

# **Moree & District Services Club Limited**

**ABN: 31 000 956 061**

## **Financial Statements**

**For the Year Ended 30 June 2020**

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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 HEREBY GIVEN that the ANNUAL GENERAL MEETING of the Company will be held at "the Club" premises Albert Street, Moree on 1<sup>st</sup> day of November, 2020 at 10:00 a.m.

**BUSINESS**

- 1. Confirm Minutes of the Meeting of 2019 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 30<sup>th</sup> June 2020.**
- 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: 9<sup>th</sup> October 2020

**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's Report**

With much pleasure I take this opportunity to express my gratitude for your endorsement of my election of chairman to this great club. This is my second term as your leader and the first twelve months have been tumultuous to say the least. All of us are aware of the trying times being experienced and it has not been easy. Covid-19 has not been kind to anyone and unfortunately we have experienced enormous change and change that is going to continue for a long time yet. The good news is we were not closed for as long as was first predicted. This has been the catalyst in considerable turn around enabling us to post a moderate profit for the year with the help of our motel. Albeit moderate but at least it was a profit as it could have been a lot worse.

Anyway, enough on doom and gloom we have reopened and things are looking much brighter. I would like to extend a huge thank you to all of our staff from management right through the ranks. You have all performed your duties way and above in these hard times. To the catering contractors and their staff also a big thank you for providing exceptional service and cuisine for both members and guests. Without doubt our motel pays an integral part in our organization so a big thank you to John, Mattie and the staff on a job well done.

I would like to acknowledge the contribution of my fellow directors and thank them all as they are truly committed to the recovery and future success of your club. Unfortunately some of the vision for the future that the board has will be somewhat delayed while we navigate out of the pandemic.

Finally, may I say thank you members and visitors as without your continued support we would not be where we are today. Please continue to support your club and I, along with the directors and management, will endeavor to provide top class facilities and service for your safety and enjoyment well into the future.

Gary Maidens

Chairman



## **Secretary Manager Report**

Well what a ride it has been. Coming off a successful year in 2018/2019 with a new board being elected, drought affected and running flat bang into a pandemic. Who would have thought trading would be suspended for over two months. We have been so lucky we got back to trading when we did and come out at the end of the year with a modest result as it could have been a whole lot worse. Anyway, let's not dwell on what might have been.

As with everything in the industry, everything hinges around people, personality, and excellence. We can be proud of all our staff as they have shown loyalty and commitment so a big thank you to one and all including our caterers and their staff. Our motel section deserves special mention as John, Mattie and their staff went way over and above to ensure we survived.

Our business thrives on patronage and we are so lucky to have such a wonderful band of members and guests who returned bigger and brighter from this and we thank them for their patience and understanding in moving forward. We can be thankful thus far that we have not experienced Covid-19 in our community but unfortunately it is not going away any time soon and will continue to jeopardise the way things are done for some time yet.

Your Board of Directors have provided amazing support throughout these trying times and have certainly put their heart into endorsing good decisions in the running of the club. We have strived to provide a place where all can feel safe and welcome and know they have somewhere they can meet for all occasions. A big thank you to all directors for their commitment.

Let's hope the end is near and we can all get on with enjoying our great facilities and encompass the vision the board has for the future development of your great club.

Robert Shields

Secretary Manager



## **Treasurers Report**

Dear Fellow Members,

I was elected (unopposed) to the Board of the Moree & District Services Club (The Club) in 2019 and assumed the role of Treasurer. I have been a continuing member of The Club since I first joined in 1992.

Since coming onto The Board, I have attended the scheduled monthly Board of Directors meetings as well as the Finance Committee meetings that precede these, to review and discuss the financial performances and targets of The Club and the Albert Motel.

To the best of the Board of Directors knowledge, all accounts referred herein, are presented fairly to the operating result and financial positions of both the Moree & District Services Club and the Albert Motel for the full financial year ending 30 June 2020. All reports have been presented in accordance with the Australian Accounting Standards and the Corporations Act and Regulations 2001.

In the beginning, we were faced with the continuing effects of one of the worst droughts in history, then to have wildfires on a scale not seen for many years reaching from the northern to the southern border's affecting everybody in between.

As the fires were extinguished and the rainfalls came in the first quarter of the year and things started to look positive for the region, we were hit with a worldwide pandemic know known as Covid-19. A State Government mandated lockdown was enforced which resulted in a total of 71 days where The Club was unable to trade.

A profit of \$176,974 was achieved for the financial year despite the magnitude of hurdles never before faced by The Club and the hospitality industry in general.

Through good management practices and sheer diligence in reducing expenditure whilst still providing Moree's premier entertainment destination, we have and will continue to navigate our way through these uncertain times going forward by providing a safe and enjoyable environment for everyone.

To my fellow Board members, The Secretary Manager and his Management Team and all team members of both The Club and the Albert Motel, please accept this as my personal thank you for a magnificent effort and all the hard work put in during these difficult times.

**Moree & District Services Club Limited**

ABN: 31 000 956 061



## Treasurers Report

To all members and visitors alike, thank you for your continued patronage and support throughout the year.

Yours faithfully

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line and two vertical lines.

Mark Cahill

Treasurer

# Moree & District Services Club Limited

ABN: 31 000 956 061

## Directors' Report

30 June 2020

The directors present their report on Moree & District Services Club Limited for the financial year ended 30 June 2020.

### 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 Maidens	Chairperson
Occupation	Technician
Experience	Director 1997 - 2009, Appointed October 2019
Malcolm Smith	Vice Chairperson
Occupation	Technician
Experience	Director Since 2007
David McMahon	Vice Chairperson
Occupation	Council Management
Experience	Director 2006 - 2016, Appointed October 2019
Mark Cahill	Treasurer
Occupation	Senior Firefighter
Experience	Appointed October 2019
Michael Ivanov	Director
Occupation	Business Owner
Experience	Director 2004 - 2008, Appointed October 2019
Kathryn Weston	Director
Occupation	School Teacher
Experience	Director Since 2013
Noel Dean	Director
Occupation	Retiree
Experience	Appointed October 2019
Gary Bergin	Chairman
Occupation	Building Designer
Experience	Resigned October 2019
Sylvester Joseph	Treasurer
Occupation	Solicitor
Experience	Resigned October 2019
Dennis Sayer	Director
Occupation	Handyman
Experience	Resigned October 2019

# Moree & District Services Club Limited

ABN: 31 000 956 061

## Directors' Report

30 June 2020

### 1. General information continued

Michael Hankey	Director
Occupation	Shop Assistant
Experience	Resigned October 2019

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 2020

### 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.

	2020	2019
% Revenue from Poker Machines	49%	51%
% Revenue from Bar Sales	18%	20%
% Revenue from Accommodation	23%	21%
% Bar Gross Profit	42%	59%

#### 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 2020 the collective liability of members was \$ 3,898 (2019: \$4,278).

### 2. Other items

#### Meetings of directors

During the financial year, 12 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 Maidens	8	6
Malcolm Smith	12	9
David McMahon	8	4
Mark Cahill	8	6
Michael Ivanov	8	6
Kathryn Weston	12	8
Noel Dean	8	6
Gary Bergin	4	4
Sylvester Joseph	4	1
Dennis Sayer	4	4
Michael Hankey	4	4

**Moree & District Services Club Limited**

ABN: 31 000 956 061

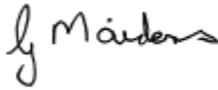
**Directors' Report**

**30 June 2020**

**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 2020 has been received and can be found on page 11 of the financial report.

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



Director: .....  
Gary Maidens



Director: .....  
Malcolm Smith

Dated 9 October 2020

## **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 2020, 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 9th day of October 2020

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**

ABN: 31 000 956 061

**Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 30 June 2020**

		2020	2019
	Note	\$	\$
Revenue	3	5,732,173	7,324,907
Interest income	3	91,680	122,089
Dividend income	3	398	2,683
Rental Income	3	38,687	34,923
Profit on disposal of fixed assets	3	36,024	21,197
ATO Cash Flow Boost		62,500	-
JobKeeper Subsidy		301,500	-
Other income	3	20,400	27,834
Accountancy	4	(54,790)	(55,915)
Advertising	4	(42,082)	(52,401)
Audit	4	(22,169)	(22,493)
Cleaning	4	(48,427)	(66,782)
Cost of goods sold	4	(449,061)	(609,918)
Depreciation and amortisation expense	4	(605,201)	(571,078)
Employee benefits expense	4	(2,371,611)	(2,266,913)
Equipment hire	4	(25,159)	(95,230)
Insurance	4	(144,101)	(145,234)
Loss on sporting clubs	4	(41,828)	(72,186)
Members entertainment	4	(250,957)	(340,244)
Poker machine expenses	4	(108,040)	(137,483)
Poker machine tax	4	(475,173)	(634,893)
Raffle prizes	4	(166,215)	(204,281)
Rates	4	(98,636)	(115,650)
Repairs and maintenance	4	(228,814)	(222,616)
Staff training	4	(6,361)	(3,536)
Utilities expense	4	(289,472)	(353,708)
Other expenses	4	(418,102)	(738,098)
<b>Profit before income tax</b>		<b>437,163</b>	<b>824,974</b>
Income tax expense	5	(255,771)	(253,539)
<b>Profit from continuing operations</b>		<b>181,392</b>	<b>571,435</b>
<b>Profit for the year</b>		<b>181,392</b>	<b>571,435</b>
<b>Other comprehensive income after income tax</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Movement in the fair value of investments in equity securities	3	(4,418)	(26,337)
<b>Other comprehensive income for the year, net of tax</b>		<b>(4,418)</b>	<b>(26,337)</b>
<b>Total comprehensive income for the year</b>		<b>176,974</b>	<b>545,098</b>

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 2020**

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	1,715,286	1,934,464
Trade and other receivables	7	161,874	37,890
Inventories	8	56,284	64,183
Financial assets	9	4,647,612	4,330,527
Other assets	11	143,837	184,815
<b>TOTAL CURRENT ASSETS</b>		<b>6,724,893</b>	<b>6,551,879</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	9	37,559	41,977
Property, plant and equipment	10	12,084,357	11,996,325
Deferred tax assets	15	107,122	207,543
<b>TOTAL NON-CURRENT ASSETS</b>		<b>12,229,038</b>	<b>12,245,845</b>
<b>TOTAL ASSETS</b>		<b>18,953,931</b>	<b>18,797,724</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	462,144	318,383
Short-term provisions	13	510,582	614,548
Income Tax Liabilities	15	20,284	103,727
<b>TOTAL CURRENT LIABILITIES</b>		<b>993,010</b>	<b>1,036,658</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	12	682	4,764
Deferred tax liabilities	15	536,400	511,718
Long-term provisions	13	11,852	9,571
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>548,934</b>	<b>526,053</b>
<b>TOTAL LIABILITIES</b>		<b>1,541,944</b>	<b>1,562,711</b>
<b>NET ASSETS</b>		<b>17,411,987</b>	<b>17,235,013</b>
<b>MEMBER'S EQUITY</b>			
Reserves		609,308	613,726
Retained Earnings		16,802,679	16,621,287
<b>TOTAL MEMBER'S EQUITY</b>		<b>17,411,987</b>	<b>17,235,013</b>

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 2020

2020

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
<b>Balance at 1 July 2019</b>	<b>16,621,287</b>	<b>613,726</b>	<b>17,235,013</b>
Profit attributable to members of the entity	181,392	-	181,392
Total other comprehensive income for the year	-	(4,418)	(4,418)
<b>Balance at 30 June 2020</b>	<b>16,802,679</b>	<b>609,308</b>	<b>17,411,987</b>

2019

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
<b>Balance at 1 July 2018</b>	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)
<b>Balance at 30 June 2019</b>	<b>16,621,287</b>	<b>613,726</b>	<b>17,235,013</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 2020**

	2020	2019
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	6,613,216	8,094,474
Payments to suppliers and employees	(5,772,408)	(6,889,426)
Interest received	128,017	113,056
Dividends received	398	2,673
Income Taxes paid	(214,109)	(227,377)
Net cash provided by (used in) operating activities	21 <u>755,114</u>	<u>1,093,400</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payment of equity investments	-	(2,313)
Purchases of property, plant & equipment	(697,029)	(324,843)
Proceeds from sale of property, plant & equipment	39,821	27,155
Net cash used by investing activities	<u>(657,208)</u>	<u>(300,001)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Investment in term deposits	(317,084)	(1,083,662)
Net cash used by financing activities	<u>(317,084)</u>	<u>(1,083,662)</u>
Net increase (decrease) in cash and cash equivalents held	(219,178)	(290,263)
Cash and cash equivalents at beginning of year	<u>1,934,464</u>	<u>2,224,727</u>
Cash and cash equivalents at end of financial year	6 <u><u>1,715,286</u></u>	<u><u>1,934,464</u></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 2020

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, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

## 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 2020**

### **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 2020**

### **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 2020**

### **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 2h 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 reducing balance 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%
Motor Vehicles	16.67% - 25%
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 2020**

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

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

##### **Recognition, Initial recognition and de-recognition**

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 2020**

### **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 2020**

### **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.

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

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

#### *Impairment of financial assets*

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

#### **Financial assets at amortised cost**

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

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

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2020**

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

#### **(h) Impairment of non-financial assets continued**

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

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

#### **(i) Cash and cash equivalents**

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

#### **(j) Employee benefits**

##### *Short term employee benefits*

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

##### *Other long-term employee benefits*

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

##### *Defined contribution superannuation expense*

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

#### **(k) Critical accounting judgements, estimates and assumptions**

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

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2020**

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

**(k) Critical accounting judgements, estimates and assumptions continued**

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 applied the following standards and amendments for the first time for their annual report period commencing 1 July 2019.

AASB 15 *Revenue from Contracts with Customers*  
AASB 16 *Leases*

The principal accounting policies adopted are consistent with those of the previous financial year except for the policies stated below:

The Company has adopted *AASB 16 Leases* retrospectively with the cumulative effect of initially applying *AASB 16* recognised at 1 July 2019. In accordance with *AASB 16*, the comparatives for the 2019 reporting period have not been restated. *AASB 16 Leases* replaces *AASB 117 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.

#### ***AASB 15 Revenue from Contracts with Customers***

The Company has adopted *AASB 15 "Revenue from Contracts with Customers"* and *AASB 2014-5 "amendments to Australian Accounting Standards arising from AASB 15"* from 1 July 2019. *AASB 15* established a comprehensive five-step framework for recognising revenue. *AASB 15* applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. *AASB 15* has replaced past revenue recognition guidance *AASB 18 Revenue*, *AASB 11 Construction Contracts* and the related Interpretations.

Under *AASB 15*, revenue is recognised when a performance obligation has been satisfied at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer/member. The standard requires entities to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers/members.

*AASB 15* has been applied by the Company in accounting for and recognising revenue. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

The standard permits either a full retrospective or a modified retrospective approach for adoption. The Company employed the modified retrospective approach for adoption as at 1 July 2019.

#### ***Impact of Adoption***

The Company concluded that *AASB 15* required no change in the method of accounting for the sale of goods and the provision of services. Sales are made at a point in time as the products and services are provided, with no contingent features to the price or volumes delivered. Sales for the provision of services are made at a point in time, with no contingent features to the price.

The application of *AASB 15* has not had a significant impact on the financial position and/or financial performance of the Company.

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 2 Summary of Significant Accounting Policies continued

#### AASB 16 Leases

The Company has adopted AASB 16 'Leases' from 1 July 2019. AASB 16 Leases ('AASB 16') removes the current operating and finance lease distinction for lessees and requires entities to recognise all material leases on the statement of financial position. AASB 16 requires the recognition of a right-of-use asset and a corresponding lease liability at the commencement of all leases, except for short term leases and leases of low value assets.

The standard permits either a full retrospective or a modified retrospective approach for adoption. The Company has elected to apply the modified retrospective method of adoption from the date of initial application, which allows the Company to not restate comparative financial statement information.

As a result of the adoption of AASB 16, there has been no impact on the Statement of Financial Position or Statement of Profit and Loss of the Club.

### 3 Revenue and Other Income

	2020	2019
	\$	\$
Sales revenue		
- Bar Sales	1,049,224	1,466,619
- Poker Machine Revenue	2,834,919	3,734,673
- Accommodation	1,344,907	1,572,048
- Keno Commissions	144,556	173,595
- TAB commissions	35,026	55,913
- Member Subscriptions	28,456	30,766
- Other Revenue	295,085	291,293
	<b>5,732,173</b>	<b>7,324,907</b>
Finance income		
- Interest received	91,680	122,089
- Dividend income	398	2,683
Other revenue		
- ATO Cash Flow Boost	62,500	-
- JobKeeper Subsidy	301,500	-
- Rental income	38,687	34,923
- Profit on disposal of fixed assets	36,024	21,197
- Other income	20,400	27,834
	<b>551,189</b>	<b>208,726</b>
<b>Total Revenue</b>	<b>6,283,362</b>	<b>7,533,633</b>

## Moree & District Services Club Limited

ABN: 31 000 956 061

# Notes to the Financial Statements

For the Year Ended 30 June 2020

### 3 Revenue and Other Income continued

#### Other Comprehensive Income

- Net fair value (Loss)/Gain on re-measurement of Investment in listed shares

<b>(4,418)</b>	(26,337)
<b>(4,418)</b>	(26,337)

#### *Disaggregation of revenue*

The disaggregation of revenue from sales is as follows:

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Major product lines</i>		
Club	4,346,648	5,714,732
Motel	1,385,525	1,610,175
	<u>5,732,173</u>	<u>7,324,907</u>
<i>Geographical regions</i>		
Australia	<u>5,732,173</u>	<u>431,983</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	<u>5,732,173</u>	<u>7,324,907</u>

## Moree & District Services Club Limited

ABN: 31 000 956 061

### Notes to the Financial Statements

For the Year Ended 30 June 2020

#### 4 Expenses

##### (a) Expenses from continuing operations - by nature

	2020	2019
	\$	\$
Expenses (by nature)		
Accountancy	54,790	55,915
Audit	22,169	22,493
Advertising	42,082	52,401
Cleaning	48,427	66,782
Cost of Goods Sold	449,061	609,918
Depreciation - Property, Plant & Equipment	605,201	571,078
Employee costs	2,199,693	2,080,648
Equipment Hire	25,159	95,230
Insurance	144,101	145,234
Loss on Sporting Clubs	41,828	72,186
Members Entertainment	250,957	340,244
Poker Machine Expenses	108,040	137,483
Poker Machine Tax	475,173	634,893
Raffle Prizes	166,215	204,281
Rates	98,636	115,650
Repairs and Maintenance	228,814	222,616
Staff Training	6,361	3,536
Superannuation contributions	171,918	186,264
Utilities Expense	289,472	353,708
Other Expenses	418,106	738,099
Total Expenses From Continuing Operations	<u>5,846,203</u>	<u>6,708,659</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	449,061	609,918
Other expenses:		
Employee Costs	2,371,611	2,266,913
Impairment of receivables:		
- Bad debts	480	677
Total impairment of receivables	<u>480</u>	<u>677</u>

## Moree & District Services Club Limited

ABN: 31 000 956 061

### Notes to the Financial Statements

For the Year Ended 30 June 2020

#### 5 Income Tax Expense

	2020	2019
	\$	\$
Consists of:		
Current tax	130,666	251,762
Deferred tax	125,103	1,777
Prior year tax	2	-
	<u>255,771</u>	<u>253,539</u>

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

	2020	2019
	\$	\$
Prima facie tax payable (benefit) on profit(loss) from ordinary activities before income tax at 27.5% (2019: 27.5%)	120,220	226,868
Tax effect of tax free mutual income	68,381	(56,271)
Tax effect of other non-deductible and non-assessable items	67,168	82,942
Under/(over) provision in respect of prior years	2	-
	<u>255,771</u>	<u>253,539</u>

#### 6 Cash and cash equivalents

	2020	2019
	\$	\$
Cash on hand	195,416	195,932
Cash at bank	1,519,870	1,738,532
	<u>1,715,286</u>	<u>1,934,464</u>

## Moree & District Services Club Limited

ABN: 31 000 956 061

# Notes to the Financial Statements

For the Year Ended 30 June 2020

### 7 Trade and other receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	30,470	33,439
Deposits	1,992	4,017
Other Receivables	11,912	434
ATO Cash Flow Boost	12,500	-
JobKeeper Subsidy	105,000	-
<b>Total current trade and other receivables</b>	<b>161,874</b>	<b>37,890</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

	2020	2019
	\$	\$
CURRENT		
Inventory at cost	56,284	64,183
	<b>56,284</b>	<b>64,183</b>

### 9 Financial assets

	2020	2019
	\$	\$
CURRENT		
Investments in interest bearing deposits	4,647,612	4,330,527
Total current assets	<b>4,647,612</b>	<b>4,330,527</b>
NON-CURRENT		
Investments in Australian listed shares, available for sale	37,559	41,977
Total non-current assets	<b>37,559</b>	<b>41,977</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.

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 10 Property, plant and equipment

#### (a) Property Plant and Equipment - detailed table

	2020	2019
Note	\$	\$
LAND AND BUILDINGS		
Independent valuation in 2013	11,794,618	11,498,899
Accumulated depreciation	<u>(1,021,639)</u>	<u>(850,855)</u>
Total land and buildings	<u>10,772,979</u>	<u>10,648,044</u>
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	169,732	174,157
Plant and equipment		
At cost	2,616,168	2,423,183
Accumulated depreciation	<u>(1,960,697)</u>	<u>(1,766,107)</u>
Total plant and equipment	<u>655,471</u>	<u>657,076</u>
Motor vehicles		
At cost	131,267	131,267
Accumulated depreciation	<u>(89,284)</u>	<u>(78,500)</u>
Total motor vehicles	<u>41,983</u>	<u>52,767</u>
Poker Machines		
At cost	3,114,399	2,971,649
Accumulated depreciation	<u>(2,670,207)</u>	<u>(2,507,368)</u>
Total Poker Machines	<u>444,192</u>	<u>464,281</u>
<b>Total Property, Plant and Equipment</b>	<u><b>12,084,357</b></u>	<u><b>11,996,325</b></u>

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 10 Property, plant and equipment continued

#### (b) 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:

	<b>Capital Works in Progress</b>	<b>Land and Buildings</b>	<b>Plant and Equipment</b>	<b>Motor Vehicles</b>
	\$	\$	\$	\$
<b>Year ended 30 June 2020</b>				
Balance at the beginning of year	174,157	10,648,044	657,076	52,767
Additions	7,920	294,519	181,840	-
Disposals - Written Down Value	-	-	-	-
Depreciation Expense	-	(170,784)	(194,590)	(10,784)
Works in Progress Now Completed	(12,345)	1,200	11,145	-
<b>Balance at the end of the year</b>	<b>169,732</b>	<b>10,772,979</b>	<b>655,471</b>	<b>41,983</b>
			<b>Poker Machines</b>	<b>Total</b>
			\$	\$
<b>Year ended 30 June 2020</b>				
Balance at the beginning of year			464,281	11,996,325
Additions			212,750	697,029
Disposals - Written Down Value			(3,797)	(3,797)
Depreciation Expense			(229,042)	(605,200)
Works in Progress Now Completed			-	-
<b>Balance at the end of the year</b>			<b>444,192</b>	<b>12,084,357</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 2020 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 2020.

#### 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 2020

#### 11 Other non-financial assets

	2020	2019
	\$	\$
CURRENT		
Prepayments	118,692	123,332
Accrued Income	25,145	61,483
	<u>143,837</u>	<u>184,815</u>

#### 12 Trade and other payables

	2020	2019
	\$	\$
CURRENT		
Trade payables	93,003	115,800
Accrued Expenses	22,351	21,500
Income in Advance	130	5,330
GST payable	21,158	26,861
Poker Machine Tax	205,203	50,511
Subscriptions in advance	18,098	10,761
Superannuation payable	20,104	5,616
Other payables	82,097	82,004
	<u>462,144</u>	<u>318,383</u>
NON-CURRENT		
Unsecured liabilities		
Subscriptions in advance	682	4,764
	<u>682</u>	<u>4,764</u>

#### 13 Provisions

	2020	2019
	\$	\$
CURRENT		
Provision for Sick Leave	10,202	9,997
Provision for Annual Leave	217,658	268,164
Provision for Long Service Leave	282,722	336,387
	<u>510,582</u>	<u>614,548</u>
NON-CURRENT		
Provision for Long Service Leave	11,852	9,571
	<u>11,852</u>	<u>9,571</u>

## Moree & District Services Club Limited

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# Notes to the Financial Statements

For the Year Ended 30 June 2020

### 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 outstanding obligations of the Company. At 30 June 2020 the number of members was 3,898.

### 15 Income Tax Liability

	2020	2019
	\$	\$
Income Tax Liability	20,284	103,727
	<u>20,284</u>	<u>103,727</u>

#### (i) Deferred Tax Liabilities

	2020	2019
	\$	\$
Deferred tax liabilities comprises temporary differences attributable to:		
Property, plant & equipment - Motel	536,400	511,718
Movements:		
Opening balance	511,718	502,456
Charged to the profit and loss	24,682	9,265
Closing balance	<u>536,400</u>	<u>511,718</u>

#### (ii) Deferred Tax Assets

	2020	2019
	\$	\$
Deferred tax asset comprises temporary differences attributable to:		
Property, plant & equipment - Club	57,678	124,080
Provisions and accrued expenses	43,916	83,463
Superannuation	5,528	-
	<u>107,122</u>	<u>207,543</u>
Movements:		
Opening balance	207,543	200,058
Charged to profit and loss	(100,421)	7,485
Closing balance	<u>107,122</u>	<u>207,543</u>

## Moree & District Services Club Limited

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# Notes to the Financial Statements

For the Year Ended 30 June 2020

### 18 Fair Value Measurement continued

### 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:

	2020	2019
	\$	\$
Total Remuneration	118,703	106,997
	<u>118,703</u>	<u>106,997</u>

### 17 Auditors' Remuneration

	2020	2019
	\$	\$
Remuneration of the auditor of the company, PKF Tamworth, for: - auditing or reviewing the financial statements	22,169	22,493
<b>Total</b>	<u>22,169</u>	<u>22,493</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
<b>Consolidated - 2020</b>				
Assets				
Ordinary shares available-for-sale	37,559	-	-	37,559
Land and buildings	-	-	10,772,979	10,772,979
Total assets	<u>37,559</u>	<u>-</u>	<u>10,772,979</u>	<u>10,810,538</u>

## Moree & District Services Club Limited

ABN: 31 000 956 061

# Notes to the Financial Statements

For the Year Ended 30 June 2020

### 18 Fair Value Measurement continued

	Level 1	Level 2	Level 3	Total
<b>Consolidated - 2019</b>				
<i>Assets</i>				
Ordinary shares available-for-sale	41,977	-	-	41,977
Land and buildings	-	-	10,648,044	10,648,044
Total assets	41,977	-	10,648,044	10,690,021

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 2020 (30 June 2019: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 2020. The company did not engage in any related party transactions during the year.

### 21 Cash Flow Information

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

	2020	2019
	\$	\$
Profit after Income Tax	181,392	571,435
Depreciation and amortisation expense	605,201	571,078
Net gain on disposal of property, plant & equipment	(36,024)	(21,197)
(Increase)/Decrease in Prepayments and Accrued Income	40,978	(23,702)
(Increase)/Decrease in Sundry Debtors	(123,988)	(9,467)
(Increase)/Decrease in Inventories	7,900	(3,800)
(Increase)/Decrease in Deferred Tax Assets	100,421	(7,485)
(Increase)/Decrease in Accounts Payable and Accruals	139,680	(60,231)
Increase/(Decrease) in Leave Provisions	(101,685)	69,460
Increase/(Decrease) in Tax Payable & Deferred Tax Liability	(58,761)	7,309
	<u>755,114</u>	<u>1,093,400</u>

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2020**

### **22 Events Occurring After the Reporting Date**

The financial report was authorised for issue on 9 October 2020 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 2020 (30 June 2019: none).

### **24 Company Details**

The registered office of the company is:

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

The principal place of business is:

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 12-36, 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 2020 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 Maidens



Director .....  
Malcolm Smith

Dated 9 October 2020

## 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 2020, 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 2020 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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### *Directors' Responsibility for the Financial Report*

The directors of Moree & District Services Club Limited 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 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.

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

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.

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

9<sup>th</sup> October 2020

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## Disclaimer

For the Year Ended 30 June 2020

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 2020. 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

9 October 2020

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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 2020**

**DONATIONS**

Regional Australia Bank - Calcutta	1,505
Remembrance Day	25
Cobargo Community Bushfire	306
Other Miscellaneous Donations	216
<b>TOTAL</b>	<b>2,052</b>

**SPONSORSHIP**

Moree Show Society	500
Moree Veterans Golf Day	273
Moree Boxing Academy	537
Moree Junior Rugby	1,500
Raymond Heaton - Sporting Sponsorship	2,000
Annabelle Abrahamsen - Sporting Sponsorship	2,055
<b>TOTAL</b>	<b>6,865</b>

**SPORTS GRANTS**

Indoor Bowls	3,000
Ladies Bowls	6,000
Men's Bowls	15,000
Bridge Club	1,500
Cards Club	1,500
Sports Committee	3,500
Cricket Club	2,000
Cycling & Triathlon Club	1,000
Senior Darts	7,500
Fishing Club	3,000
Golf Club	7,000
Netball	3,000
Snooker Club	3,500
Soccer Club	6,000
Swimming Club	7,500
Touch Football	500
Travelling Bowlers	4,500
<b>TOTAL</b>	<b>76,000</b>

**MOREE & DISTRICT SERVICES CLUB LIMITED**

**ABN: 31 000 956 061**

**DONATIONS, SPONSORSHIP & COMMUNITY**

**DEVELOPMENT & SUPPORT PAYMENTS**

**FOR THE YEAR ENDED 30 JUNE 2020**

**COMMUNITY DEVELOPMENT & SUPPORT EXPENDITURE**

Moree Boomerangs RLFC	5,000
Moree Boars Football Club	8,000
Services Club Greens Maintenance	13,100
Moree RSL Women's Auxiliary	9,000
Starlight Children's Foundation	6,500
Moree Services Football Club	1,450
Moree Suns AFL Club	1,000
Northern Inland Academy of Sport	3,000
Moree Junior Cricket	1,700
Moree Junior Soccer	300
Fairview Retirement Village	200
Moree Motor Cycle Club	500
Moree Boxing Academy	2,463
Moree Greyhound Racing Club	500
Macular Disease Foundation	3,995
St Philomena's School P & F Association	250
<b>TOTAL</b>	<b>56,958</b>