt

Director

22-24 Bourke Street, Tamworth

4th September 2017

PKF Lawler Warburtons
Audit & Assurance Pty Limited
ABN 39 082 276 506
Registered Auditor 306435

Liability limited by a scheme approved
under Professional Standards Legislation

PKF International Limited administers a network of legally independent firms which carry on separate business under the PKF name.
PKF International Limited is not responsible for the acts or omissions of individual member firms of the network.

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MOREE & DISTRICT SERVICES CLUB LIMITED

ABN: 31 000 956 061

DONATIONS, SPONSORSHIP & COMMUNITY

DEVELOPMENT & SUPPORT PAYMENTS

FOR THE YEAR ENDED 30 JUNE 2017

DONATIONS FOR 2016 - 2017

St Philomenas P & C	200
Regional Australia Bank - Calcutta	1,500
Fairview	200
RSL Sub Branch	50
Cancer Council	216
Anzac Day	2,694
TOTAL	<u>4,860</u>

SPONSORSHIP FOR 2016 - 2017

Moree Show Society	500
Moree Veterans Golf Day	273
Clubs NSW - Race Day	600
TOTAL	<u>1,373</u>

SPORTS GRANTS FOR 2016 - 2017

Indoor Bowls	3,000
Ladies Bowls	6,000
Mens Bowls	14,000
Bridge Club	1,000
Cards Club	1,000
Sports Committee	2,000
Cycling/Triathlon Club	1,000
Senior Darts	7,000
Fishing Club	3,000
Golf Club	5,000
Netball	3,000
Poker Club	3,500
Snooker Club	3,500

MOREE & DISTRICT SERVICES CLUB LIMITED

ABN: 31 000 956 061

**DONATIONS, SPONSORSHIP & COMMUNITY
DEVELOPMENT & SUPPORT PAYMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

SPORTS GRANTS FOR 2016 - 2017 (cont'd)

Soccer Club	6,000
Swimming Club	6,000
Touch Football	500
Travelling Bowlers	3,500
TOTAL	69,000

COMMUNITY DEVELOPMENT & SUPPORT EXPENDITURE FOR 2016 - 2017

Moree Boomerangs RLFC	
Moree Boars Football Club	11,500
Services Club Greens Maintenance	8,000
Northern Inland Academy of Sport	3,000
Moree RSL Women's Auxiliary	6,000
Torchbearers for Legacy	3,300
Boar War Memorial Fund	1,000
Infantrymans Muster	1,000
Pallamallawa Polo Cross	1,000
Moree Junior Rugby League	2,500
Moree Caledonian Society Pipes & Drums	2,000
Barwon Division of General Practice	5,000
Gwydir Industries	1,000
Moree Junior Soccer	1,500
Moree & District Band	2,000
Westpac Rescue Helicopter	2,000
Moree PCYC	1,500
Moree BMX Club	500
Camp Quality	500
Friendly Faces, Helping Hands	400

**MOREE & DISTRICT SERVICES CLUB LIMITED
ABN: 31 000 956 061
DONATIONS, SPONSORSHIP & COMMUNITY**

**DEVELOPMENT & SUPPORT PAYMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

COMMUNITY DEVELOPMENT & SUPPORT EXPENDITURE FOR 2016 - 2017 (cont'd)

Bellata War Memorial Hall	400
Little Wings	500
TOTAL	<u>54,600</u>