

Moree & District Services Club Limited

ABN: 31 000 956 061

Financial Statements

For the Year Ended 30 June 2019

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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 27th day of October, 2019 at 10:00 a.m.

BUSINESS

- 1. Confirm Minutes of the Meeting of 2018 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 2019.**
- 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% per year.**

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 & management will be in attendance at the meeting to respond to questions from members.



Robert Shields
Secretary/Manager

Date: 30th September 2019

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.



Chairman Report

It is my pleasure to report on the 2018-2019 year, the second year of the current Board

Despite the economic climate, the Club has been able to hold its own. The financial outcome for the year was similar to last couple of years with the total comprehensive income for the Club and Motel being \$545,098.

The commitment to investigate all options for reducing overheads and creating income resulted in the installation of additional solar panels for the Club and Motel during the year. Investigation into upgrading all lighting in the Club to further reduce energy costs is underway. The Board is also re-considering extending the Motel by a further twelve rooms to cater for demand during the week based on reduced size and costing of the original extension proposal.

The Board welcomed Robert Shields as Secretary/Manager during year. It has been a long time since the Club had unencumbered professional manager. The Motel continues to deliver, thanks to Managers John, Mattie and the staff. The Board appreciates the efforts of Club staff in providing good service to all members and guests.

The internal Sporting Clubs have continued to provide excellent competitions in their various sports throughout the year, to all involved job well done. Internal sports grants together with sponsorship of local sporting groups and donations to community organisations totalled around \$140,000 this year.

To my fellow Directors thank you for your work and support over the last two years. The continuity of Directors and retaining the core base of knowledge over extended periods have served the Club very well.

In conclusion, the Club continues to be in a strong position. With sound planning in place by the Board and the support of members, we will continue to improve the experience, facilities and enjoyment for all.

A handwritten signature in black ink, appearing to read 'Gary Bergin', written in a cursive style.

Gary Bergin

Chairperson



Secretary Manager Report

It is with much pleasure that I write my second report to everyone associated with Moree and District Services Club. Time certainly runs fast as it only seems like yesterday that I was presenting my first one. What an enjoyable time it has been. Enduring the ups and downs everyday has been somewhat of a challenge, but I am pleased to report we have come through quite admirably under the circumstances. Lets not dwell on the drought and the economy.

Financially I feel you will be quite pleased with the result. We have been able to provide substantial funds to our sporting bodies and other well deserved organisations and charities. I think you would all agree that there are no big mountains out there to climb anymore. We need to be seen to be doing the little things right and thus be rewarded and I think looking at the figures we have done that. Thus our performance comes back to you the members and many visitors who partake of the facilities a big thank you to all and I hope you will keep on doing so for many years to come.

We have an exceptional band of staff who go about their work diligently and without qualm. Lead by our duty managers your contribution to the running of the club is very much appreciated keep up the good work. A special mention should go to our girls in administration as so much of their work goes on behind the scenes. So a big thank you everyone.

Our catering providers have been able to provide excellent cuisine to the many that have passed through our doors. Whether it be locals or visitors I am sure each and every one has been well satisfied with the cuisine provided.

To all of our sporting bodies a big congratulations on a successful year. Your use of the club has contributed to performance in no small way and we look forward to continued support from both sides of the fence for many years to come.

I would like to recognise the board for their commitment to their duty as it is not an easy task. You have all led by example and endeavoured to make all the decisions in the best interest of the club and its patrons. Thank you for placing your trust in me and I look forward to continuing a long association with you all.

The motel once again has been a shining light. To you John, Mattie and all of your staff congratulations you do us proud. The motel is an integral part of the organisation and the board continues to support management in ensuring the facilities provided are second to none. This year will

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Secretary Manager Report

see all units in the motel with new carpet.

The board has in the financial year just gone proceeded with vision of their own. Progress is now ongoing to upgrade facilities at the Pizza hut, providing more entertainment area that can be utilised by many and enjoyed by all. Considerable expense has been incurred in the installation of Solar which in the long term should see electricity expenses decrease. A whole new automated watering system installed to the bowling greens. These are some of the achievements and we are always on the look out to improve facilities that will benefit everyone.

In closing for the year 18/19 It has been a pleasure being at the helm of your club. I am thoroughly enjoying my time here. One last big thank you to you all and please continue to use the wonderful facilities on as many occasions as you can as life is so short not to enjoy the big times and your club has got what it takes and lots more when it comes to recreation.

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

Robert Shields



Treasurers Report

Dear Fellow Members,

Having been appointed to the Board pursuant to Rule 74(b) of the Club's Constitution following the resignation of Michael Kelly, I inherited Michael's role as Treasurer.

Since October 2018 I have attended the monthly Board of Directors' meetings at which the finance committee also met monthly to review the financial performance of the Club and Motel.

Therefore, to the best of the Board of Directors' knowledge, all 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 June, 2019. The reports have been presented in accordance with Australian Accounting Standards and the Corporations Act and Regulations 2001.

Through the patronage and support of both our members and visitors, the Club and the Motel have achieved good financial operating results for the year notwithstanding the current economic downturn as result of the ongoing drought.

<u>Description</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Combined profit before income tax	824,974	865,110	834,454	812,418
Combined profit from continuing operations	571,435	643,952	547,089	539,441
Total Comprehensive income for the year	545,098	616,971	548,588	524,127

This result has been achieved despite difficult and challenging conditions within the hospitality industry, and particularly within our district. These challenges will continue for the foreseeable future as unfavourable seasonal conditions continue.

To the Board, Secretary Manager, Management Team and staff of both the Club and Motel, I acknowledge your expertise, commitment, hard work and service to the Club.

I extend my gratitude to my fellow directors and to all members and visitors for their continued support and patronage of our Club.

Yours faithfully,

Sylvester Joseph

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Directors' Report

30 June 2019

The directors present their report on Moree & District Services Club Limited for the financial year ended 30 June 2019.

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:

Gary Bergin	Chairperson
Occupation	Building Designer
Experience	Director 1981-1997, 1999-2014, - Appointed 24 September 2017
Malcolm Smith	Vice Chairperson
Occupation	Technician
Experience	Director Since 2007
Dennis Sayer	Vice Chairperson
Occupation	Handyman
Experience	Director since 2008
Sylvester Joseph	Treasurer
Occupation	Solicitor
Experience	Appointed 14 October 2018
Vernon Barrington	Director
Occupation	Estimator
Experience	Director Since 2017
Michael Hankey	Director
Occupation	Shop Assistant
Experience	Director Since 2017
Kathryn Weston	Director
Occupation	School Teacher
Experience	Director Since 2013
Michael Kelly	Director
Occupation	Console Operator
Experience	Resigned October 2018

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

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Directors' Report

30 June 2019

1. General information continued

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.

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Directors' Report

30 June 2019

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.

	2019	2018
% Revenue from Poker Machines	51%	51%
% Revenue from Bar Sales	20%	21%
% Revenue from Accommodation	21%	20%
% Bar Gross Profit	59%	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 2019 the collective liability of members was \$ 4,278 (2017: \$4,292).

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
Gary Bergin	12	12
Malcolm Smith	12	8
Dennis Sayer	12	12
Sylvester Joseph	8	7
Vernon Barrington	12	9
Michael Hankey	12	11
Kathryn Weston	12	10
Michael Kelly	3	3

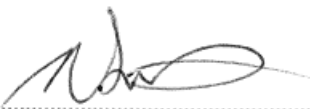
Directors' Report
30 June 2019

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 2019 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 30 September 2019

**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 2019, there have been:

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

Margaret van Aanholt
Director



PKF NENW Audit & Assurance Pty Ltd
Tamworth NSW

Dated this 30th day of September 2019

PKF NENW Audit & Assurance Pty Limited
ABN 39 082 276 506
Registered Auditor 306435
Liability limited by a scheme approved
approved under Professional
Standards Legislation

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Moree & District Services Club Limited

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**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2019**

		2019	2018
	Note	\$	\$
Revenue	3	7,324,907	7,280,594
Interest income	3	122,089	108,729
Dividend income	3	2,683	4,873
Rental Income	3	34,923	44,731
Profit on disposal of fixed assets	3	21,197	48,960
Other income	3	27,834	24,829
Advertising	4	(52,401)	(86,923)
Accountancy	4	(55,915)	(51,780)
Audit	4	(22,493)	(20,209)
Cleaning	4	(66,782)	(70,357)
Cost of goods sold	4	(609,918)	(628,284)
Depreciation and amortisation expense	4	(571,078)	(614,775)
Employee benefits expense	4	(2,266,913)	(2,384,625)
Equipment hire	4	(95,230)	(132,734)
Insurance	4	(145,234)	(125,108)
Loss on sporting clubs	4	(72,186)	(68,125)
Members entertainment	4	(340,244)	(348,668)
Poker machine expenses	4	(137,483)	(96,662)
Poker machine tax	4	(634,893)	(635,248)
Raffle prizes	4	(204,281)	(185,214)
Rates	4	(115,650)	(116,907)
Repairs and maintenance	4	(222,616)	(270,466)
Staff training	4	(3,536)	(6,302)
Utilities expense	4	(353,708)	(336,843)
Other expenses	4	(738,098)	(468,376)
Profit before income tax		824,974	865,110
Income tax expense	5	(253,539)	(221,158)
Profit from continuing operations		571,435	643,952
Profit for the year		571,435	643,952
Other comprehensive income after income tax			
Items that may be reclassified subsequently to profit or loss			
Movement in the fair value of investments in equity securities	3	(26,337)	(26,981)
Other comprehensive income for the year, net of tax		(26,337)	(26,981)
Total comprehensive income for the year		545,098	616,971

The accompanying notes form part of these financial statements.

Moree & District Services Club Limited

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Statement of Financial Position**30 June 2019**

	Note	2019	2018
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,934,464	2,224,727
Trade and other receivables	7	37,890	28,423
Inventories	8	64,183	60,383
Financial assets	9	4,330,527	3,246,865
Other assets	11	184,815	161,113
TOTAL CURRENT ASSETS		<u>6,551,879</u>	<u>5,721,511</u>
NON-CURRENT ASSETS			
Financial assets	9	41,977	66,001
Property, plant and equipment	10	11,996,325	12,248,518
Deferred tax assets	15	207,543	200,058
TOTAL NON-CURRENT ASSETS		<u>12,245,845</u>	<u>12,514,577</u>
TOTAL ASSETS		<u>18,797,724</u>	<u>18,236,088</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	318,383	382,253
Short-term provisions	13	614,548	547,884
Income Tax Liabilities	15	103,727	105,680
TOTAL CURRENT LIABILITIES		<u>1,036,658</u>	<u>1,035,817</u>
NON-CURRENT LIABILITIES			
Trade and other payables	12	4,764	1,125
Deferred tax liabilities	15	511,718	502,456
Long-term provisions	13	9,571	6,775
TOTAL NON-CURRENT LIABILITIES		<u>526,053</u>	<u>510,356</u>
TOTAL LIABILITIES		<u>1,562,711</u>	<u>1,546,173</u>
NET ASSETS		<u>17,235,013</u>	<u>16,689,915</u>
MEMBER'S EQUITY			
Reserves		613,726	640,063
Retained Earnings		16,621,287	16,049,852
TOTAL MEMBER'S EQUITY		<u>17,235,013</u>	<u>16,689,915</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity**For the Year Ended 30 June 2019****2019**

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2018	16,049,852	640,063	16,689,915
Profit attributable to members of the entity	571,435	-	571,435
Total other comprehensive income for the year	-	(26,337)	(26,337)
Balance at 30 June 2019	16,621,287	613,726	17,235,013

2018

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

The accompanying notes form part of these financial statements.

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**Statement of Cash Flows
For the Year Ended 30 June 2019**

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	8,094,474	7,919,115
Payments to suppliers and employees	(6,889,426)	(6,696,057)
Interest received	113,056	133,061
Dividends received	2,673	320
Income taxes paid	(227,377)	(227,054)
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	21 1,093,400	1,129,385
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equity investments	(2,313)	-
Purchases of property, plant & equipment	(324,842)	(693,151)
Proceeds from sale of property, plant & equipment	27,155	48,960
	<hr/>	<hr/>
Net cash used by investing activities	(300,001)	(644,191)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Investment in term deposits	(1,083,662)	(107,571)
	<hr/>	<hr/>
Net cash used by financing activities	(1,083,662)	(107,571)
	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents held	(290,263)	377,623
Cash and cash equivalents at beginning of year	2,224,727	1,847,104
	<hr/>	<hr/>
Cash and cash equivalents at end of financial year	6 1,934,464	2,224,727

The accompanying notes form part of these financial statements.

Moree & District Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2019

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.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies continued

(b) Income Tax continued

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.

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 2019

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

Inventories are measured at the lower of cost and net realisable value.

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 2019

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 2(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%
Motor Vehicles	16.67% - 25%
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 2019

2 Summary of Significant Accounting Policies continued

(g) Financial instruments

Recognition, Initial recognition and derecognition

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss where transaction costs are expensed as incurred. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable)

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The company's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies continued

(g) Financial instruments continued

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposit that were previously classified as held-to-maturity under AASB 139.

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

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL.

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. This category includes listed equity securities that were previously classified as 'available-for-sale' under AASB 139.

Impairment of Financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Trade and other receivables

The company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

The company assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the company's financial

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies continued

(g) Financial instruments Continued

liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The company's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(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 2019

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.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies continued

(I) New, revised or amending Accounting Standards and Interpretation adopted continued

Change in Accounting policy

AASB 9 Financial Instruments

The company has adopted *AASB 9 Financial Instruments* from 1 July 2018. *AASB 9 Financial Instruments* replaces *AASB 139 Financial Instruments: Recognition and Measurement*. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the company makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI').

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected credit loss allowance is available.

Impact of Adoption

When adopting AASB 9, the company has applied transitional relief and opted not to restate prior periods. In relation to financial assets at amortised cost, AASB 9 requires an expected credit loss model to be applied as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires the company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial asset.

At 1 July 2018, the Company reviewed and assessed the existing financial assets for impairment using reasonable and supportable information. Based on historical and expected losses, the application of the ECL model had no significant impact on the Company. The result of the assessment is as follows:

- Cash at bank & term deposits:

All balances are assessed to have low credit risk as they are on demand and held with reputable financial institutions with high credit ratings.

- Receivables:

The company has applied the simplified approach and concluded that the lifetime ECL for these assets would be negligible due to the short term maturity & low credit risk for receivables.

The adoption of AASB 9 has not caused any material adjustments to the reported financial position, performance or cash flow of the company.

Moree & District Services Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2019

3 Revenue and Other Income

	2019	2018
	\$	\$
Sales revenue		
- Bar Sales	1,466,619	1,504,666
- Poker Machine Revenue	3,734,673	3,724,185
- Accommodation	1,572,048	1,486,011
- Keno Commissions	173,595	171,762
- TAB commissions	55,913	61,375
- Member Subscriptions	33,979	34,752
- Other Revenue	288,080	297,843
	<u>7,324,907</u>	<u>7,280,594</u>
Finance income		
- Interest received	122,089	108,729
- Dividend income	2,683	4,873
Other revenue		
- Rental income	34,923	44,731
- Profit on disposal of fixed assets	21,197	48,960
- Other income	27,834	24,829
	<u>208,726</u>	<u>232,122</u>
Total Revenue	<u>7,533,633</u>	<u>7,512,716</u>
Other Comprehensive Income		
- Net fair value (Loss)/Gain on re-measurement of investment in listed shares	(26,337)	(26,981)
	<u>(26,337)</u>	<u>(26,981)</u>

Moree & District Services Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2019

4 Expenses

(a) Expenses from continuing operations - by nature

	2019	2018
	\$	\$
Expenses (by nature)		
Accountancy	55,915	51,780
Audit	22,493	20,209
Advertising	52,401	86,923
Cleaning	66,782	70,357
Cost of Goods Sold	609,918	628,284
Depreciation - Property, Plant & Equipment	571,078	614,775
Employee costs	2,080,648	2,203,076
Equipment Hire	95,230	132,734
Insurance	145,234	125,108
Loss on Sporting Clubs	72,186	68,125
Members Entertainment	340,244	348,668
Poker Machine Expenses	137,483	96,662
Poker Machine Tax	634,893	635,248
Raffle Prizes	204,281	185,214
Rates	115,650	116,907
Repairs and Maintenance	222,616	270,466
Staff Training	3,536	6,302
Superannuation contributions	186,264	181,549
Utilities Expense	353,708	336,843
Other Expenses	738,099	468,376
Total Expenses From Continuing Operations	<u>6,708,659</u>	<u>6,647,606</u>

The result for the year was derived after charging / (crediting) the following items:

Finance Costs

Financial liabilities measured at amortised cost:

The result for the year includes the following specific expenses:

Cost of sales	609,918	628,284
Other expenses:		
Employee Costs	2,266,913	2,384,625
Impairment of receivables:		
- Bad debts	677	112
Total impairment of receivables	<u>677</u>	<u>112</u>

Moree & District Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2019

5 Income Tax Expense

	2019	2018
	\$	\$
Consists of:		
Current tax	251,762	247,341
Deferred tax	1,777	(2,522)
Prior year tax	-	(23,661)
	<u>253,539</u>	<u>221,158</u>

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

	2019	2018
	\$	\$
Prima facie tax payable(benefit) on profit(loss) from ordinary activities before income tax at 27.5% (2018: 27.5%)	226,868	237,905
Tax effect of tax free mutual income	(56,271)	(36,244)
Tax effect of other non-deductible and non assessable items	82,942	43,158
Under/(over) provision in respect of prior years	-	(23,661)
	<u>253,539</u>	<u>221,158</u>

6 Cash and cash equivalents

	2019	2018
	\$	\$
Cash on hand	195,932	195,596
Cash at bank	1,738,532	2,029,131
	<u>1,934,464</u>	<u>2,224,727</u>

Moree & District Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2019

7 Trade and other receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	33,439	25,490
Deposits	4,017	2,929
Other Receivables	434	4
Total current trade and other receivables	37,890	28,423

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

	2019	2018
	\$	\$
CURRENT		
Inventory at cost	64,183	60,383
	64,183	60,383

9 Financial assets

	2019	2018
	\$	\$
CURRENT		
Investments in interest bearing deposits	4,330,527	3,246,865
Total current assets	4,330,527	3,246,865
NON-CURRENT		
Investments in Australian listed shares	41,977	66,001
Total non-current assets	41,977	66,001

Moree & District Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2019

	2019	2018
	\$	\$
10 Property, plant and equipment		
LAND AND BUILDINGS		
Independent valuation	11,498,899	11,362,332
Accumulated depreciation	<u>(850,855)</u>	<u>(702,723)</u>
Total land and buildings	<u>10,648,044</u>	<u>10,659,609</u>
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	174,157	241,869
Plant and equipment		
At cost	2,423,183	2,260,766
Accumulated depreciation	<u>(1,766,107)</u>	<u>(1,604,197)</u>
Total plant and equipment	<u>657,076</u>	<u>656,569</u>
Motor vehicles		
At cost	131,267	142,931
Accumulated depreciation	<u>(78,500)</u>	<u>(82,043)</u>
Total motor vehicles	<u>52,767</u>	<u>60,888</u>
Poker Machines		
At cost	2,971,649	2,908,011
Accumulated depreciation	<u>(2,507,368)</u>	<u>(2,278,428)</u>
Total Poker Machines	<u>464,281</u>	<u>629,583</u>
Total Property, Plant and Equipment	<u>11,996,325</u>	<u>12,248,518</u>

Moree & District Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2019

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 2019				
Balance at the beginning of year	241,869	10,659,609	656,569	60,888
Additions	12,345	69,505	162,780	5,091
Disposals - Written Down Value	-	-	(5,423)	(534)
Depreciation Expense	-	(148,134)	(169,843)	(12,678)
Works in Progress Now Completed	(80,057)	67,064	12,993	-
Balance at the end of the year	174,157	10,648,044	657,076	52,767
			Poker Machines	Total
			\$	\$
Year ended 30 June 2019				
Balance at the beginning of year			629,583	12,248,518
Additions			75,121	324,842
Disposals - Written Down Value			-	(5,957)
Depreciation Expense			(240,423)	(571,078)
Works in Progress Now Completed			-	-
Balance at the end of the year			464,281	11,996,325

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 2019 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 2019.

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 2019

11 Other non-financial assets

	2019	2018
	\$	\$
CURRENT		
Prepayments	123,332	108,663
Accrued Income	61,483	52,450
	<u>184,815</u>	<u>161,113</u>

12 Trade and other payables

	2019	2018
	\$	\$
CURRENT		
Trade payables	115,800	135,998
Subscriptions in advance	10,761	21,682
GST payable	26,861	42,859
Accrued Expenses	21,500	15,000
Superannuation payable	5,616	17,236
Advance deposits - Motel	5,330	1,930
Other payables	132,515	147,548
	<u>318,383</u>	<u>382,253</u>
NON-CURRENT		
Unsecured liabilities		
Subscriptions in advance	4,764	1,125
	<u>4,764</u>	<u>1,125</u>

13 Provisions

	2019	2018
	\$	\$
CURRENT		
Provision for Sick Leave	9,997	9,897
Provision for Annual Leave	268,164	213,190
Provision for Long Service Leave	336,387	324,797
	<u>614,548</u>	<u>547,884</u>
NON-CURRENT		
Provision for Long Service Leave	9,571	6,775
	<u>9,571</u>	<u>6,775</u>

Moree & District Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2019

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 2019 the number of members was 4,278.

15 Income Tax Liability

	2019	2018
	\$	\$
Income Tax Liability	103,727	105,680
	<u>103,727</u>	<u>105,680</u>

(i) Deferred Tax Liabilities

	2019	2018
	\$	\$
Deferred tax liabilities comprises temporary differences attributable to:		
Property, plant & equipment - Motel	511,718	502,456
Movements:		
Opening balance	502,456	537,975
Charged to the profit and loss	9,265	(35,519)
Closing balance	<u>511,718</u>	<u>502,456</u>

(ii) Deferred Tax Assets

	2019	2018
	\$	\$
Deferred tax asset comprises temporary differences attributable to:		
Property, plant & equipment - Club	124,080	125,128
Provisions and accrued expenses	83,463	74,931
	<u>207,543</u>	<u>200,058</u>
Movements:		
Opening balance	200,058	233,055
Charged to profit and loss	7,485	(32,997)
Closing balance	<u>207,543</u>	<u>200,058</u>

Moree & District Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2019

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:

	2019	2018
	\$	\$
Total Remuneration	106,997	121,929
	<u>106,997</u>	<u>121,929</u>

17 Auditors' Remuneration

	2019	2018
	\$	\$
Remuneration of the auditor of the company, PKF Tamworth, for: - auditing or reviewing the financial statements	22,493	20,209
	<u>22,493</u>	<u>20,209</u>

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
Consolidated - 2019				
<i>Assets</i>				
Ordinary shares	41,977	-	-	41,977
Land and buildings	-	-	10,648,044	10,648,044
Total assets	<u>41,977</u>	<u>-</u>	<u>10,648,044</u>	<u>10,690,021</u>

Moree & District Services Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2019

18 Fair Value Measurement continued

	Level 1	Level 2	Level 3	Total
Consolidated - 2018				
<i>Assets</i>				
Ordinary shares available-for-sale	66,001	-	-	66,001
Land and buildings	-	-	10,659,609	10,659,609
Total assets	<u>66,001</u>	<u>-</u>	<u>10,659,609</u>	<u>10,725,610</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 2019 (30 June 2018: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 2019. The company did not engage in any related party transactions during the year.

Moree & District Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2019

21 Cash Flow Information

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

	2019	2018
	\$	\$
Profit after Income Tax	571,435	643,952
Depreciation and amortisation expense	571,078	614,775
Net gain on disposal of property, plant & equipment	(21,197)	(48,960)
(Increase)/Decrease in Prepayments and Accrued Income	(23,702)	10,898
(Increase)/Decrease in Financial Assets	-	(4,553)
(Increase)/Decrease in Sundry Debtors	(9,467)	8,079
(Increase)/Decrease in Inventories	(3,800)	2,191
(Increase)/Decrease in Deferred Tax Assets	(7,485)	32,997
(Increase)/Decrease in Accounts Payable and Accruals	(60,231)	18,788
Increase/(Decrease) in Leave Provisions	69,460	(78,889)
Increase/(Decrease) in Tax Payable & Deferred Tax Liability	7,309	(69,893)
	<u>1,093,400</u>	<u>1,129,385</u>

22 Events Occurring After the Reporting Date

The financial report was authorised for issue on 30 September 2019 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 Commitments

Capital commitments

In the opinion of the Directors, the Company did not have any capital commitments as at 30 June 2019 (30 June 2018: none).

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

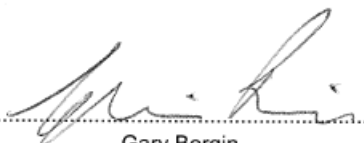
ABN: 31 000 956 061


Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 12-34, 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 2019 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 30th September 2019

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 2019, 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 2019 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.

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.

PKF NENW Audit & Assurance Pty Limited
ABN 39 082 276 506
Registered Auditor 306435
Liability limited by a scheme approved
approved under Professional
Standards Legislation

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

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 company'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 company'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 company'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 company 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.

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

We obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the company 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

2nd October 2019

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Disclaimer

For the Year Ended 30 June 2019

The additional financial data presented on the following pages is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the association for the year ended 30 June 2019. 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 NENW Audit & Assurance Pty Ltd

Margaret van Aanholt

Director

22-24 Bourke Street, Tamworth

2nd October 2019

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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 2019

DONATIONS

Regional Australia Bank - Calcutta	500
NASHOS	123
RSL Sub Branch	712
R U Aware	250
Legacy	306
Garah Community Fundraiser	100
Anzac Day	2,659
TOTAL	4,650

SPONSORSHIP

Moree Show Society	500
Moree Veterans Golf Day	300
Clubs NSW - Race Day	600
Bank Art Museum	1,818
TOTAL	3,218

SPORTS GRANTS

Indoor Bowls	3,000
Ladies Bowls	6,000
Mens Bowls	16,000
Bridge Club	1,000
Cards Club	1,000
Sports Committee	3,000
Senior Darts	5,000
Fishing Club	3,000
Golf Club	7,000
Netball	3,000
Poker Club	6,500
Snooker Club	2,488
Soccer Club	6,000
Swimming Club	7,500
Touch Football	1,000
Travelling Bowlers	3,500
TOTAL	74,988

MOREE & DISTRICT SERVICES CLUB LIMITED
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DONATIONS, SPONSORSHIP & COMMUNITY
DEVELOPMENT & SUPPORT PAYMENTS
FOR THE YEAR ENDED 30 JUNE 2019

COMMUNITY DEVELOPMENT & SUPPORT EXPENDITURE

Moree Boomerangs RLFC	5,000
Moree Boars Football Club	8,000
Services Club Greens Maintenance	11,000
Moree RSL Women's Auxiliary	8,000
Starlight Childrens Foundation	3,000
Moree Caledonian Society Pipes & Drums	2,500
Barwon Division of General Practice	5,000
Men of League Foundation	2,000
Moree Junior Cricket	1,500
Moree Junior Soccer	300
Moree & District Band	2,500
Moree Public School - Life Education	600
Variety, the Childrens Charity	300
Moree Greyhound Racing Club	500
Little Wings	3,000
Macular Disease Foundation	1,000
Friendly Faces, Helping Hands	1,000
Gwydir Industries	2,000
Garah & Boomi Pony Club	250
St Philomena's School P & F Association	250
TOTAL	<u>57,700</u>