

GLEN INNES & DISTRICT SERVICES CLUB
ABN 91 000 970 516

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

GLEN INNES & DISTRICT SERVICES CLUB
ABN 91 000 970 516

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2019

Your directors present their report on the company for the financial year ended 30 June 2019.

Principal Activities

The company's principal activities are the operation of a Licensed Club and the promotion of golf.

Directors Information

Directors

The names of the directors in office at any time during, or since the end of, the year and the period that each director has been in office:

| Directors Name | Special Responsibilities | Period as Director | Qualifications and Experience |
|-----------------------|---------------------------------|--|---|
| J Urquhart | President | Appointed 17/11/2016 | Retired contractor and Justice of the Peace with 17 years Board experience. |
| M Baker | Senior Vice President | Appointed 8/11/2012 | Self employed Contract Builder. Director for 6 years with previous board experience at golf club. |
| P Ross | Director | Appointed 26/10/2001 | Self employed in the building trade for 24 years and part owner of business Scott's Paint & Hardware for 10 years. A club director for 17 years. |
| K Kempton | Director | Appointed 8/11/2012 | Self employed qualified electrician/company owner. Director for 6 years with previous board experience at golf club. |
| C Wallbridge | Director | Appointed 25/11/18 | Superintendent NSW Rural Fire Service, 21 years service. 8 years Treasurer Glen Innes Sporting Shooters Association, President Gem and Mineral Club. |
| A Culbert | Director | Appointed 25/11/2018 | Retired Police Officer, 29 years service. President Glen Innes Rugby League Club. |
| R Meehan | | Appointed 24/10/2004 Resigned 29/5/2019 | Retired. 26 years a member of the company. The last 13 years as president with previous Board experience with both the services club and the golf club. |
| J Toms | | Appointed 8/11/2012 Resigned 22/11/2018 | Qualified teacher. A director for 6 years with board experience on other committees. |
| G McGilvray | | Appointed 2/11/2007 Resigned 25/11/2018 | Retired Police Inspector. A director for 11 years with previous board experience. Justice of the Peace. |

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2019

Meetings of Directors

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

| | Directors' Meetings | |
|--------------|---------------------|-----------------|
| | Eligible to attend | Number attended |
| R Meehan | 12 | 12 |
| P Ross | 13 | 12 |
| G McGilvray | 5 | 2 |
| M Baker | 13 | 12 |
| J Toms | 5 | 5 |
| K Kempton | 13 | 12 |
| J Urquhart | 13 | 13 |
| A Culbert | 8 | 8 |
| C Wallbridge | 8 | 5 |

Short Term Objectives of the Company

The company has identified the following short term objectives:

- To provide services to members commensurate with industry needs and regulatory requirements
- To promote the club
- To meet financial viability and accountability requirements
- To provide a workplace that is compliant with industry standards and the Fair Work Act

The company has adopted the followings strategies in order to achieve these short term objectives:

- The preparation of a business and strategic plan that identifies the future for the club and the initiatives that will need to be implemented to promote the club
- The preparation of an annual budget for financial performance and the regular review of the company performance against the budget by management and directors
- The review of the company compliance with workplace health and safety and compliance with employment law including the Fair Work Act

Long Term Objectives of the Company

The company has identified the following long term objectives:

- To ensure a sustainable club
- To continue to be financially secure
- To continue to grow the company operations

The company has adopted the followings strategies in order to achieve these long term objectives:

- The preparation of a business and strategic plan to identify the opportunities and strengths of the company to provide a sustainable club
- The preparation of a marketing plan to communicate and promote the club
- The preparation of long term budgets that consider the member service needs, infrastructure needs, service delivery, employment costs and maintaining prudent levels of working capital and liquidity in investment of funds surplus to current needs

Performance Measurement

The company uses the following key performance indicators to measure performance:

- Profit, after income tax expense, for the financial year was \$89,925 compared to 2018 profit of \$828,267
- Cash flow from operating activities for the financial year was \$512,674
- Membership for the financial year was 2,658 compared to 2,678 in 2018.
- EBITDARD (13% achieved for 2019 compared to benchmark of between 10% - 15%)
- the company has complied with all Workplace, Health and Safety, Employment and Environmental reviews conducted by external regulatory bodies.

Membership Details

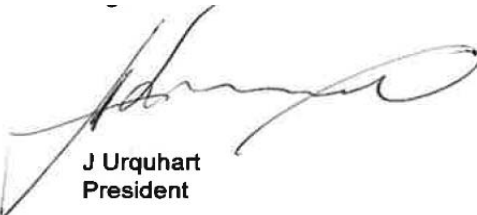
The Glen Innes & District Services Club Ltd is a public company limited by guarantee and no shares or options are issued. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the company.

| Membership Class | Number of Members | Individual Members Contribution on winding up of Company | Total Members Contribution on winding up of Company |
|-------------------------|--------------------------|---|--|
| General Members | 2,649 | \$ 1 | \$ 2,649 |
| Life Members | 3 | \$ 1 | \$ 3 |
| Junior Members | 6 | \$ 1 | \$ 6 |
| Total | 2,658 | \$ 1 | \$ 2,658 |


Auditors' Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to these financial statements.

Signed in accordance with a resolution of the Board of Directors



J Urquhart
President



M Baker
Senior Vice President

Dated: 11 September 2019

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
GLEN INNES & DISTRICT SERVICES CLUB LIMITED**

ABN 91 000 970 516

I declare that, to the best of my knowledge and belief, during the financial year to 30 June 2019 there has 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.

CROWE CENTRAL NORTH



Kylie Ellis
Partner
Registered Company Auditor (ASIC RAN 483424)
115 Meade St
GLEN INNES NSW 2370

Dated: 11 September 2019

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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GLEN INNES & DISTRICT SERVICES CLUB

ABN 91 000 970 516

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

| | Note | 2019 \$ | 2018 \$ |
|--|------|-------------------------|------------------|
| Sales revenue | 2 | 1,131,675 | 1,143,419 |
| Cost of goods sold | | <u>(623,588)</u> | <u>(617,308)</u> |
| Gross profit | | <u>508,087</u> | <u>526,111</u> |
| Other revenue | 2 | <u>3,723,867</u> | <u>3,563,969</u> |
| Total Revenue | | <u>4,231,954</u> | <u>4,090,080</u> |
| Occupancy expenses | | (496,020) | (440,982) |
| (Loss)/gain from revaluation of investment property | | - | (25,677) |
| Employee benefits expense | | (1,422,746) | (1,431,200) |
| Gaming expenses | | (583,979) | (575,896) |
| Depreciation expense | 3 | (474,511) | (459,993) |
| Advertising and marketing expenses | | (742,592) | (630,131) |
| Administration expenses | | (113,651) | (111,990) |
| Golf club expenses | | (297,549) | (298,739) |
| Other expenses | | (7,853) | (8,800) |
| Borrowing costs | 3 | <u>(3,128)</u> | <u>(5,526)</u> |
| Profit before income tax expense | | <u>89,925</u> | <u>101,147</u> |
| Income tax expense | 1(a) | <u>-</u> | <u>-</u> |
| Profit after income tax expense | | <u>89,925</u> | <u>101,147</u> |
| Other comprehensive income for the year, net of tax | | <u>-</u> | <u>727,120</u> |
| Total comprehensive income for the year | | <u>89,925</u> | <u>828,267</u> |
| Total comprehensive income attributable to members of the entity | | <u>89,925</u> | <u>828,267</u> |

The accompanying notes form part of these financial statements.

GLEN INNES & DISTRICT SERVICES CLUB
ABN 91 000 970 516

STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2019

| | Note | 2019 \$ | 2018 \$ |
|--------------------------------------|------|------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 1,000,165 | 881,816 |
| Trade and other receivables | 5 | 20,219 | 7,835 |
| Inventories | 6 | 109,120 | 101,831 |
| Other current assets | 7 | 51,021 | 57,086 |
| TOTAL CURRENT ASSETS | | 1,180,525 | 1,048,568 |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 8 | 8,324,008 | 8,388,194 |
| Investment property | 9 | 250,000 | 250,000 |
| Intangible assets | 10 | 78,500 | 78,500 |
| TOTAL NON CURRENT ASSETS | | 8,652,508 | 8,716,694 |
| TOTAL ASSETS | | 9,833,033 | 9,765,262 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 207,187 | 193,441 |
| Provisions | 13 | 288,751 | 285,199 |
| Other liabilities | 14 | 46,062 | 71,886 |
| TOTAL CURRENT LIABILITIES | | 542,000 | 550,526 |
| NON CURRENT LIABILITIES | | | |
| Provisions | 13 | 3,228 | 16,856 |
| TOTAL NON CURRENT LIABILITIES | | 3,228 | 16,856 |
| TOTAL LIABILITIES | | 545,228 | 567,382 |
| NET ASSETS | | 9,287,805 | 9,197,880 |
| EQUITY | | | |
| Reserves | 17 | 4,725,731 | 4,725,731 |
| Retained earnings | | 4,562,074 | 4,472,149 |
| TOTAL EQUITY | | 9,287,805 | 9,197,880 |

The accompanying notes form part of these financial statements.

GLEN INNES & DISTRICT SERVICES CLUB
ABN 91 000 970 516

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

| | Retained Earnings \$ | Revaluation Surplus \$ | Total \$ |
|---|----------------------------|------------------------------|------------------|
| Balance at 1 July 2017 | 4,371,002 | 3,998,611 | 8,369,613 |
| Profit for the year | 101,147 | - | 101,147 |
| Other comprehensive income for the year | - | 727,120 | 727,120 |
| Transfers to/(from) reserves | - | - | - |
| Balance at 30 June 2018 | <u>4,472,149</u> | <u>4,725,731</u> | <u>9,197,880</u> |
| Profit for the year | 89,925 | - | 89,925 |
| Other comprehensive income for the year | - | - | - |
| Transfers to/(from) reserves | - | - | - |
| Balance at 30 June 2019 | <u>4,562,074</u> | <u>4,725,731</u> | <u>9,287,805</u> |

GLEN INNES & DISTRICT SERVICES CLUB

ABN 91 000 970 516

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

| | Note | 2019 \$ | 2018 \$ |
|---|-------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | | 5,273,953 | 5,211,667 |
| Payments to suppliers and employees | | (4,771,573) | (4,657,677) |
| Interest received | | 13,422 | 6,765 |
| Finance costs | | (3,128) | (5,526) |
| Net cash provided by operating activities | | <u>512,674</u> | <u>555,230</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from sale of property, plant and equipment | | 17,076 | 21,629 |
| Purchase of property, plant and equipment | | (411,401) | (457,511) |
| Net cash (used in) investing activities | | <u>(394,325)</u> | <u>(435,882)</u> |
| Net increase in cash held | | 118,349 | 119,348 |
| Cash at the beginning of the financial year | | <u>881,816</u> | <u>762,468</u> |
| Cash at the end of the financial year | 4 (a) | <u>1,000,165</u> | <u>881,816</u> |

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements cover Glen Innes & District Services Club Ltd as an individual entity. Glen Innes & District Services Club Ltd is a public company limited by guarantee, incorporated and domiciled in Australia.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

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.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The financial statements were authorised for issue on 11 September 2019 by the directors of the company.

Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Income Tax

The charge for current income tax expense is based on the profit for the financial year adjusted for any non assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting year. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. no deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liability are calculated at the tax rates that are expected to apply for the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

(b) Inventories

Inventory is recorded on a first in first out (FIFO) basis. Inventories are measured at the lower of cost and net realisable value.

(c) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuation's by external independent valuers, less subsequent depreciation for buildings.

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

Increases in the carrying amount arising on revaluation of land and buildings are recognised either 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 the statement of profit or loss and other comprehensive income.

As the revalued buildings are depreciated, the difference between depreciation recognised in the statement of profit or loss and other comprehensive income, which is based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost, is transferred from the revaluation surplus to retained earnings.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining the recoverable amounts.

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 charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a diminishing value basis over their useful lives to the company commencing from the time the asset is held ready for use.

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

| Class of Fixed Asset | Depreciation Rate |
|---|-------------------|
| Buildings and Improvements | 2.5-10% |
| Plant & Equipment, Furniture & Fittings | 5-33% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Financial Instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified as 'fair value through profit and loss' in which case transaction costs are expensed to the statement of profit or loss and other comprehensive income immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

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

Fair value is determined based on current market bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence that impairment as a result of one or more event (a "loss event") has occurred, which has an impact of the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments' indication that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivable), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at the point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

Then the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so the title loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

(e) Impairment of Assets

At the end of each reporting period, the company assesses whether there is objective evidence that an asset has been impaired. If such indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in the profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for intangible assets with indefinite lives.

(f) Intangibles

Poker Machine Entitlements

The poker machine entitlements shown in the accounts represent licences purchased by the club. The company holds other poker machine entitlements that have a market value. If the company were to be wound up or the number of entitlements were in excess of requirements then the poker machine entitlements would be able to be sold at the prevailing market price. Poker machine entitlements are intangible assets classified with an indefinite life. The intangible asset is subject to annual impairment testing to the higher of fair value less related costs to sell and value in use.

(g) 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 within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and 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 recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is 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 and 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.

(h) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(j) Revenue

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvements in those goods.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

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

(k) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

(l) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

(m) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(o) Changes in accounting policy, disclosures, standards and interpretations

New and amended standards and interpretations

The company has applied AASB 9 for the first time. The nature and effect of the changes as a result of the adoption of AASB 9 are described below. The impact of adoption of AASB 9 is not considered material.

Several amendments and interpretations apply for the first time in 2019, but do not have an impact on the financial statements of the company.

AASB 9 Financial Instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

The company has applied AASB 9 retrospectively, with the initial application date of 1 January 2018. AASB 9 has not resulted in changes in the carrying amount of the company's financial instruments due to changes in classification and measurement categories.

Given the general quality of the company's trade receivables, there will be no material impact on the introduction of an expected-loss impairment method.

Accounting Standards and Interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the company for the annual reporting period ending 30 June 2019. The directors have not early adopted any of these new or amended standards and interpretations. The directors are in the process of assessing the impact of AASB 15 *Revenue from Contracts with Customers* (effective 1 January 2019), AASB 1058 *Income of Not-for-Profit Entities* (effective 1 January 2019) and AASB 16 *Leases* (effective 1 January 2019) and its amendments to the extent relevant to the financial statements of the company.

| 2019 | 2018 |
|------|------|
| \$ | \$ |

Note 2: Revenue

| | | |
|--|------------------|-----------|
| Sales income | | |
| Sales of goods | 1,131,675 | 1,143,419 |
| Other income | | |
| Tab and keno commissions | 153,821 | 157,761 |
| Golf club (non sales) income | 261,427 | 248,408 |
| Gaming income | 2,871,167 | 2,823,303 |
| Interest received from other persons | 13,422 | 6,765 |
| Rental income | 21,365 | 23,162 |
| Membership subscriptions services club | 22,067 | 21,763 |
| Members promotions and entertainment | 304,057 | 212,844 |
| Other income | 60,541 | 52,263 |
| Profit/(loss) on sale of fixed assets | 16,000 | 17,700 |
| Total other income | 3,723,867 | 3,563,969 |
| Total revenue | 4,855,542 | 4,707,388 |

Note 3: Expenses

| | | |
|----------------------|----------------|---------|
| Depreciation expense | 474,511 | 459,993 |
| Borrowing costs | 3,128 | 5,526 |

Note 4: Cash and Cash Equivalents

| | | |
|--------------|------------------|---------|
| Cash on hand | 150,000 | 150,151 |
| Cash at bank | 850,165 | 731,665 |
| | 1,000,165 | 881,816 |

(a) Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

| | | |
|---------------------------|------------------|---------|
| Cash and cash equivalents | 1,000,165 | 881,816 |
| | 1,000,165 | 881,816 |

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2019

| | Note | 2019 \$ | 2018 \$ |
|--|------|------------------|------------------|
| Note 5: Trade and Other Receivables | | | |
| CURRENT | | | |
| Trade receivables | | 1,528 | 1,282 |
| Other receivables | | 18,691 | 6,553 |
| | | <u>20,219</u> | <u>7,835</u> |
| Note 6: Inventories | | | |
| CURRENT | | | |
| Stock on hand | | 109,120 | 101,831 |
| | | <u>109,120</u> | <u>101,831</u> |
| Note 7: Other Assets | | | |
| CURRENT | | | |
| Prepayments | | 51,021 | 57,086 |
| | | <u>51,021</u> | <u>57,086</u> |
| Note 8: Property, Plant & Equipment | | | |
| Land and Buildings (at valuation) | | | |
| Club and Golf Club | | 7,157,823 | 7,157,823 |
| Less: Accumulated depreciation | | (134,350) | - |
| | | <u>7,023,473</u> | <u>7,157,823</u> |
| Improvements (at cost) | | 56,539 | 40,210 |
| Less: Accumulated depreciation | | (7,713) | (6,078) |
| | | <u>48,826</u> | <u>34,132</u> |
| Total Land and Buildings | | <u>7,072,299</u> | <u>7,191,955</u> |
| Plant and Equipment (at cost) | | | |
| Plant and equipment | | 4,033,828 | 3,939,196 |
| Less: Accumulated depreciation | | (2,782,119) | (2,742,957) |
| Total Plant, Equipment and Fittings | | <u>1,251,709</u> | <u>1,196,239</u> |
| Total Property Plant and Equipment | | <u>8,324,008</u> | <u>8,388,194</u> |

GLEN INNES & DISTRICT SERVICES CLUB
ABN 91 000 970 516

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

| Note | 2019 \$ | 2018 \$ |
|------|------------|------------|
|------|------------|------------|

(a) Movements in carrying amounts

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

| | Land and Buildings \$ | Plant and Equipment \$ | Total \$ |
|--|-----------------------------|------------------------------|------------------|
| Balance at the beginning of the year | 7,191,955 | 1,196,239 | 8,388,194 |
| Additions | 16,330 | 395,071 | 411,401 |
| Disposals | | (1,077) | (1,077) |
| Revaluation | - | - | - |
| Depreciation expense | <u>(135,986)</u> | <u>(338,524)</u> | <u>(474,510)</u> |
| Carrying amount at the end of the year | <u>7,072,299</u> | <u>1,251,709</u> | <u>8,324,008</u> |

The basis of the valuation of land and buildings is fair value being the amounts which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The land and buildings were last valued on 26 and 27 June 2018 by MJ Williams (AAPI, FREAV) Certified Practising Valuer No 619.

Note 9: Investment Property

| | | |
|---------------------------------|----------------|----------------|
| 80 Oliver street - at valuation | <u>250,000</u> | <u>250,000</u> |
| | <u>250,000</u> | <u>250,000</u> |

The basis of the valuation of investment property is fair value being the amounts which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The land and buildings were last valued on 27 June 2018 by MJ Williams (AAPI, FREAV) Certified Practising Valuer No 619. The directors do not believe that there has been a material movement in fair value since the revaluation date.

Note 10: Intangible Assets

| | | |
|--------------------------------------|---------------|---------------|
| Poker machine entitlements (at cost) | <u>78,500</u> | <u>78,500</u> |
| | <u>78,500</u> | <u>78,500</u> |

Poker Machine Entitlements

Poker machine entitlements are assessed as having an indefinite useful life. The measurement and recognition criteria is outlined in note 1 to the financial statements.

Poker machine entitlements have been impairment tested using calculations of the higher of fair value, less costs to realise, and value in use. The directors believe that the carrying amount of poker machine entitlements are not impaired and annual impairment testing was conducted at 30 June 2019.

Note 11: Trade and Other Payables

CURRENT

Unsecured liabilities;

| | | |
|--------------------------------------|----------------|----------------|
| Trade payables | 69,850 | 61,280 |
| Sundry payables and accrued expenses | <u>137,337</u> | <u>132,161</u> |
| | <u>207,187</u> | <u>193,441</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

| | Note | 2019 \$ | 2018 \$ |
|--|------|----------------|----------------|
| Note 12: Borrowings | | | |
| The Club currently has no borrowings in place, however the Westpac Bank still holds the mortgage over the property for 80 Oliver Street and 120 Grey Street Glen Innes, NSW. | | | |
| Note 13: Provisions | | | |
| CURRENT | | | |
| Provision for annual leave | | 87,192 | 99,178 |
| Provision for long service leave | | 110,415 | 102,575 |
| Provision for members points | | 41,482 | 42,714 |
| Provision for poker machine jackpots | | 49,662 | 40,732 |
| | | <u>288,751</u> | <u>285,199</u> |
| NON CURRENT | | | |
| Provision for long service leave | | 3,228 | 16,856 |
| | | <u>3,228</u> | <u>16,856</u> |
| (a) Aggregate employee benefits liability | | <u>200,835</u> | <u>218,609</u> |

Provision for employee benefits

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in note 1 to this report.

Note 14: Other Liabilities

CURRENT

| | | | |
|--|--|---------------|---------------|
| Member subscriptions received in advance | | 29,562 | 22,276 |
| Other current liabilities | | 16,500 | 49,610 |
| | | <u>46,062</u> | <u>71,886</u> |

Note 15: Events After the End of the Reporting Period

During the July 2019 board meeting and Air Conditioning upgrade was approved for the club at a value of \$110,000 excluding GST.

No other 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.

Note 16: Related Party Transactions

Other Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties were:

| | | | |
|--|--|---------|---------|
| J Urquhart - rented the house in Oliver St owned by the Club at market rates | | | |
| K Kempton - amounts paid to ASK Electrical | | 1,145 | 436 |
| M Baker - amounts paid to MI & GM Baker | | 17,083 | 19,366 |
| C Lonergan - amounts paid as remuneration | | 9,815 | 5,764 |
| Key Management Personnel remuneration | | 387,635 | 450,591 |
| Number of key management personnel | | 12 | 12 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 17: Reserves

Revaluation Reserves

The revaluation surplus records the revaluation of non-current assets. Where revaluations are deemed to represent profits of a permanent nature.

Note 18: Ancillary Sporting Clubs

The economic entity which is the Glen Innes & District Services Club Ltd comprises of the Club and its ancillary sporting clubs. At balance date four sporting clubs existed: the Glen Innes Services Indoor Bowls Club, Glen Innes District Veteran Golfers, Servies Darts Club and Glen Innes Golf Club Ladies Account. These Clubs had assets totalling \$7,468 (2018 \$9,068). Given the level of operation of these Clubs, the Directors are of the opinion that it is impractical to consolidate their operations due to materiality with those of the main Club and accordingly the financial report only reflects the operations of the Glen Innes & District Services Club Ltd for the year ended 30 June 2019 and the previous year.

Note 19: Income Tax

Income tax is not payable on the company's net profit but only on the taxable income derived from sources other than members (i.e. visitors, investments, etc). The provision for income tax has accordingly been calculated upon a taxable income so determined. At balance date the Club had a carry forward tax losses of \$1,380,566 (2018: \$1,262,215). This is not accounted for in the statement of financial position and there is not certainty that the Club will utilise these losses.

Note 20: Fair Value Measurement

The following tables detail the company'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: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the company 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 \$ |
|-------------------------------|---------------|---------------|
| Financial assets | | |
| Investment property | - | 250,000 |
| Property, plant and equipment | - | 8,324,008 |
| | \$ - | \$ 8,574,008 |
| | | |
| Financial assets | | |
| Investment property | - | 250,000 |
| Property, plant and equipment | - | 8,324,008 |
| | \$ - | \$ 8,574,008 |

Note 21: Capital and Leasing Commitments

As at 30 June 2019 the company had no capital or leasing commitments.

**GLEN INNES & DISTRICT SERVICES CLUB
ABN 91 000 970 516**

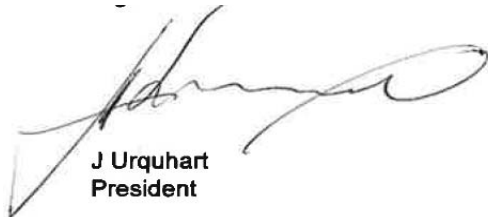
**DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2019**

In the directors' opinion


1. The attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. The attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
3. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



**J Urquhart
President**



**M Baker
Senior Vice President**

Dated: 11 September 2019

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GLEN INNES & DISTRICT SERVICES CLUB LIMITED**

ABN 91 000 970 516

Opinion

We have audited the financial report of Glen Innes & District Services Club Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities 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 (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.

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

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Central North, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for acts or omissions of financial services licensees.
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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GLEN INNES & DISTRICT SERVICES CLUB LIMITED**

ABN 91 000 970 516

Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Company's Directors Report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the 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 – 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 ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the 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 Responsibilities for the Audit of the Financial Report

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism 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 Company's internal control.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GLEN INNES & DISTRICT SERVICES CLUB LIMITED**

ABN 91 000 970 516

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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.
- 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 the audit.

CROWE CENTRAL NORTH



Kylie Ellis
Partner
Registered Company Auditor (ASIC RAN 483424)
115 Meade St
GLEN INNES NSW 2370

Dated: 17 September 2019

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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**DISCLAIMER
TO THE MEMBERS OF
GLEN INNES & DISTRICT SERVICES CLUB LIMITED**

ABN 91 000 970 516

The additional financial data presented on pages 25 - 28 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 company for the financial year ended 30 June 2019. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Glen Innes & District Services Club Limited) in respect of such data, including any errors of omissions therein however caused.

CROWE CENTRAL NORTH



Kylie Ellis
Partner
Registered Company Auditor (ASIC RAN 483424)
115 Meade St
GLEN INNES NSW 2370

Dated: 17 September 2019

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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GLEN INNES & DISTRICT SERVICES CLUB
ABN 91 000 970 516

DETAILED TRADING STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 \$ | 2018 \$ |
|---|------------------|------------------|
| Bar Trading | | |
| Sales | 556,930 | 565,129 |
| Less: Cost of goods sold | <u>(270,017)</u> | <u>(289,906)</u> |
| Net Profit | <u>286,913</u> | <u>275,223</u> |
| Gross profit percentage to sales | <u>52%</u> | <u>49%</u> |
| Bottle Trading | | |
| Sales | 473,376 | 468,036 |
| Less: Cost of goods sold | <u>(292,451)</u> | <u>(268,849)</u> |
| Net Profit | <u>180,925</u> | <u>199,187</u> |
| Gross profit percentage to sales | <u>38%</u> | <u>43%</u> |
| Poker Machines | | |
| Poker machine revenue | 2,853,987 | 2,806,123 |
| Poker machine GST assistance | 17,180 | 17,180 |
| Less: Jackpot liability expenses | (8,930) | (9,454) |
| Less: Poker machines expenses | <u>(551,025)</u> | <u>(542,864)</u> |
| Net profit | <u>2,311,212</u> | <u>2,270,985</u> |
| Confectionary and Sundry Sales | | |
| Sales | 10,070 | 9,322 |
| Less: Cost of goods sold | <u>(5,708)</u> | <u>(4,520)</u> |
| Net Profit | <u>4,362</u> | <u>4,802</u> |
| Golf Club Bar Sales | | |
| Sales | 73,663 | 80,772 |
| Less: Cost of goods sold | <u>(40,869)</u> | <u>(38,505)</u> |
| Net profit | <u>32,794</u> | <u>42,267</u> |
| Gross profit percentage to sales | <u>45%</u> | <u>52%</u> |
| Golf Club Sales | | |
| Sales | 7,039 | 10,140 |
| Less: Cost of goods sold | <u>(4,733)</u> | <u>(6,394)</u> |
| Net Profit | <u>2,306</u> | <u>3,746</u> |
| Golf Club Confectionary & Food | | |
| Sales | 10,597 | 10,020 |
| Less: Cost of goods sold | <u>(9,810)</u> | <u>(9,134)</u> |
| Net Profit | <u>787</u> | <u>886</u> |

GLEN INNES & DISTRICT SERVICES CLUB
ABN 91 000 970 516

DETAILED TRADING STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 \$ | 2018 \$ |
|---|------------------|------------------|
| TAB | | |
| Commissions | 76,177 | 77,516 |
| Less: TAB expenses | <u>(15,587)</u> | <u>(15,681)</u> |
| Net Profit | <u>60,590</u> | <u>61,835</u> |
| Keno | | |
| Commissions | 77,644 | 80,245 |
| Less: Keno expenses | <u>(8,437)</u> | <u>(7,897)</u> |
| | <u>69,207</u> | <u>72,348</u> |
| Income | | |
| Services Club Income | | |
| Bar net profit | 286,913 | 275,223 |
| Poker Machine net profit | 2,311,212 | 2,270,985 |
| Bottle net profit | 180,925 | 199,187 |
| Confectionary and sundry trading gross profit | 4,362 | 4,802 |
| ATM rebate | 24,245 | 24,004 |
| Diesel fuel rebate | 523 | 536 |
| Interest income | 13,422 | 6,765 |
| Keno profit | 69,207 | 72,348 |
| Members subscriptions | 22,067 | 21,763 |
| Rent received net - Oliver street | 10,340 | 12,253 |
| Rent received net - restaurant | 11,025 | 10,909 |
| Renewable Energy Certificate | 12,206 | - |
| Sundry income | 23,567 | 27,723 |
| TAB profit | <u>60,590</u> | <u>61,835</u> |
| Total Services Club Income | <u>3,030,604</u> | <u>2,988,333</u> |
| Golf Club Income | | |
| Net profit - bar sales | 32,794 | 42,267 |
| Net profit - golf sales | 2,306 | 3,746 |
| Net profit - confectionary and food | 787 | 886 |
| Advertising and sponsorship income | 6,200 | 7,100 |
| Buggy shed rent | 12,989 | 12,418 |
| Cart hire | 11,004 | 10,922 |
| Competition fees income | 125,637 | 115,707 |
| Diesel rebate | 1,751 | 2,538 |
| Green fees | 26,905 | 29,772 |
| Club house and course hire | - | 340 |
| Pro pin income | 11,572 | 10,692 |
| Rent received | 3,082 | 2,128 |
| Members subscriptions | 46,700 | 44,890 |
| Sundry income | <u>15,587</u> | <u>11,901</u> |
| Total Golf Club Income | <u>297,314</u> | <u>295,307</u> |
| Total Income | <u>3,327,918</u> | <u>3,283,640</u> |

This statement is to be read in conjunction with the attached disclaimer.

GLEN INNES & DISTRICT SERVICES CLUB
ABN 91 000 970 516

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 | 2018 |
|--------------------------------|----------------|----------------|
| | \$ | \$ |
| Expenditure | | |
| <u>Golf Club Expenses</u> | | |
| Affiliation fees | 9,935 | 10,046 |
| Cleaning | 1,815 | 2,113 |
| Electricity | 13,012 | 12,973 |
| Freight | 25 | - |
| Fuel and oil | 5,903 | 8,031 |
| Insurance | 5,149 | 4,593 |
| Printing and stationery | 1,550 | 2,092 |
| Rates | 8,306 | 8,109 |
| Repairs and maintenance | 58,518 | 56,910 |
| Security | 1,413 | 1,398 |
| Subscriptions | 1,118 | 410 |
| Superannuation | 14,830 | 15,083 |
| Telephone and internet | 4,267 | 4,142 |
| Trophies | 11,418 | 10,012 |
| Wages | 152,393 | 154,138 |
| Sundry expenses | 7,897 | 8,689 |
| | <u>297,549</u> | <u>298,739</u> |
| <u>Administration expenses</u> | | |
| Accountancy fees | 2,500 | 3,040 |
| Audit fees | 16,650 | 16,008 |
| Cash shortages | 376 | 3,489 |
| Computer software and training | 15,866 | 10,535 |
| Conference and travel expenses | 1,930 | 9,697 |
| Directors remuneration | 3,600 | 3,600 |
| Legal expenses | 912 | - |
| Postage | 7,079 | 3,678 |
| Printing and stationery | 20,407 | 17,865 |
| Subscriptions | 28,670 | 28,497 |
| Telephone | 15,661 | 15,581 |
| | <u>113,651</u> | <u>111,990</u> |
| <u>Occupancy expenses</u> | | |
| Amenities | 25,062 | 22,861 |
| Cleaning and waste disposal | 36,065 | 38,533 |
| Electricity and gas | 182,977 | 163,730 |
| Fuel and lubricants | 5,467 | 4,686 |
| Insurance | 80,521 | 83,814 |
| Pest control | 522 | 500 |
| Plant hire | 9,895 | 7,055 |
| Rates | 27,092 | 25,241 |
| Replacements | 9,539 | 15,502 |
| Repairs and maintenance | 100,002 | 59,739 |
| Security | 18,878 | 19,321 |
| | <u>496,020</u> | <u>440,982</u> |

GLEN INNES & DISTRICT SERVICES CLUB
ABN 91 000 970 516

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 \$ | 2018 \$ |
|---|-------------------------|-------------------------|
| <u>Borrowing expenses</u> | | |
| Bank charges | 3,128 | 5,526 |
| | <u>3,128</u> | <u>5,526</u> |
| <u>Employee expenses</u> | | |
| Payroll tax | 38,190 | 41,309 |
| Provision expense - employee entitlements | 87,772 | 90,916 |
| Staff training | - | 6,149 |
| Superannuation | 121,061 | 115,799 |
| Uniform | 2,274 | 3,153 |
| Wages | 1,173,449 | 1,173,874 |
| | <u>1,422,746</u> | <u>1,431,200</u> |
| <u>Advertising and marketing expenses</u> | | |
| Advertising | 62,602 | 44,481 |
| Donations | 54,495 | 51,620 |
| Entertainment | 30,540 | 50,816 |
| Members promotions | 240,369 | 222,083 |
| Member taxi service | 8,436 | 7,133 |
| Raffles and bingo net | 12,002 | 10,835 |
| Sky channel expenses | 28,269 | 28,238 |
| Sport and recreation expenses | 1,822 | 2,080 |
| | <u>438,535</u> | <u>417,286</u> |
| <u>Other expenses</u> | | |
| Freight | 323 | 653 |
| Sundry expenses | 7,530 | 8,147 |
| | <u>7,853</u> | <u>8,800</u> |
| (Profit)/loss on sale of assets | (16,000) | (17,700) |
| Loss/(gain) on revaluation of investment property | - | 25,677 |
| Depreciation | 474,511 | 459,993 |
| Total Expenditure | <u>3,237,993</u> | <u>3,182,493</u> |
| Net Operating Profit Before Income Tax | <u>89,925</u> | <u>101,147</u> |