

# **Moree & District Services Club Limited**

**ABN: 31 000 956 061**

## **Financial Statements**

**For the Year Ended 30 June 2018**

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

**NOTICE OF ANNUAL GENERAL MEETING**

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NOTICE IS HER

EBY GIVEN that the ANNUAL GENERAL MEETING of the Company will be held at "the Club" premises Albert Street, Moree on 14<sup>th</sup> day of October, 2018 at 10:00 a.m.

BUSINESS

1. **Confirm Minutes of the Meeting of 2017 Annual General Meeting.**
2. **Business arising therefrom.**
3. **To consider reports of President and Treasurer and Manager's on the year's activities.**
4. **To receive the Financial Report of the Company for the year ended 30<sup>th</sup> June 2018.**
5. **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.

6. **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.

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

The Chairman will open the AGM to member questions and comments. Directors, management and a representative of the Auditors, PKF Lawler, will be in attendance at the meeting to respond to questions from members.



**Robert Shields**  
**Acting Secretary/Manager**

Date: 18<sup>th</sup> September 2018

**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](http://www.moreeservicesclub.com.au)**

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



## **Chairman Report**

It is my pleasure to report on the 2017-2018 year.

The only way I can describe the year would be challenging. The financial outcome for the year was similar to last year with the total comprehensive income for the Club and Motel \$616,971. The board continues to investigate all options for improvement.

It would be remiss of me not to acknowledge my fellow Board member contribution. With four new members getting to know how the Club operates and their role, they have given many hours ensuring the boards responsibilities are carried out, especially the continued viability of the Club and direction is delivered to Club Management.

To all staff, the Board and Members appreciate your efforts in providing the best possible service. The Board welcomed new Motel managers in March this year. John and Maddie Burden joined the organisation to continue providing the excellent service at the Motel.

The club continues to support the community through donations to various community groups and sponsorship to local sporting organisations as listed at the end of the Annual Report.

Over the past twelve months we have seen members and loved ones depart. From all involved at the club, we extend to you and your families our deepest sympathy and condolences.

The clubs sporting bodies continue to form a significant part of the club's fabric. To the various committee members, whose efforts are not always appreciated, a job well done. The reports from each Club can be read later in the Annual Report.

To all members this is your club and many thanks for your continued support. On behalf of all Directors thank you for giving us the privilege and honour to serve the Club.

A handwritten signature in black ink, appearing to read 'Gary Bergin'.

Gary Bergin  
Chairman



## **Secretary Manager Report**

Hi Everyone

As your acting secretary manager and only commencing duties on 17<sup>th</sup> September 2018 on a three day week consultancy basis, and your secretary manager Graham being on sick leave along with other matters. This leaves me little time to be able to present an overall picture of the operation.

What I have experienced so far is to say the least highly encouraging, and in the coming weeks I am sure I will experience a lot more in this highly credentialed focal point of Moree and District. Providing a place of safety and an enjoyable atmosphere that can be experienced by the many members and visitors that partake of the hospitality this great club can provide. Great staff, great meals, along with many great facilities the club has, means members and guests need only come to the services club, a club that has got the lot.

As my tenure expands I am sure I will be able to get to know many of you and be able to continue to play my part in ensuring the clubs continued success.

In closing may I congratulate the many staff we have, caterers, motel staff and of course your directors, I am sure you can all be proud of the results that have been presented.

Cheers

A handwritten signature in cursive script that reads 'R. Shields'.

Robert Shields

Acting Secretary Manager



## 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 30<sup>th</sup> June 2018. 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 achieved good financial operating results for the year.

Combined profit before income tax	865,110	834,454	812,418	720,269
Combined profit from continuing operations	643,952	547,089	539,441	490,218
Total Comprehensive income for the year	616,971	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. The solid result has been achieved despite difficult and challenging conditions within the hospitality industry and particularly within our district.

These challengers will continue for the foreseeable future as unfavourable seasonal conditions continue.

To our management team and staff both at the Club and Motel, I acknowledge your commitment, expertise, and hard work.

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.

Regards,  
Michael Kelly

# Moree & District Services Club Limited

ABN: 31 000 956 061

## Directors' Report

30 June 2018

The directors present their report on Moree & District Services Club Limited for the financial year ended 30 June 2018.

### 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 - Retired 24 September 2017
Barrie James Brooks	Vice Chairperson
Occupation	Retired
Experience	Director Since 2006 - Retired 24 September 2017
Scott Andrew Beers	Vice Chairperson
Occupation	Fire Officer
Experience	Director from 2006-2008, and since 2015 - Retired 24 September 2017
Mitchell Brian Johnson	Treasurer
Occupation	Director of Corporate Services Moree Plains Shire Council
Experience	Director Since 2009 - Retired 24 September 2017
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 Teacher
Experience	Director Since 2013
Gary Rupert Bergin	Chairperson
Occupation	Building Designer
Experience	Director 1981-1997, 1999-2014, - Appointed 24 September 2017
Michael Allen Kelly	Treasurer
Occupation	Console Operator
Experience	Appointed 24 September 2017
Vernon Barrington	Director
Occupation	Estimator
Experience	Appointed 24 September 2017



## **Directors' Report**

**30 June 2018**

### **1. General information continued**

#### **Information on directors continued**

Michael Hankey	Director
Occupation	Shop Assistant
Experience	Appointed 24 September 2017

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.

#### **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.

# Moree & District Services Club Limited

ABN: 31 000 956 061

## Directors' Report

30 June 2018

### 1. General information continued

#### 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.

	2018	2017
% Revenue from Poker Machines	51%	50%
% Revenue from Bar Sales	21%	20%
% Revenue from Accommodation	20%	20%
% Bar Gross Profit	58%	58%

#### 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 2018 the collective liability of members was \$ 4,292 (2017: \$4,439).

### 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	2	1
Barrie James Brooks	2	2
Scott Andrew Beers	2	2
Mitchell Brian Johnson	2	1
Malcolm Smith	13	10
Dennis Alan Sayers	13	13
Kathryn Ann Weston	13	12
Gary Rupert Bergin	11	11
Michael Allen Kelly	11	9
Vernon Barrington	11	9
Michael Hankey	11	10

**Moree & District Services Club Limited**

ABN: 31 000 956 061


**Directors' Report**

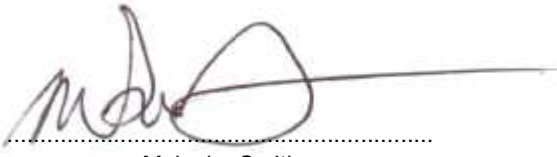
**30 June 2018**

**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 2018 has been received and can be found on page 10 of the financial report.

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

Director: .....  
Gary Bergin

Director: .....  
Malcolm Smith

Dated 28 September 2018

**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 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Margaret van Aanholt  
Director



PKF NENW Audit & Assurance Pty Ltd  
Tamworth NSW

Dated this 28<sup>th</sup> day of September 2018

PKF NENW Audit & Assurance Pty Limited  
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Liability limited by a scheme approved  
approved under Professional  
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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 2018**

		2018	2017
	Note	\$	\$
Revenue	3	7,280,594	7,242,289
Interest income	3	108,729	102,031
Dividend income	3	4,873	4,562
Rental Income	3	44,731	44,677
Profit on disposal of fixed assets	3	48,960	52,380
Other income	3	24,829	15,656
Advertising		(86,923)	(70,283)
Accountancy		(51,780)	(50,720)
Audit		(20,209)	(20,172)
Cleaning		(70,357)	(64,283)
Cost of goods sold		(628,284)	(614,475)
Depreciation and amortisation expense		(614,775)	(590,305)
Employee benefits expense		(2,384,625)	(2,352,201)
Equipment hire		(132,734)	(94,018)
Insurance		(125,108)	(111,415)
Loss on sporting clubs		(68,125)	(59,861)
Members entertainment		(348,668)	(362,212)
Poker machine expenses		(96,662)	(106,859)
Poker machine tax		(635,248)	(630,677)
Raffle prizes		(185,214)	(192,621)
Rates		(116,907)	(118,833)
Repairs and maintenance		(270,466)	(301,586)
Staff training		(6,302)	(12,513)
Utilities expense		(336,843)	(301,532)
Other expenses		(468,376)	(572,575)
<b>Profit before income tax</b>		<b>865,110</b>	834,454
Income tax expense	5	(221,158)	(287,365)
<b>Profit from continuing operations</b>		<b>643,952</b>	547,089
<b>Profit for the year</b>		<b>643,952</b>	547,089
<b>Other comprehensive income after income tax</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Net fair value (loss)/gain on re-measurement of investment in listed shares		(26,981)	1,499
<b>Other comprehensive income for the year, net of tax</b>		<b>(26,981)</b>	1,499
<b>Total comprehensive income for the year</b>		<b>616,971</b>	548,588

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 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	2,224,727	1,847,104
Trade and other receivables	7	28,423	36,502
Inventories	8	60,383	62,574
Financial assets	9	3,246,865	3,139,294
Other assets	11	161,113	172,011
TOTAL CURRENT ASSETS		<u>5,721,511</u>	<u>5,257,485</u>
NON-CURRENT ASSETS			
Financial assets	9	66,001	88,429
Property, plant and equipment	10	12,248,518	12,170,142
Deferred tax assets	15	200,058	233,055
TOTAL NON-CURRENT ASSETS		<u>12,514,577</u>	<u>12,491,626</u>
TOTAL ASSETS		<u>18,236,088</u>	<u>17,749,111</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	12	382,253	360,129
Short-term provisions	13	547,884	623,219
Income Tax Liabilities	15	105,680	140,054
TOTAL CURRENT LIABILITIES		<u>1,035,817</u>	<u>1,123,402</u>
NON-CURRENT LIABILITIES			
Trade and other payables	12	1,125	4,461
Deferred tax liabilities	15	502,456	537,975
Long-term provisions	13	6,775	10,329
TOTAL NON-CURRENT LIABILITIES		<u>510,356</u>	<u>552,765</u>
TOTAL LIABILITIES		<u>1,546,173</u>	<u>1,676,167</u>
NET ASSETS		<u>16,689,915</u>	<u>16,072,944</u>
<b>MEMBER'S EQUITY</b>			
Reserves		640,063	668,543
Retained Earnings		16,049,852	15,404,401
TOTAL MEMBER'S EQUITY		<u>16,689,915</u>	<u>16,072,944</u>

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 2018

2018

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
<b>Balance at 1 July 2017</b>	<b>15,405,900</b>	<b>667,044</b>	<b>16,072,944</b>
Profit attributable to members of the entity	643,952	-	643,952
Total other comprehensive income for the year	-	(26,981)	(26,981)
<b>Balance at 30 June 2018</b>	<b>16,049,852</b>	<b>640,063</b>	<b>16,689,915</b>

2017

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
<b>Balance at 1 July 2016</b>	<b>14,857,312</b>	<b>667,044</b>	<b>15,524,356</b>
Profit attributable to members of the entity	547,089	-	547,089
Total other comprehensive income for the year	-	1,499	1,499
<b>Balance at 30 June 2017</b>	<b>15,404,401</b>	<b>668,543</b>	<b>16,072,944</b>

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 2018

	2018	2017
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	7,919,115	7,848,761
Payments to suppliers and employees	(6,696,057)	(6,603,725)
Interest received	133,061	76,711
Dividends received	320	396
Income taxes paid	(227,054)	(231,974)
Net cash provided by (used in) operating activities	21 <u>1,129,385</u>	<u>1,090,169</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from the sale of Shares	-	49
Purchases of property, plant & equipment	(693,151)	(707,506)
Proceeds from sale of property, plant & equipment	48,960	70,825
Net cash used by investing activities	<u>(644,191)</u>	<u>(636,632)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Investment in term deposits	(107,571)	(1,058,424)
Net cash used by financing activities	<u>(107,571)</u>	<u>(1,058,424)</u>
Net increase (decrease) in cash and cash equivalents held	377,623	(604,887)
Cash and cash equivalents at beginning of year	1,847,104	2,451,991
Cash and cash equivalents at end of financial year	6 <u>2,224,727</u>	<u>1,847,104</u>

The accompanying notes form part of these financial statements.



## Moree & District Services Club Limited

ABN: 31 000 956 061

# Notes to the Financial Statements

For the Year Ended 30 June 2018

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 not-for-profit company limited by guarantee.

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.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2018**

### **2 Summary of Significant Accounting Policies continued**

#### **(b) Income Tax continued**

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.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2018**

### **2 Summary of Significant Accounting Policies continued**

#### **(c) Revenue and other income continued**

##### **Rendering of services**

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

#### **(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.

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.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2018**

### **2 Summary of Significant Accounting Policies continued**

#### **(f) Property, Plant and Equipment continued**

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.

#### **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(j) 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:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
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.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2018**

### **2 Summary of Significant Accounting Policies continued**

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

*Amortised cost* is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) 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
- (d) 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.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2018**

### **2 Summary of Significant Accounting Policies continued**

#### **(g) Financial instruments continued**

##### *(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.

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).

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2018**

### **2 Summary of Significant Accounting Policies continued**

#### **(g) Financial instruments continued**

##### *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 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.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2018**

### **2 Summary of Significant Accounting Policies continued**

**(j) Employee benefits continued**

*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 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 2018

#### 3 Revenue and Other Income

	2018	2017
	\$	\$
Sales revenue		
- Bar Sales	<b>1,504,666</b>	1,475,781
- Poker Machine Revenue	<b>3,724,185</b>	3,698,551
- Accommodation	<b>1,486,011</b>	1,518,202
- Keno Commissions	<b>171,762</b>	169,400
- TAB commissions	<b>61,375</b>	53,140
- Member Subscriptions	<b>34,752</b>	36,471
- Other Revenue	<b>297,843</b>	290,744
	<b>7,280,594</b>	7,242,289
Finance income		
- Interest received	<b>108,729</b>	102,031
- Dividend income	<b>4,873</b>	4,562
Other revenue		
- Rental income	<b>44,731</b>	44,677
- Profit on disposal of fixed assets	<b>48,960</b>	52,380
- Other income	<b>24,829</b>	15,656
	<b>232,122</b>	219,306
<b>Total Revenue</b>	<b>7,512,716</b>	7,461,595
<b>Other Comprehensive Income</b>		
- Net fair value (Loss)/Gain on re-measurement of investment in listed shares	<b>(26,981)</b>	1,499
	<b>(26,981)</b>	1,499

## Moree & District Services Club Limited

ABN: 31 000 956 061

### Notes to the Financial Statements

For the Year Ended 30 June 2018

#### 4 Expenses

(a) Expenses from continuing operations - by nature

	2018	2017
	\$	\$
Expenses (by nature)		
Accountancy	51,780	50,720
Audit	20,209	20,172
Advertising	86,923	70,283
Cleaning	70,357	64,283
Cost of Goods Sold	628,284	614,475
Depreciation - Property, Plant & Equipment	614,775	590,305
Employee costs	2,203,076	2,168,631
Equipment Hire	132,734	94,018
Insurance	125,108	111,415
Loss on Sporting Clubs	68,125	59,861
Members Entertainment	348,668	362,212
Poker Machine Expenses	96,662	106,859
Poker Machine Tax	635,248	630,677
Raffle Prizes	185,214	192,621
Rates	116,907	118,833
Repairs and Maintenance	270,466	301,586
Staff Training	6,302	12,513
Superannuation contributions	181,549	183,570
Utilities Expense	336,843	301,532
Other Expenses	468,376	572,575
Total Expenses From Continuing Operations	<u>6,647,606</u>	<u>6,627,141</u>

## Moree & District Services Club Limited

ABN: 31 000 956 061

### Notes to the Financial Statements

For the Year Ended 30 June 2018

#### 5 Income Tax Expense

	2018	2017
	\$	\$
Consists of:		
Current tax	247,341	282,331
Deferred tax	(2,522)	5,034
Prior year tax	(23,661)	-
	<u>221,158</u>	<u>287,365</u>

(a) The major components of tax expense (income) comprise:

	2018	2017
	\$	\$
Prima facie tax payable(benefit) on profit(loss) from ordinary activities before income tax at 27.5% (2017: 27.5%)	237,905	250,336
Tax effect of tax free mutual income	(36,244)	(42,550)
Tax effect of other non-deductible and non assessable items	43,158	79,579
Under/(over) provision in respect of prior years	(23,661)	-
	<u>221,158</u>	<u>287,365</u>

#### 6 Cash and cash equivalents

	2018	2017
	\$	\$
Cash on hand	195,596	128,536
Cash at bank	2,029,131	1,718,568
	<u>2,224,727</u>	<u>1,847,104</u>

## Moree & District Services Club Limited

ABN: 31 000 956 061

### Notes to the Financial Statements

For the Year Ended 30 June 2018

#### 7 Trade and other receivables

	2018	2017
	\$	\$
CURRENT		
Trade receivables	25,490	36,500
Deposits	2,929	-
Other Receivables	4	2
<b>Total current trade and other receivables</b>	<b>28,423</b>	<b>36,502</b>

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.

#### 8 Inventories

	2018	2017
	\$	\$
CURRENT		
Inventory at cost	60,383	62,574
	<b>60,383</b>	<b>62,574</b>

#### 9 Financial assets

	2018	2017
	\$	\$
CURRENT		
Held-to-maturity financial assets - Investments in interest bearing deposits	3,246,865	3,139,294
Total current assets	<b>3,246,865</b>	<b>3,139,294</b>
NON-CURRENT		
Available for sale financial assets - Investments in Australian listed shares, available for sale	66,001	88,429
Total non-current assets	<b>66,001</b>	<b>88,429</b>

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.

## Moree & District Services Club Limited

ABN: 31 000 956 061

### Notes to the Financial Statements

For the Year Ended 30 June 2018

#### 10 Property, plant and equipment

	2018	2017
	\$	\$
LAND AND BUILDINGS		
Independent valuation in 2013	<b>11,362,332</b>	11,362,332
Accumulated depreciation	<b>(702,723)</b>	(555,586)
Total land and buildings	<b>10,659,609</b>	10,806,746
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	<b>241,869</b>	126,257
Plant and equipment		
At cost	<b>2,260,766</b>	2,009,477
Accumulated depreciation	<b>(1,604,197)</b>	(1,421,503)
Total plant and equipment	<b>656,569</b>	587,974
Motor vehicles		
At cost	<b>142,931</b>	142,931
Accumulated depreciation	<b>(82,043)</b>	(66,468)
Total motor vehicles	<b>60,888</b>	76,463
Poker Machines		
At cost	<b>2,908,011</b>	2,627,669
Accumulated depreciation	<b>(2,278,428)</b>	(2,054,967)
Total Poker Machines	<b>629,583</b>	572,702
<b>Total Property, Plant and Equipment</b>	<b>12,248,518</b>	12,170,142

## Moree & District Services Club Limited

ABN: 31 000 956 061

# Notes to the Financial Statements

For the Year Ended 30 June 2018

### 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
	\$	\$	\$	\$
<b>Year ended 30 June 2018</b>				
Balance at the beginning of year	126,257	10,806,746	587,974	76,463
Additions	115,612	-	256,697	-
Depreciation Expense	-	(147,137)	(188,102)	(15,575)
<b>Balance at the end of the year</b>	<b>241,869</b>	<b>10,659,609</b>	<b>656,569</b>	<b>60,888</b>
			Poker Machines	Total
			\$	\$
<b>Year ended 30 June 2018</b>				
Balance at the beginning of year			572,702	12,170,142
Additions			320,842	693,151
Depreciation Expense			(263,961)	(614,775)
<b>Balance at the end of the year</b>			<b>629,583</b>	<b>12,248,518</b>

#### 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 2018 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 2018.

#### 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

ABN: 31 000 956 061

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 11 Other non-financial assets

	2018	2017
	\$	\$
CURRENT		
Prepayments	108,663	95,229
Accrued Income	52,450	76,782
	<u>161,113</u>	<u>172,011</u>

### 12 Trade and other payables

	2018	2017
	\$	\$
CURRENT		
Trade payables	135,998	144,786
Subscriptions in advance	21,682	10,536
GST payable	14,200	14,523
Accrued Expenses	15,000	12,350
Superannuation payable	57,039	32,761
Advance deposits - Motel	1,930	21,879
Other payables	136,404	123,294
	<u>382,253</u>	<u>360,129</u>
NON-CURRENT		
Unsecured liabilities		
Subscriptions in advance	1,125	4,461
	<u>1,125</u>	<u>4,461</u>

### 13 Provisions

	2018	2017
	\$	\$
CURRENT		
Provision for Sick Leave	9,897	9,780
Provision for Annual Leave	213,190	256,472
Provision for Long Service Leave	324,797	356,967
	<u>547,884</u>	<u>623,219</u>
NON-CURRENT		
Provision for Long Service Leave	6,775	10,329
	<u>6,775</u>	<u>10,329</u>

## Moree & District Services Club Limited

ABN: 31 000 956 061

### Notes to the Financial Statements

For the Year Ended 30 June 2018

#### 14 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 2018 the number of members was 4,292.

#### 15 Income Tax Liability

	2018	2017
	\$	\$
Income Tax Liability	105,680	140,054
	<u>105,680</u>	<u>140,054</u>

##### (i) Deferred Tax Liabilities

	2018	2017
	\$	\$
Deferred tax liabilities comprises temporary differences attributable to:		
Property, plant & equipment - Motel	502,456	537,975
Movements:		
Opening balance	537,975	527,878
Charged to the profit and loss	(35,519)	10,097
Closing balance	<u>502,456</u>	<u>537,975</u>

##### (ii) Deferred Tax Assets

	2018	2017
	\$	\$
Deferred tax asset comprises temporary differences attributable to:		
Property, plant & equipment - Club	125,128	134,168
Provisions and accrued expenses	74,931	98,887
	<u>200,058</u>	<u>233,055</u>
Movements:		
Opening balance	233,055	227,992
Charged to profit and loss	(32,997)	5,063
Closing balance	<u>200,058</u>	<u>233,055</u>



## Moree & District Services Club Limited

ABN: 31 000 956 061

# Notes to the Financial Statements

For the Year Ended 30 June 2018

### 16 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:

	2018	2017
	\$	\$
Total Remuneration	121,929	111,700
	<u>121,929</u>	<u>111,700</u>

### 17 Auditors' Remuneration

	2018	2017
	\$	\$
Remuneration of the auditor of the company, PKF Tamworth, for:		
- auditing or reviewing the financial statements	20,209	20,172

### 18 Fair Value Measurement

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Property, plant and equipment

#### *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
<b>Consolidated - 2018</b>				
<i>Assets</i>				
Ordinary shares available-for-sale	66,001	-	-	82,780
Land and buildings	-	-	11,362,332	11,362,332
Total assets	<u>66,001</u>	<u>-</u>	<u>11,362,332</u>	<u>11,445,112</u>
<i>Liabilities</i>				
Forward foreign exchange contracts	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>

## Moree & District Services Club Limited

ABN: 31 000 956 061

### Notes to the Financial Statements

For the Year Ended 30 June 2018

#### 18 Fair Value Measurement continued

##### Consolidated - 2017

###### Assets

Ordinary shares available-for-sale	82,780	-	-	82,780
Land and buildings	-	-	11,362,332	11,362,332
Total assets	<u>-</u>	<u>-</u>	<u>11,362,332</u>	<u>11,445,112</u>

###### Liabilities

Forward foreign exchange contracts	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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.

#### 19 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2018 (30 June 2017:None).

#### 20 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 2018. The company did not engage in any related party transactions during the year.

## Moree & District Services Club Limited

ABN: 31 000 956 061

# Notes to the Financial Statements

For the Year Ended 30 June 2018

## 21 Cash Flow Information

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

	2018	2017
	\$	\$
Profit after Income Tax	643,952	547,089
Depreciation and amortisation expense	614,775	590,305
Net gain on disposal of Shares	-	(31)
Net gain on disposal of property, plant & equipment	(48,960)	(52,380)
(Increase)/Decrease in Prepayments and Accrued Income	10,898	(33,038)
(Increase)/Decrease in Financial Assets	(4,553)	(4,166)
(Increase)/Decrease in Sundry Debtors	8,079	(13,870)
(Increase)/Decrease in Inventories	2,191	16,630
(Increase)/Decrease in Deferred Tax Assets	32,997	(5,063)
(Increase)/Decrease in Accounts Payable and Accruals	18,788	(77,108)
Increase/(Decrease) in Leave Provisions	(78,889)	63,746
Increase/(Decrease) in Tax Payable & Deferred Tax Liability	(69,893)	58,055
	<u>1,129,385</u>	<u>1,090,169</u>

## 22 Events Occurring After the Reporting Date

The financial report was authorised for issue on 28 September 2018 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.

## 23 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

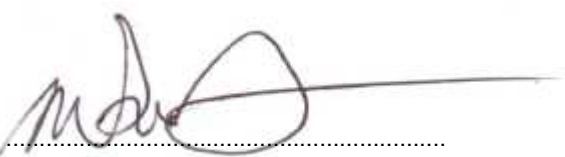
**Directors' Declaration**

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 10-33, 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 2018 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 .....  
  
Gary Bergin

Director .....  
  
Malcolm Smith

Dated 28 September 2018

## 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 2018, 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 2018 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.

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### *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 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 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 business activities within the 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 NENW Audit & Assurance Pty Ltd



Margaret van Aanholt

Director

22-24 Bourke Street, Tamworth

28 September 2018



**MOREE & DISTRICT SERVICES CLUB LIMITED**  
**ABN: 31 000 956 061**  
**DONATIONS, SPONSORSHIP & COMMUNITY**  
**DEVELOPMENT & SUPPORT PAYMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**DONATIONS**

Regional Australia Bank - Calcutta	1,500
NASHOS	66
RSL Sub Branch	3,790
NSW National Serviceman Association	550
Anzac Day	50
<b>TOTAL</b>	<b>5,956</b>

**SPONSORSHIP**

Moree Show Society	500
Moree Veterans Golf Day	300
Clubs NSW - Race Day	600
Big Sky Chapter State Rally	1,000
<b>TOTAL</b>	<b>2,400</b>

**SPORTS GRANTS**

Indoor Bowls	3,000
Ladies Bowls	6,000
Mens Bowls	15,000
Bridge Club	1,000
Cards Club	1,000
Colts Cricket Club	2,000
Sports Committee	2,500
Cycling/Triathlon Club	1,000
Senior Darts	5,000
Fishing Club	3,000
Golf Club	6,500
Netball	3,000
Poker Club	3,500



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**FOR THE YEAR ENDED 30 JUNE 2018**

**SPORTS GRANTS (cont'd)**

Snooker Club	5,000
Soccer Club	6,000
Swimming Club	7,500
Touch Football	500
Travelling Bowlers	3,500
<b>TOTAL</b>	<b>75,000</b>

**COMMUNITY DEVELOPMENT & SUPPORT EXPENDITURE**

Moree Boomerangs RLFC	5,000
Moree Boars Football Club	10,000
Services Club Greens Maintenance	3,660
Northern Inland Academy of Sport	2,000
Moree RSL Women's Auxiliary	7,000
Torchbearers for Legacy	3,300
Moree Junior Rugby League	2,000
Moree Caledonian Society Pipes & Drums	2,000
Barwon Division of General Practice	5,000
Men of League Foundation	1,500
Moree Amateur Swimming	1,500
Moree Junior Cricket	1,500
Moree Junior Soccer	1,500
Moree & District Band	2,000
Moree Public School - Life Education	270
Westpac Rescue Helicopter	4,000
Moree PCYC	1,500
Northcott Disability Services	705
St Philomena's School P & F Association	500
<b>TOTAL</b>	<b>54,935</b>