

Moree & District Services Club Limited

ABN: 31 000 956 061

Financial Statements

For the Year Ended 30 June 2021

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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 21st day of November, 2021 at 10:00 a.m.

BUSINESS

- 1. Confirm Minutes of the Meeting of 2020 Annual General Meeting.**
- 2. Business arising therefrom.**
- 3. To consider reports of President and Treasurer and Manager's on the year's activities.**
- 4. To receive the Financial Report of the Company for the year ended 30th June 2021.**
- 5. To declare the results of the election of Directors.**
- 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: 29th October 2021

Entry to the Meeting is only allowed under requirements of COVID-19 restrictions

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's Report

Well here we are again, how time flies when we are battling the elements. It seems like an eternity and it has not ended yet. As brave as we can be, things keep bobbing up unexpectedly. For the time being, above everything else that has been thrown at us, we can say 'wow what a year it has been'. At the time of putting pen to paper we have not had the pleasure of seeing our end result. What I can tell you though is that we have been on the receiving end of the unexpected so to speak. Indications show we have had something of a record performance which I am sure you will all be pleasantly surprised about. What we have endured over the past two years is unexpected to say the least, but we have come through with flying colors and for that I feel very proud to be at the helm of your Club.

The end result means there are a lot of thank you's and congratulations to go around. So let's start with you, the members and visitors. You make me so proud to represent you and it has been your support and patronage that has made the club what it is today, the Best Club in The North West. To the Management and staff, what a tremendous effort you have put in. Your loyalty and support has been second to none. To our Motel staff, you as always have excelled to the highest level in putting the Motel up where it is today. I, along with my fellow Directors, appreciate the whole hearted effort from everyone so thank you one and all. I would like to make special mention of our caterers for their contribution as we all know how hard it has been.

The last two years will go down in history as being possible the most trying time had by so many. Somewhere or somehow it has played havoc in so many ways, so to do what we have done is tribute to who we are and who we represent. I acknowledge my fellow Directors for their dedication and commitment, never faltering in their elected duties and always having the best interests of the club at heart.

Last but not least, in the past months we have been fortunate enough to invest a large amount of funds back into the club which should see us pretty well set for some years. I hope you enjoy what we have done and continue to support the club as always. Congratulations once again and stay safe.

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

Gary Maidens

Chairman



Secretary Manager Report

It seems just like yesterday, as the year has gone and we are still amidst the pandemic and uncertainty. The year just gone has been one hell of a ride as we have experienced patronage and support reaching enormous heights. Poker machine activity has gone to a new level and has been the backbone of our success. It has been delightful to have refurbished and redecorated your club with a new contrast and furniture to brighten our days.

None the less, we have continued to have our challenges. Surely they have to go away sooner rather than later. Everyone has to be commended for their compassion and understanding as we still experience lockdowns, masks needing to be worn and sometimes rather strict legislation intruding on our everyday routines.

I can honestly say that we have had an exceptional year in many ways, made even better from what we have endured. I would like to give a big shout out to our staff, whom I have found to be so loyal and committed to their tasks. You have done us proud. I would also like to acknowledge John, Mattie and their staff on their running of the Motel. As always, the commitment to excellence has been second to none.

As you will have read by now, the overall performance for the year has been quite extraordinary and you can be well pleased that we have such a passionate Chairman and team of Directors who have led by example all the way through. The outstanding results for the year are certainly a tribute to the Directors in their sound decision making and commitment to making sure everything done throughout the year has been in the best interest of the Club and its members.

I do hope that we are on the shorter end of the past two years and we can strive to come out the other end soon. The best way to do that is ensuring we have what it takes to provide the 'best of the best' for you, our members and visitors, as you are what is needed to ensure survival. Please continue to be such a big part of the Moree and District Services Club. The vision for the future hinges on great patronage.

In signing off, I would like to say a special thank you to the administration staff. The girls in the office, Maree, Jorgie, Sue and Annette, do an amazing job sight unseen. To Michael and his band of duty managers, a huge thank you. Congratulations to everyone on a wonderful year and please keep supporting your club, the Greatest Club in the North West.

A handwritten signature in black ink that reads 'R. Shields'.

Robert Shields

Secretary Manager



Treasurers Report

Dear Fellow Members

It is with much pleasure that I present to you the Treasurer's Report for the fiscal year 2020/2021.

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 fiscal year ending 30 June 2021. All reports have been presented in accordance with the Australian Accounting Standards and the Corporations Act and Regulations 2001.

What an amazing twelve months we have had, which is reflected in the financial figures. These can be attributed directly to you, the members, and guests of this great club.

We, The Board, embarked on a strategic and purposeful programme of savings and expenditure over the last 12 months to return as much as we could to benefit all patrons of the Club. Some are very noticeable, such as the much-needed modernisation of the vehicle fleet, to the replacement of Club furniture with fit for purpose tables and chairs and the introduction of the Coffee Lounge.

Some others that are not so much noticeable, but equally important, was the data communications upgrade for the gaming lounge, security system replacement and members sign-in terminal. All systems that can be added onto and are compatible with each other.

Saving the best for last, even after replacing and modernising all the above-mentioned (and then some), we are able to record a net profit in excess of 1.2 million dollars. A fantastic result compared to the last several years.

DESCRIPTION	2021	2020	2019	2018
Combined Profit Before Income Tax	\$1,471,597	\$437,163	\$824,974	\$865,110
Combined Profit from Continuing Operations	\$1,228,446	\$181,392	\$571,435	\$643,952
Total Comprehensive Income for the Year	\$1,219,706	\$176,974	\$545,098	\$616,971

NB: 2021 Figures are Unaudited

Moree & District Services Club Limited

ABN: 31 000 956 061



Treasurers Report

To my fellow Board members, the Management Team and all members of staff, thank you sincerely for all the support and guidance. To all of the members of our Club, thank you for allowing me the privilege and honour of being a part of an amazing team.

Yours faithfully

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

Mark Cahill

Treasurer

Moree & District Services Club Limited

ABN: 31 000 956 061

Directors' Report

30 June 2021

The directors present their report, together with the financial statements, on Moree & District Services Club Limited for the financial year ended 30 June 2021.

1. General information

Information on directors

The following persons were directors of Moree & District Services Club Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

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

Principal activities

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

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

Directors' Report

30 June 2021

1. General information continued

Short term objectives

The Company's short-term objectives are to:

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

Long term objectives

The Company's long-term objectives are to:

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

Strategy for achieving the objectives

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

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

Performance measures

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

	2021	2020
% Revenue from Poker Machines	54%	49%
% Revenue from Bar Sales	18%	18%
% Revenue from Accommodation	21%	23%
% Bar Gross Profit	58%	57%

Moree & District Services Club Limited

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Directors' Report

30 June 2021

1. General information continued

Members guarantee

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

At 30 June 2021 the collective liability of members was \$ 3,828 (2020: \$3,898).

2. Other items

Company secretary

Robert Shields has held the role of Club Secretary Manager since October 2019.

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	12	12
Malcolm Smith	12	11
David McMahon	12	11
Mark Cahill	12	12
Michael Ivanov	12	11
Kathryn Weston	12	12
Noel Dean	12	12

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 2021 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 Maidens


Director:
Malcolm Smith

Dated 29 October 2021

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Moree & District Services Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, 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

Dated this 28th day of October 2021

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 2021

		2021	2020
	Note	\$	\$
Revenue	3	7,901,609	5,732,173
Interest income	3	44,429	91,680
Dividend income	3	2,074	398
Rental Income	3	48,240	38,687
Profit on disposal of fixed assets	3	56,481	36,024
ATO Cash Flow Boost	3	37,500	62,500
JobKeeper Subsidy	3	372,000	301,500
Other income	3	8,906	20,400
Accountancy	4	(62,755)	(54,790)
Advertising	4	(52,006)	(42,082)
Audit	4	(21,905)	(22,169)
Capital Loss on Write-Off	4	(197,704)	-
Cleaning	4	(59,038)	(48,427)
Cost of goods sold	4	(581,364)	(449,061)
Depreciation and amortisation expense	4	(696,371)	(605,201)
Employee benefits expense	4	(2,458,301)	(2,371,611)
Equipment hire	4	(4,513)	(25,159)
Insurance	4	(202,149)	(144,101)
Loss on sporting clubs	4	(32,144)	(41,828)
Members entertainment	4	(242,378)	(250,957)
Poker machine expenses	4	(78,116)	(108,040)
Poker machine tax	4	(729,849)	(475,173)
Raffle prizes	4	(179,924)	(166,215)
Rates	4	(93,047)	(98,636)
Repairs and maintenance	4	(371,494)	(228,814)
Staff training	4	(2,855)	(6,361)
Utilities expense	4	(302,719)	(289,472)
Other expenses	4	(631,010)	(418,102)
Profit before income tax		1,471,597	437,163
Income tax expense	5	(243,151)	(255,771)
Profit from continuing operations		1,228,446	181,392
Profit for the year		1,228,446	181,392
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	(8,740)	(4,418)
Other comprehensive income for the year, net of tax		(8,740)	(4,418)
Total comprehensive income for the year		1,219,706	176,974

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 2021**

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	2,748,004	1,715,286
Trade and other receivables	7	63,982	161,874
Inventories	8	69,851	56,284
Financial assets	9	4,687,494	4,647,612
Current tax receivable	16	30,125	-
Other assets	11	188,508	143,837
TOTAL CURRENT ASSETS		7,787,964	6,724,893
NON-CURRENT ASSETS			
Financial assets	9	28,818	37,559
Property, plant and equipment	10	12,336,362	12,084,357
Deferred tax assets	16	79,589	107,122
TOTAL NON-CURRENT ASSETS		12,444,769	12,229,038
TOTAL ASSETS		20,232,733	18,953,931
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	406,785	462,144
Borrowings	13	31,679	-
Short-term provisions	14	537,812	510,582
Income Tax Liabilities	16	-	20,284
TOTAL CURRENT LIABILITIES		976,276	993,010
NON-CURRENT LIABILITIES			
Trade and other payables	12	3,332	682
Borrowings	13	28,599	-
Deferred tax liabilities	16	589,553	536,400
Long-term provisions	14	3,280	11,852
TOTAL NON-CURRENT LIABILITIES		624,764	548,934
TOTAL LIABILITIES		1,601,040	1,541,944
NET ASSETS		18,631,693	17,411,987
MEMBER'S EQUITY			
Reserves		600,568	609,308
Retained Earnings		18,031,125	16,802,679
TOTAL MEMBER'S EQUITY		18,631,693	17,411,987

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 2021

2021

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2020	16,802,679	609,308	17,411,987
Profit attributable to members of the entity	1,228,446	-	1,228,446
Total other comprehensive income for the year	-	(8,740)	(8,740)
Balance at 30 June 2021	18,031,125	600,568	18,631,693

2020

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

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 2021**

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	9,386,065	6,613,216
Payments to suppliers and employees	(7,114,106)	(5,766,703)
Interest received	44,885	128,017
Dividends received	2,074	398
Income Taxes paid	(219,102)	(219,814)
Net cash provided by (used in) operating activities	22 <u>2,099,816</u>	<u>755,114</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant & equipment	(1,105,170)	(693,232)
Proceeds from sale of property, plant & equipment	72,818	36,024
Net cash used by investing activities	<u>(1,032,352)</u>	<u>(657,208)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	5,136	-
Investment in term deposits	(39,882)	(317,084)
Net cash used by financing activities	<u>(34,746)</u>	<u>(317,084)</u>
Net increase (decrease) in cash and cash equivalents held	1,032,718	(219,178)
Cash and cash equivalents at beginning of year	1,715,286	1,934,464
Cash and cash equivalents at end of financial year	.6 <u><u>2,748,004</u></u>	<u><u>1,715,286</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 2021

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 - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') 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 it 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 2021

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 recognition

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

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 from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery

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 2021

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 2021

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:

Fixed asset class	Depreciation rate
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 2021

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 2021

2 Summary of Significant Accounting Policies 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.

Moree & District Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies continued

Classification and measurement of financial liabilities

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

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies continued

(h) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets. Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated. The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(i) Cash and cash equivalents

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

(j) Employee benefits

Short term employee benefits

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

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. In determining the liability, consideration is given to employee wage increases, and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using the G100 discount rates specifically developed for the purpose of discounting employee benefits under AASB 119. Changes in the measurement of the liability are recognised in profit or loss.

Defined contribution superannuation expense

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

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies continued

(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(j), 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 or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The company has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The company has adopted AASB 1060 from 1 July 2020. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

Moree & District Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Revenue and Other Income

	2021	2020
	\$	\$
Sales revenue		
- Bar Sales	1,395,390	1,049,224
- Poker Machine Revenue	4,287,119	2,834,919
- Accommodation	1,635,479	1,344,907
- Keno Commissions	192,915	144,556
- TAB commissions	36,276	35,026
- Member Subscriptions	26,861	28,456
- Other Revenue	327,569	295,085
	<u>7,901,609</u>	<u>5,732,173</u>
Finance income		
- Interest received	44,429	91,680
- Dividend income	2,074	398
Other revenue		
- ATO Cash Flow Boost	37,500	62,500
- JobKeeper Subsidy	372,000	301,500
- Rental income	48,240	38,687
- Profit on disposal of fixed assets	56,481	36,024
- Other income	8,906	20,400
	<u>569,630</u>	<u>551,189</u>
Total Revenue	<u>8,471,239</u>	<u>6,283,362</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2021	2020
	\$	\$
<i>Major product lines</i>		
- Bar Sales	1,395,390	1,049,224
- Poker Machine Revenue	4,287,119	2,834,919
- Accommodation	1,635,479	1,344,907
	<u>7,317,988</u>	<u>5,229,050</u>
<i>Timing of revenue recognition</i>		
- Goods transferred at a point in time	5,682,509	3,884,143
- Services transferred over time	1,635,479	1,344,907
	<u>7,317,988</u>	<u>5,229,050</u>
Other Comprehensive Income		
- Net fair value (Loss)/Gain on re-measurement of Investment in listed shares	(8,740)	(4,418)

Moree & District Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

4 Expenses

(a) Expenses from continuing operations - by nature

	2021	2020
	\$	\$
Expenses (by nature)		
Accountancy	62,755	54,790
Audit	21,905	22,169
Advertising	52,006	42,082
Capital Loss on Write-Off	197,704	-
Cleaning	59,038	48,427
Cost of Goods Sold	581,364	449,061
Depreciation - Property, Plant & Equipment	696,371	605,201
Employee costs	2,269,335	2,199,693
Equipment Hire	4,513	25,159
Insurance	202,149	144,101
Loss on Sporting Clubs	32,144	41,828
Members Entertainment	242,378	250,957
Poker Machine Expenses	78,116	108,040
Poker Machine Tax	729,849	475,173
Raffle Prizes	179,924	166,215
Rates	93,047	98,636
Repairs and Maintenance	371,494	228,814
Staff Training	2,855	6,361
Superannuation contributions	188,966	171,918
Utilities Expense	302,719	289,472
Other Expenses	631,010	418,102
Total Expenses From Continuing Operations	<u>6,999,642</u>	<u>5,846,199</u>

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

<i>Finance Costs</i>		
Interest charged on borrowings	4,493	-
Bank interest	2,769	648
Cost of sales	581,364	449,061
<i>Other expenses:</i>		
Employee Costs	2,458,301	2,371,611
<i>Impairment of receivables:</i>		
- Bad debts	-	480

Moree & District Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

5 Income Tax Expense

	2021	2020
	\$	\$
Consists of:		
Current tax	162,465	130,666
Tax effect of non-assessable income	80,686	125,103
Prior year tax	-	2
	<u>243,151</u>	<u>255,771</u>

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

	2021	2020
	\$	\$
Prima facie tax payable (benefit) on profit(loss) from ordinary activities before income tax at 26% (2020: 27.5%)	382,615	120,220
Tax effect of tax free mutual income	(224,185)	68,381
Tax effect on non-assessable income	(6,916)	-
Tax effect on non-deductible expenses	55,354	67,168
Tax effect on capital loss	51,403	-
Tax effect on other assessable income	6,431	-
Other tax adjustments	1,864	-
Change in tax rate	(23,415)	-
Under/(over) provision in respect of prior years	-	2
	<u>243,151</u>	<u>255,771</u>

6 Cash and cash equivalents

	2021	2020
	\$	\$
Cash on hand	195,200	195,416
Cash at bank	2,552,804	1,519,870
	<u>2,748,004</u>	<u>1,715,286</u>

Moree & District Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

7 Trade and other receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	51,888	30,470
Deposits	2,246	1,992
Other Receivables	9,848	11,912
ATO Cash Flow Boost	-	12,500
JobKeeper Subsidy	-	105,000
Total current trade and other receivables	63,982	161,874

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

	2021	2020
	\$	\$
CURRENT		
Inventory at cost	69,851	56,284
	69,851	56,284

9 Financial assets

	2021	2020
	\$	\$
CURRENT		
Investments in interest bearing deposits	4,687,494	4,647,612
Total current assets	4,687,494	4,647,612
NON-CURRENT		
Investments in Australian listed shares, available for sale	28,818	37,559
Total non-current assets	28,818	37,559

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.

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Notes to the Financial Statements**For the Year Ended 30 June 2021****10 Property, plant and equipment****(a) Property Plant and Equipment - detailed table**

	2021	2020
Note	\$	\$
LAND AND BUILDINGS		
Independent valuation in 2013	11,823,181	11,794,618
Accumulated depreciation	<u>(1,197,500)</u>	<u>(1,021,639)</u>
Total land and buildings	<u>10,625,681</u>	<u>10,772,979</u>
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	4,000	169,732
Plant and equipment		
At cost	3,053,430	2,616,168
Accumulated depreciation	<u>(2,157,875)</u>	<u>(1,960,697)</u>
Total plant and equipment	<u>895,555</u>	<u>655,471</u>
Motor vehicles		
At cost	247,967	131,267
Accumulated depreciation	<u>(59,280)</u>	<u>(89,284)</u>
Total motor vehicles	<u>188,687</u>	<u>41,983</u>
Poker Machines		
At cost	3,513,387	3,114,399
Accumulated depreciation	<u>(2,890,948)</u>	<u>(2,670,207)</u>
Total Poker Machines	<u>622,439</u>	<u>444,192</u>
Total Property, Plant and Equipment	<u>12,336,362</u>	<u>12,084,357</u>

Moree & District Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

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:

	Capital Works in Progress	Land and Buildings	Plant and Equipment	Motor Vehicles
	\$	\$	\$	\$
Year ended 30 June 2021				
Balance at the beginning of year	169,732	10,772,979	655,471	41,983
Additions	4,000	56,536	458,452	185,597
Depreciation Expense	-	(175,862)	(217,341)	(23,556)
Depreciation Recouped	-	-	(1,027)	(15,337)
Write-Off of Development Costs	(169,732)	(27,972)	-	-
Balance at the end of the year	4,000	10,625,681	895,555	188,687
			Poker Machines	Total
			\$	\$
Year ended 30 June 2021				
Balance at the beginning of year			444,192	12,084,357
Additions			457,859	1,162,444
Depreciation Expense			(279,612)	(696,371)
Depreciation Recouped			-	(16,364)
Write-Off of Development Costs			-	(197,704)
Balance at the end of the year			622,439	12,336,362

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 2021 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 2021.

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 2021

11 Other non-financial assets

	2021	2020
	\$	\$
CURRENT		
Prepayments	145,306	118,692
Accrued Income	43,202	25,145
	<u>188,508</u>	<u>143,837</u>

12 Trade and other payables

	2021	2020
	\$	\$
CURRENT		
Trade payables	162,180	93,003
Accrued Expenses	29,323	22,351
Income in Advance	3,318	130
GST payable	14,930	21,158
Poker Machine Tax	56,292	205,203
Subscriptions in advance	9,923	18,098
Superannuation payable	27,826	20,104
Other payables	102,993	82,097
	<u>406,785</u>	<u>462,144</u>
NON-CURRENT		
Unsecured liabilities		
Subscriptions in advance	3,332	682
	<u>3,332</u>	<u>682</u>

13 Borrowings

	2021	2020
	\$	\$
CURRENT		
Equipment Loan	31,679	-
Total current borrowings	<u>31,679</u>	<u>-</u>
NON-CURRENT		
Equipment loan	28,599	-
Total non-current borrowings	<u>28,599</u>	<u>-</u>

Moree & District Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

14 Provisions

	2021	2020
	\$	\$
CURRENT		
Provision for Sick Leave	10,491	10,202
Provision for Annual Leave	242,428	217,658
Provision for Long Service Leave	284,893	282,722
	<u>537,812</u>	<u>510,582</u>
NON-CURRENT		
Provision for Long Service Leave	3,280	11,852
	<u>3,280</u>	<u>11,852</u>

15 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 1 each towards meeting any outstanding obligations of the Company. At 30 June 2021 the number of members was 3,828.

Moree & District Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

16 Income Tax Liability

	2021	2020
	\$	\$
Income tax refundable	30,125	(20,284)
	<u>30,125</u>	<u>(20,284)</u>

(i) Deferred Tax Liabilities

	2021	2020
	\$	\$
Deferred tax liabilities comprises temporary differences attributable to:		
Property, plant & equipment	582,149	536,400
Accrued income	7,404	-
Movements:		
Opening balance	536,400	511,718
Charged to the profit and loss	53,153	24,682
	<u>589,553</u>	<u>536,400</u>

(ii) Deferred Tax Assets

	2021	2020
	\$	\$
Deferred tax asset comprises temporary differences attributable to:		
Property, plant & equipment	-	57,678
Provisions and accrued expenses	47,062	43,916
Superannuation	7,235	5,528
Accrued Expenses	4,001	-
Financial Assets	21,291	-
	<u>79,589</u>	<u>107,122</u>
Movements:		
Opening balance	107,122	207,543
Charged to profit and loss	(27,533)	(100,421)
Closing balance	<u>79,589</u>	<u>107,122</u>

17 Key Management Personnel Disclosures

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

	2021	2020
	\$	\$
Total Remuneration	119,309	118,703
	<u>119,309</u>	<u>118,703</u>

Moree & District Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

18 Auditors' Remuneration

	2021	2020
	\$	\$
Remuneration of the auditor of the company, PKF NENW Audit & Assurance Pty Limited, for:		
- auditing or reviewing the financial statements	21,905	22,169
Total	21,905	22,169

19 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.

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

20 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2021 (30 June 2020: None).

21 Related Parties

The directors named in the attached Directors' Report each held office as a director of the company during the year ended 30 June 2021. The company did not engage in any related party transactions during the year.

22 Cash Flow Information

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

	2021	2020
	\$	\$
Profit after Income Tax	1,228,446	181,388
Depreciation and amortisation expense	696,371	605,201
Net gain on disposal of property, plant & equipment	141,250	(36,024)
Adjustment for prior year asset purchases	(57,272)	-
Adjustment to bring to account prior year loans	55,142	-
(Increase)/Decrease in Prepayments and Accrued Income	(44,670)	40,978
(Increase)/Decrease in Sundry Debtors	97,892	(123,984)
(Increase)/Decrease in Inventories	(13,569)	7,900
(Increase)/Decrease in Deferred Tax Assets	27,533	100,421
(Increase)/Decrease in Accounts Payable and Accruals	(52,709)	139,680
Increase/(Decrease) in Leave Provisions	18,658	(101,685)
Increase/(Decrease) in Tax Payable & Deferred Tax Liability	2,744	(58,761)
	<u>2,099,816</u>	<u>755,114</u>

23 Events Occurring After the Reporting Date

The financial report was authorised for issue on 29th October 2021 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.

Moree & District Services Club Limited

ABN: 31 000 956 061

Notes to the Financial Statements

For the Year Ended 30 June 2021

24 Commitments

Capital commitments

In the opinion of the Directors, the Company did not have any capital commitments as at 30 June 2021 (30 June 2020: none).

25 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

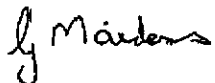
ABN: 31 000 956 061


Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 11-35, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards – Simplified Disclosures; and
 - b. give a true and fair view of the financial position as at 30 June 2021 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 this 29th day of October 2021



Moree & District Services Club Limited

ABN: 31 000 956 061

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

Report on the Financial Report

We have audited the accompanying financial report of Moree & District Services Club Limited, which comprises the statement of financial position as at 30 June 2021, 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 Limited 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 2021 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibility for the audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of 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 (including Independence Standards)* (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.

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

Responsibility of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures 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.

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

Tamworth
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Tamworth NSW 2340
p +61 2 6768 4500 f +61 2 6766 4322

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Moree & District Services Club Limited

ABN: 31 000 956 061

Independent Audit Report to the members of Moree & District Services Club Limited

Auditor's Responsibilities for the Audit of the Financial Report

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- 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 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.

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Moree & District Services Club Limited

ABN: 31 000 956 061

Independent Audit Report to the members of Moree & District Services Club Limited

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

29th October 2021

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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 2021

DONATIONS

Moree Historical Society	2,000
Moree Renal Support Committee	1,500
Variety Bash	500
Other Miscellaneous Donations	321
TOTAL	<u><u>4,321</u></u>

SPONSORSHIP

Clubs NSW New England & North West Race Day	600
TOTAL	<u><u>600</u></u>

SPORTS GRANTS

Indoor Bowls	2,400
Ladies Bowls	2,000
Mens Bowls	15,000
Bridge Club	1,200
Cards Club	1,200
Sports Committee	2,800
Cricket Club	1,000
Senior Darts	6,000
Fishing Club	2,400
Golf Club	3,000
Netball	2,400
Snooker Club	2,800
Soccer Club	4,000
Swimming Club	5,000
Touch Football	400
Travelling Bowlers	3,600
TOTAL	<u><u>55,200</u></u>

MOREE & DISTRICT SERVICES CLUB LIMITED
ABN: 31 000 956 061
DONATIONS, SPONSORSHIP & COMMUNITY
DEVELOPMENT & SUPPORT PAYMENTS
FOR THE YEAR ENDED 30 JUNE 2021

COMMUNITY DEVELOPMENT & SUPPORT EXPENDITURE

Moree Suns AFL Club	10,000
Moree RSL Women's Auxiliary	7,000
Barwon Division of General Practice	5,000
Little Wings	5,000
Moree Boars Football Club	5,000
Services Club Facilities Maintenance	5,000
Annabelle Abrahamsen - Sport Sponsorship	2,000
Raymond Heaton - Sport Sponsorship	2,000
Torch Bearers for Legacy Moree Branch	1,500
Moree Junior Cricket	1,500
Moree Junior Rugby Union Club	1,000
Garah-Boomi Pony Club	250
St Philomena's School P & F Association	250
TOTAL	<u>45,500</u>

