

# MARYBOROUGH HIGHLAND SOCIETY Inc.

## *161st Annual Report*

President

**Anne Canterbury**

Vice President

**Andrew Rae**

Deputy Vice President

**Anthony Anderson**

Treasurer

**Roger Watkins**

Board Members

**Craig Maher**

**John Simmons**

**Lachlan Robinson**

**Bruce Kaye**

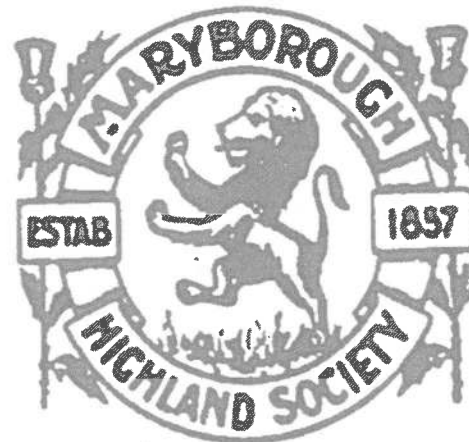
**Lynelle Trickey**

General Manager

**Malcolm Blandthorn**

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# *P*RESIDENT'S REPORT ---



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Anne Canterbury

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It gives me pleasure to present this report, my final report, as President of our Society. I would like to start by expressing appreciation to the Board of Management, members and staff for the support shown to me over the eight years.

The Board has faced many challenges over the years and Board members have continued to face up to the challenges. During this period of time we have lost members Bruce Dellavedova and John Simmons due to fatal health conditions, they are both sadly missed.

Treasurer Roger Watkins has fulfilled his responsibilities with his usual meticulous attention to detail and continues to provide detailed monthly financial reports aiding the Board in their decisions regarding future financial actions. He has been ably supported by both, Anthony Anderson and General Manager, Malcolm Blandthorn.

Vice-President Andrew Rae has provided constant support during his time in this position. Bruce Kaye has accepted the opportunity to add his humour to both Wednesday and Friday nights. His opportunity to welcome guests, new members and note anniversaries have provided great welcoming introductions.

In the same way, Board Members, Craig Maher, Lachy Robinson and Lynelle Trickey contribute in many ways to our decision making processes.

Malcolm Blandthorn has, as usual, supported me, throughout this year. Our decision to outsource our financial administration to Sky Accountants, took quite a long time to set in place but the results from this action have provided both financial and good support at a significant cost saving.

The introduction of Jaye Foon as Human Resources Manager, has lightened Malcolm's load. Jaye's work has been intensive and has made a great difference with many staff meetings and clear printed guidelines for each staff member.

Noel Harvey, Karen Douglas and Hugh Dellahunty, Central Goldfields Shire Administrators, have provided expert advice and support for all our questions and queries, setting in progress the development of our new sports bar.

As I have stated previously, debate is a healthy process and a necessary path for Board members to reach the right decisions for the Society. I have continued to lead an active and involved role in the Society and the wider community.

My attendance at annual general meetings of community clubs we sponsor, as your representative, are a continuing source of joy and provides a view of the importance of volunteer workers in our Shire. Invitations to school programs at Maryborough Education Centre demonstrate the commitment of the staff and the enthusiasm of the students for their chosen educational paths.

It has been a great pleasure to be able to attend as President, the 2016, 2017, and 2018 Highland Gatherings and additional functions where representation of our Society was requested.

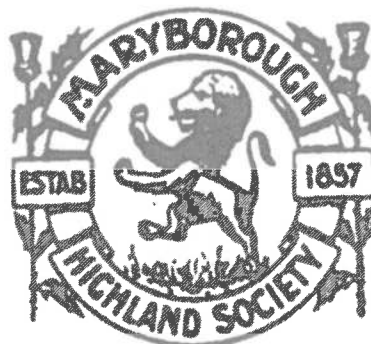
With respect, I would like to convey condolences to all members who lost family or friends this year and good wishes for a speedy recovery to those who suffer illness.

I will continue to support the new executive during my last year as a Past - President and Board member until 2019.

I wish the Board, members and staff of the Highland Society, all best wishes for 2018 – 2019.

**ANNE CANTERBURY**

President.

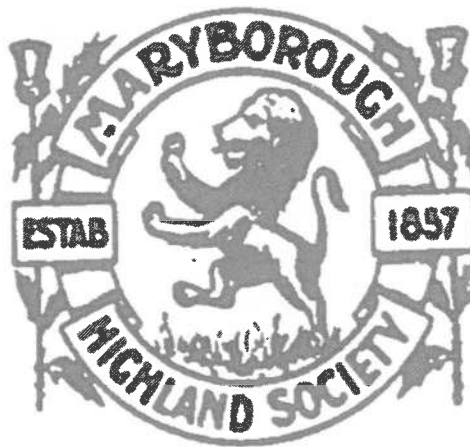


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# **G**ENERAL MANAGER'S REPORT ---

**Malcolm Blandthorn**

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What a great year 2017 – 2018 has been for the Society. No longer burdened by the financial constraints of the past, the Society has been able to invest and in turn its number one asset, you the members.

With these constraints gone, over the past year the Society has been able to plan, with capital works complete on fixing our roofing and solar installation. And of course, there is the new Sports Bar, with works now well under way. The new Sports bar will create a whole new dynamic for the Society, a new community hub where members and guests can meet for a coffee or a drink, catch up with mates to watch a game, an area that will allow the Society to sponsor more local sporting teams, an area that can be used for Happy Hour on a Friday and thus allow the Society to hold more events and functions. In addition to these great benefits, the new Sports Bar will also reduce the Society's reliance on gaming, giving the Society a whole new income stream for years to come. The Sports Bar like all capital investments is a risk, however a small risk considering the benefits will last a generation.

Over the past 3 years, the Board has worked tirelessly to get us in a position to be able to make these investments. The Highland Society's debt is the lowest it has been in my 7 years here and it was imperative that any new loan for the Sports Bar would be easily serviceable based on current income levels, without any reliance on increased revenues from the new area. I would like to thank our President Anne Canterbury, Treasurer Roger Watkins and the entire Board for their support in getting this project up and going.

You will notice from the Profit and Loss statement, that this has been a strong year financially for the Society. The Management Team of Jaye Foon, Jenna Townsend, Pauline Coburn and Julie McQuienn need to be recognised for this strong result. Their willingness to learn, input and deliver on targets this year has been commendable. A huge thank you to this team and all staff for their hard work this year, it is greatly appreciated.

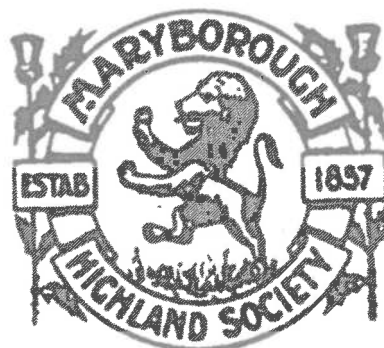
I was fortunate enough to be named Regional Club Manager of the Year this year at the Community Clubs Victoria Awards. This award, as nice as it is to be recognised by your peers, reflects the team effort from the Board to Management to all Staff. This is evident by the Highland Society being named finalist in 6 categories and winning two other awards - Gaming Club of the Year (based on our community contribution program and promoting gaming in a safe environment) and a Community Service Award and finalists in President of the Year (Anne Canterbury), Volunteer of the Year (Roger Watkins) and Regional Club Chef of the year (Jenna Townsend). Therefore, whilst this award has my name on it, it truly reflects the great team the Society are fortunate to have.

Every year I use this report to inform members of how exciting the future looks, but I don't believe that to be any more the case than it is right now. With our new Sports Bar only months away from finishing, the Society has positioned itself to go from strength to strength and continue to build on the foundations provided by the current Board. We have achieved so much this year; however, we must not rest on our successes but strive to even greater heights next year.

Malcolm Blandthorn

General Manager

Maryborough Highland Society



MINUTES OF ANNUAL GENERAL MEETING 22<sup>nd</sup> SEPTEMBER 2017

*Meeting Commenced at 6:55pm*

**Welcome:-** President *Ms Anne Canterbury*

**Annual Meeting commenced**

President to open the meeting and call for Apologies:-

Dan Tehan - Federal Member for Wannon, Mr Vince Hanning - Interim CEO for Central Goldfields Shire, Joyce Branton - Life Member, John Simmons – Life Member, Steve Braunton - Legacy RSL Victoria, Les Chapman – Maryborough Harness Racing Club, Kelvin Noonan – Noonan, Sutherland Lawyers, Danny Quirk, Adrian Masterman-Smith, Lowen Clark, Jaye Foon – Operations Manager

**Motion:** That all the apologies be accepted,

Moved: Bruce Kaye

Seconded: Bev McKenzie

- Carried

**Motion:** That the Minutes of Previous Annual General Meeting held 16th September 2016 and the Special General Meeting held 1<sup>st</sup> August 2017 as presented in the Annual Report be accepted.

Moved: Ricky Rollason

Seconded: Susan Chadwick

- Carried

**Annual Reports: -**

President Report. Ms Anne Canterbury

Anne stated that her report was there for all to read and wished to highlight a few items;

- President Anne thanked the Executive, the Board, members and staff for all their support over the past year. The death of Bruce Dellavedova was a blow to the Board and President Anne wished to thank him for all the support that he had provided her.
- The Management fees that were to be paid by Kyneton Bowling Club were never paid and have subsequently been written off over the financial year. The Castlemaine and Kyneton ventures were an absolute disaster for the Society and by writing off these debts, this paves the way for the Society to investigate the building of a Sports Bar.
- On behalf of the Board and the members, President Anne expressed her sympathies to all those that have lost loved ones over the previous year. The loss of Staff member Steven Moyle (our go to man) was a loss felt by members and staff. This loss has lead to a fundraiser to raise funds for the Maryborough SES to buy a caravan in their stop revive survive program.
- President Anne plans to see out her final 2 years on the Board (one more year as President) then retire due to her increasing age and promise to her husband Clarrie.

Treasurer Report. Mr Roger Watkins

Roger reported that in addition to his report as provided, he would like to add that in a year of consolidation there was some great figures to report on;

- Revenue was up 6.1%. With the 3 major departments contributing – Bar, Gaming (despite Country Clubs having a decline) and most importantly the Bistro. With thanks to Head Chef Jenna Townsend and the Boards cost cutting exercise, Bistro made a profit of \$63,442.00 throughout the year, a huge turnaround from the previous year.
- Administrative Expenses were contained to a 5.4% increase, which wasn't easy due to substantial rises in costs (such as Electricity and Rates).
- Salary increases were contained to a minimum.

- A trading profit of \$297,873 has been one of our better profits an increase on the \$86,000 we achieved last year. As mentioned by Anne, these trading profits are before the Kyneton Bowling Club Management fees have been written off over the past few years including \$677,141 this year resulting in a net loss of \$379,127. This loss is a paper transaction and doesn't reflect on this year trading performances which was financially sound.
- This sound financial position is highlighted by the Equity to Liability Ratio of 2.3, the best it has been since 2012. The Year, the Highland Society took ownership of its Poker Machines.
- The Board have reduced its debt this financial year by \$841,982. A goal set by the Board at the start of the year. Since these figures were produced, the Highland Society has paid off a further 2 Bendigo Bank loans, leaving only the Gaming Entitlements to pay for.
- In relation to the Gaming entitlements post 2022, a 5% deposit will be required in February 2018 to secure these. We have been informed that whilst the cost of these entitlements will be less than what we paid in 2012, it is likely that the tax rates will increase monthly.
- The Society have moved their accounts to a cloud base (internet system,) something that has please my wife, Rhonda as I no longer need to spend so much time with our General Manager Malcolm. Her support has been encouraging

Treasurer Roger Watkins asked for any questions from the floor of which there was none relating to the reports.

**Motion:** That the reports be accepted

Moved: Adele Emery

Seconded: Paul Gothard

- Carried

President Anne Canterbury announced the Board Elections for the upcoming year.

- President: Anne Canterbury
- Vice President: Andrew Rae
- Treasurer: Roger Watkins
- Deputy Vice President: Anthony Anderson
- Board Members: Craig Maher      John Simmons      Lachlan Robinson  
Lynelle Trickey      Bruce Kaye

#### **General Business.**

There was no General Business

#### **Special Business**

##### Life Membership - Ian Gillespie

Ian Gillespie has been nominated for Life membership. President Anne Canterbury read the following statements about Ian.

- Ian was born on 13 May 1924 and is now 93 years old.
- Ian was a serving member during the Second World War serving in the Pacific Islands.
- Ian was a long-term active member supporting the Gathering. He used his old ute to transport items for erection and set-up in Princes Park for many years.
- For over 10 years, on Monday mornings, he and Dave Liddicoat set out the tables, chairs and ash-trays ready for the evening. He and the other volunteers were part of a roster system. When their turn was finished they received 1 beer for their efforts.
- During his time as a Board Member, Ian was President for two years and in 1982 re-joined the Board to support Jean Hutchinson as President.
- I have found Ian to be also a strong source of support during my term as Treasurer and more lately as President. His ideas display a keen sense of loyalty to the Society and interest in our future directions.
- Until last year, Ian was an active organiser in arranging the support of the Highland Bowlers to raise funds for Legacy.

- Despite his advancing age and long association with the Society, Ian tries to attend Happy Hour on Friday evenings on a weekly basis.
- Ian has the full support of the Board of Management for this recognition of his support for the Highland Society

**Motion:** That Ian Gillespie be awarded life membership of the Maryborough Highland Society

Moved: Anne Canterbury

Seconded: Lynelle Trickey

- Carried

Acknowledgement of Retired Auditor – Peter Egan

A plaque was issued to Peter Egan in recognition of his work as an auditor and financial advisor.

Return of the Challenge Bowl – Australian Pipe Band Championships

Chris Earl presented the Highland Society with the donated and now retired challenge bowl that was presented to all 3<sup>rd</sup> Grade champions at the Australian Pipe Band Championships since the inaugural Championships were held in Maryborough in 1961.

*With there being no further business the Meeting was declared closed at 7:45pm*

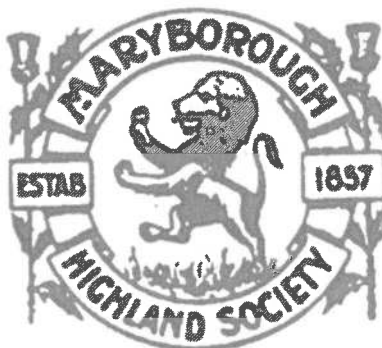
*This is a true and correct record of the minutes of the meeting held on the 22<sup>nd</sup> September 2017*



Signed Anne Canterbury  
President

19/10/2017

Date





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# TREASURER'S REPORT

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Roger Watkins

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I am pleased to present to Members my Treasurer's Report which covers the period from 01 July 2017 to 30 June 2018.

## **Activities During 2017 -2018**

### **Accounting and Auditing**

After its second year of operation, the accounting system appears to have settled into a regular routine with prompt resolution of queries and preparation of reports.

Auditors found our financial systems sound, with a strong emphasis on continued monitoring of activities to ensure our governance remains robust.

### **Debt Reduction**

Throughout the year the Board continued its emphasis on debt reduction with "Total Liabilities" being reduced by slightly over \$400,000 to \$1,620,726, a 19.9% reduction. These actions have placed us in a strong position to service the loan which has been taken out to finance the construction of the Sports Bar.

### **Bistro**

The Board has continued to support Head Chef Jenna to implement cost reduction measures in the Bistro this year whilst continuing to provide great meals at fair prices. Whilst sales have increased only marginally, (mainly as a result of a drop off in patronage of the Wednesday Superdraw), the full-year profit of \$86,602 was an increase of 36.5% over last year's profit of \$63,442.

### **Club Improvements**

Because of our improved financial position, the Board was able to undertake several projects which had been put on hold for the last few years. Included in these projects was the cleaning and replacement of tiles and other repairs to our roof to prevent water damage inside the building. The other major project was the installation of solar power which will help us lower our utilities bills in the years to come.

In addition, we commenced preliminary work on the Sports Bar incurring expenditure on architectural fees and some initial site works.

### **Maintaining our Gaming Revenue**

During the last 12 months, the dependence on Gaming revenue fell slightly with increases in Bar and Bistro revenue, but it still remains our major income source.

The Highland Society increased its Gaming Revenue in 2017/18 by 11% over the previous financial year whilst revenue from Gaming in the Central Goldfields Shire increased by just under 5%. This increased the Club's market share by 3.7% to 70.3%

Again, this reflects the efforts of Malcolm, Jaye and Gaming Manager Pauline in providing a vibrant Gaming Room with helpful staff, player benefits and regular changes to our stock of machines.

## **The Figures For 2017 - 2018**

### **Net Profit**

Net Profit for the year was up \$134,386 to \$432,259, a 45.12% increase.

### **Total Revenue**

Revenue was up 8.3% to \$6,040,772, with income from all three major sources having increased over last year.

### **Total Expenses**

Total Expenses were contained to an increase of 6.2%, despite the cost of nearly everything on the increase and one-off expenditure this year on the roof restoration and installation of solar panels.

- Of this, Administration Expenses increased by 15.9% to \$103,133, the majority of this relating to increased cost of electricity, and
- Salaries increased by only 2.5% despite the provision of additional services to members.

### **Trade Creditors**

We continue to reduce the level of our Trade Creditors. Of those outstanding, less than 10% are outstanding for more than 30 days.

### **The Future**

I believe we can face the future with a great deal of confidence. We have positioned ourselves well to undertake the Sports Bar development, which will be our first development for some time. Our focus will continue to be on monitoring our borrowings and administration expenses and on reducing our trade debtors.

During the year the Government's plans for poker machines for the period 2022 to 2032 were outlined. Without going into a lot of detail, in order to continue to operate our gaming machines during this period, we are required to pay a licence fee for each machine at a level similar to our current fee. In February this year we paid a \$55,681 deposit towards this licence fee and will pay a similar amount in February next year. Overall, the costs to operate our gaming machines during this period will be lower than for the current period. However, one charge we will not have to incur during this period is the cost of purchasing our machines.

I would like to congratulate outgoing President Anne Canterbury for the improvements around the Club which were achieved during her three-year stewardship of this great Club.

Also, I would like to thank all Board members for their support throughout the year. In particular, I thank Tony Anderson for providing backup when I was absent.

Again I have relied heavily on the financial acumen, skill and dedication of Malcolm Blandthorn our General Manager. The Society is extremely fortunate to have Malcolm as its General Manager. From my experience of working closely with Malcolm over the years, it is easy to see why he was selected as the Community Clubs Victoria Manager of the Year. It has been a pleasure working with you Malcolm.

I would also like to thank the Human Resources Manager Jaye Foon who has been instrumental in keeping staff costs down as the financial figures indicate.

Roger Watkins  
Treasurer

**MARYBOROUGH HIGHLAND SOCIETY INC.**  
**ABN: 37 631 550 150**  
**REPORT OF THE MEMBERS OF THE COMMITTEE**

The Members of the Committee herewith submit the financial report of Maryborough Highland Society Inc. for the financial year ended 30 June 2018.

**COMMITTEE MEMBERS**

The names of Committee members throughout the year and at the date of this report are:

President	Anne Canterbury	Craig Maher
Vice President	Andrew Rae	John Simmons*
Treasurer	Roger Watkins	Lachlan Robinson
Deputy Vice President	Anthony Anderson	Lynelle Trickey
		Bruce Kaye

\*Member deceased March 2018  
John Simmons

**PRINCIPAL ACTIVITIES**

The principal activities of the Association during the course of the financial year were Social and Bowling Activities.

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

In the opinion of the Committee there were no significant changes in the state of affairs of the Association that occurred during the financial year under review not otherwise disclosed in this report or the financial report.

**SIGNIFICANT EVENTS AFTER THE BALANCE DATE**

No significant changes in the nature of these activities occurred during the year.

**OPERATING RESULTS**

The profit from ordinary activities amounted to \$432,259. (2017 loss \$379,269)

Signed in accordance with a resolution of the Committee.



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Anne Canterbury  
President



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Roger Watkins  
Treasurer

Dated this 20th day of September 2018

## ***Independent Audit Report to the Members of***

**MARYBOROUGH HIGHLAND SOCIETY INC.**



### ***Unqualified Opinion***

We have audited the accompanying financial report, being a general purpose financial report, of the Maryborough Highland Society Inc., which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and notes comprising a summary of the significant accounting policies and other explanatory information, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position of the Association.

In our opinion, the financial report of the Maryborough Highland Society Inc. is in accordance with the *Associations Incorporation Reform Act 2012 (Vic)* including:

- i. Giving a true and fair view of the Association's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- ii. That the financial records kept by the Association are such as to enable the financial statements to be prepared in accordance with Australian Accounting Standards.

### ***Information Other Than the Financial Report and Auditor's Report Thereon***

The Committee of the Association is responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2018, 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 the fact. We have nothing to report in this regard.

### ***Responsibilities of the Committee for the Financial Report***

The Committee of the Association are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Associations Incorporation Reform Act 2012 (Vic)*, and for such internal control as the Committee determine necessary to enable the preparation of a 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 Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Liability limited by a scheme approved under Professional Standards Legislation

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PH 03 54 444 417 FAX 03 54 444 427 // E [info@asbendigo.com.au](mailto:info@asbendigo.com.au) // W [www.asbendigo.com.au](http://www.asbendigo.com.au)

***Auditor's Responsibility***

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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis on this financial report. As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by the Committee.
- Conclude on the appropriateness of the Committees' 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 Association's ability 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 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 Association to cease or continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report presents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Committee 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.

ACCOUNTING AND AUDIT SOLUTIONS BENDIGO



**Catherine Gaskell**

**Dated:** 20 September, 2018

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**MARYBOROUGH HIGHLAND SOCIETY INC.**  
**ABN: 37 631 550 150**

**COMPREHENSIVE INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

		2018	2017
	Note	\$	\$
Revenue from ordinary activities	2	6,040,773	5,579,158
Cost of goods sold	3	(878,905)	(919,798)
Salaries & employee benefits expense		(2,161,577)	(2,108,121)
Depreciation and amortisation expense	3	(676,098)	(699,271)
Administration & other expenses from ordinary activities	3, 4	(1,891,938)	(2,231,237)
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b><u>432,255</u></b>	<b><u>(379,269)</u></b>
Other comprehensive income items that will not be classified to Surplus or Deficit in future periods			
<b>IMPAIRMENT LOSSES - Buildings</b>		<b><u>(155,688)</u></b>	<b><u>-</u></b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>276,567</u></b>	<b><u>(379,269)</u></b>

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018**

		2018	2017
	Note	\$	\$
<b>CURRENT ASSETS</b>			
Cash Assets	5	323,827	394,333
Receivables	6	12,189	3,143
Inventories	7	45,531	40,355
Bonds		-	1,120
<b>TOTAL CURRENT ASSETS</b>		<b><u>381,547</u></b>	<b><u>438,951</u></b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	8	4,866,636	4,710,343
Intangible Assets	9	1,209,426	1,433,186
<b>TOTAL NON-CURRENT ASSETS</b>		<b><u>6,076,062</u></b>	<b><u>6,143,529</u></b>
<b>TOTAL ASSETS</b>		<b><u>6,457,609</u></b>	<b><u>6,582,480</u></b>
<b>CURRENT LIABILITIES</b>			
Payables	10	614,783	562,129
Provisions	11	275,868	258,350
Interest Bearing Liabilities	12	152,654	211,838
Other Liabilities	13	373,004	380,753
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>1,416,309</u></b>	<b><u>1,413,070</u></b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	11	47,969	53,155
Interest Bearing Liabilities	12	156,407	182,893
Other Liabilities	13	-	373,004
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b><u>204,376</u></b>	<b><u>609,052</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>1,620,685</u></b>	<b><u>2,022,122</u></b>
<b>NET ASSETS</b>		<b><u>4,836,924</u></b>	<b><u>4,560,358</u></b>
<b>EQUITY</b>			
Retained Profits	14	4,198,356	3,766,101
Asset Revaluation Reserve		638,568	794,257
<b>TOTAL EQUITY</b>		<b><u>4,836,924</u></b>	<b><u>4,560,358</u></b>

**MARYBOROUGH HIGHLAND SOCIETY INC.**  
**ABN: 37 631 550 150**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from club and gaming activities		6,019,189	5,590,847
Payments to suppliers and employees		(4,348,260)	(4,277,078)
Interest received		1,642	1,648
Net GST paid to ATO		(544,593)	(502,203)
<b>NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>	15b	<b><u>1,127,978</u></b>	<b><u>813,214</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		32,260	192,866
Purchase of Intangible Assets		(55,861)	-
Purchase of property, plant and equipment		(708,458)	(211,742)
<b>NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		<b><u>(732,059)</u></b>	<b><u>(18,876)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net proceeds from/(repayment of) borrowings		(466,425)	(694,371)
<b>NET CASH FROM FINANCIAL ACTIVITIES</b>		<b><u>(466,425)</u></b>	<b><u>(694,371)</u></b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b><u>(70,506)</u></b>	<b><u>99,967</u></b>
Cash at the beginning of the financial year		394,333	294,366
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	15a	<b><u><u>323,827</u></u></b>	<b><u><u>394,333</u></u></b>

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Asset Reval Reserve \$	Retained Earnings \$	Total Equity \$
<b>As at 1 July 2016</b>	794,257	4,145,370	4,939,627
Comprehensive Result for the Year	-	(379,269)	(379,269)
Transfers to/(from) Reserves	-	-	-
<b>As at 30 June 2017</b>	<b><u>794,257</u></b>	<b><u>3,766,101</u></b>	<b><u>4,560,358</u></b>
	Asset Reval Reserve \$	Retained Earnings \$	Total Equity \$
<b>As at 1 July 2017</b>	794,257	3,766,101	4,560,358
Comprehensive Result for the Year	(155,688)	432,255	276,567
<b>As at 30 June 2018</b>	<b><u>638,569</u></b>	<b><u>4,198,356</u></b>	<b><u>4,836,924</u></b>

The above Statement should be read in conjunction with the Notes to the Accounts.

MARYBOROUGH HIGHLAND SOCIETY INC.  
ABN: 37 631 550 150  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

**NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, Accounting Interpretations and the requirements of the *Associations Incorporation Reform Act 2012 (Vic)*.

The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

**(a) Income tax**

Maryborough Highland Society Inc. is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

**(b) Goods and services tax**

Revenues, 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 taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Receivables and payables are stated inclusive of GST.

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 ATO is classified as an operating cash flow.

**(c) Employee Benefits**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Association to an employee superannuation fund and are charged as expenses when incurred.

**(d) Provisions**

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation. Employee provisions are measured based on remuneration rates expected to be paid when the liability is expected.



**NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(e) Plant and Equipment**

Plant and equipment are brought to account at cost or fair value, less where applicable, any accumulated depreciation or amortisation.

Items of property, plant and equipment, including buildings but excluding freehold land, are depreciated over their useful life to the entity commencing from the date of acquisition/revaluation. All property, plant and equipment is depreciated using the straight line method.

<b>Class of Asset</b>	<b>Rate</b>	<b>Class of Asset</b>	<b>Rate</b>
Bowling Greens	10%	Gaming Machine Licences	10%
Motor vehicles	20%	Electronic Gaming Machines	20-25%
Furniture & fittings	5%-25%	Land	0%
Plant & equipment	5% - 20%	Buildings	2.5%-5%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's 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 and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

**(f) Cash**

Cash on hand and in banks are stated at nominal value.

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

**(g) Comparative Figures**

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

**(h) Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. 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 involvement in these 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).

MARYBOROUGH HIGHLAND SOCIETY INC.  
ABN: 37 631 550 150  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

**NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(i) Financial Instruments.**

**Recognition.**

Financial Instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

**Financial assets at fair value through profit and loss.**

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges.

Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

**Available-for-sale financial assets.**

Available-for-sale financial assets include any financial assets not included in the above categories.

Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

**Financial Liabilities.**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**Impairment.**

At each reporting date, the Association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

**(j) Impairment of Assets**

At each reporting date, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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

**Critical Accounting Estimates and Judgements**

The committee members evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

The Association assesses impairment at each reporting date by evaluating conditions specific to the Association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**(k) Poker Machine Entitlements**

Poker Machine Entitlements, which are essentially permits allowing the Club to operate poker machines, have been valued at cost and taken up in the Club's books at 30 June 2013. Poker Machine Entitlements are tradeable, have a finite life and will be carried at cost, less any impairment losses. They will be assessed annually for any impairment

**MARYBOROUGH HIGHLAND SOCIETY INC.**  
**ABN: 37 631 550 150**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(l) Leases**

Lease of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Association are classified as finance leases

Finance leases are capitalised by recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor are charged as expenses in the periods in which they are incurred.

**(m) New Accounting Standards for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the Association. The Association has decided not to early adopt any of the new and amended pronouncements. The Association's assessment of the new and amended pronouncements that are relevant to the Association but applicable in future reporting periods is set out below:

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on the Association's Annual Statements
AASB 9 <i>Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 16 <i>Leases</i>	The key changes of AASB 16 requires an entity to recognise a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets), depreciation of right-of-use assets in line with AASB 116 <i>Property, Plant and Equipment</i> in profit and loss and unwinding of the liability in principal and interest components and inclusion of additional disclosure requirements.	1 January 2019	When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 17 <i>Leases</i> and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. While the adoption of AASB 16 will impact on the Association's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

## NOTE 2: REVENUE FROM ORDINARY ACTIVITIES

	2018 \$	2017 \$
Operating activities		
- Club Revenue	270,441	256,883
- Bar Revenue	937,367	806,567
- Bistro Revenue	1,339,779	1,337,163
- Bowls Revenue	52,971	48,792
- Gathering Revenue	54,792	47,347
- Gaming Revenue	3,351,521	3,080,716
Non-operating activities:		
- interest received	1,642	1,675
- profit/loss on disposal of plant & equipment	32,260	15
<b>TOTAL REVENUE</b>	<b>6,040,773</b>	<b>5,579,158</b>

## NOTE 3: EXPENSES

	2018 \$	2017 \$
Depreciation of non-current assets:		
- building and improvements	86,848	89,273
- sports grounds	-	12,493
- motor vehicles	25,729	20,810
- office equipment	38,117	38,229
- furniture & fittings	19,710	22,142
- plant and equipment	38,251	33,990
- gaming machine entitlements	279,441	282,099
- electronic gaming machines	188,002	200,235
	<b>676,098</b>	<b>699,271</b>
Administration & other expenses		
- administration		
- advertising	91,789	91,591
- building and equipment	114,486	121,942
- finance, legal and licensing	111,033	124,561
- office costs	47,525	42,352
- personnel	116,743	97,182
- utilities	203,410	132,866
- sponsorship	25,916	23,928
- bad debts	0	677,141
- other	39,481	2,828
- total administration	750,384	1,314,391
- bar	13,106	12,164
- bingo	57,690	60,672
- bistro	33,073	24,837
- bowling	42,766	30,790
- cleaning	12,668	15,378
- functions	90,244	70,245
- gaming		
- personnel	4,606	6,762
- finance, legal and licensing	82,763	91,286
- maintenance and service	172,691	110,525
- promotions	303,755	186,881
- sponsorship	38,039	39,422
- other	40,361	56,378
- total gaming	642,215	491,254
- gathering	79,728	73,694
- members	163,574	128,612
	<b>1,885,448</b>	<b>2,222,037</b>
Cost of goods sold		
- Bar Cost of Goods Sold	349,731	332,519
- Bistro Cost of Goods Sold	529,174	587,279
	<b>878,905</b>	<b>919,798</b>

**NOTE 4: AUDITORS' REMUNERATION**

	2018	2017
	\$	\$
Amounts received or due and receivable by the auditor for:		
- Audit or review of the financial report of the association	6,490	9,200
	<u>6,490</u>	<u>9,200</u>

**NOTE 5: CASH ASSETS**

	2018	2017
	\$	\$
Cash at bank and on hand	323,827	394,333
	<u>323,827</u>	<u>394,333</u>

**NOTE 6: RECEIVABLES**

	2018	2017
	\$	\$
Trade debtors	12,189	3,143
	<u>12,189</u>	<u>3,143</u>

**NOTE 7: INVENTORIES**

	2018	2017
	\$	\$
Stock on Hand - Bar	27,114	24,868
Stock on Hand - Bistro	18,417	15,487
	<u>45,531</u>	<u>40,355</u>



MARYBOROUGH HIGHLAND SOCIETY INC.  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

**NOTE 8: PROPERTY, PLANT AND EQUIPMENT**

	2018 \$	2017 \$
<i>"A" + "B" Green</i>		
At cost	405,605	405,605
Less accumulated depreciation	<u>(405,605)</u>	<u>(405,605)</u>
Total "A + B" green	<u><u>-</u></u>	<u><u>-</u></u>
<i>Buildings</i>		
At Valuation	3,454,717	3,463,576
Less accumulated depreciation	<u>(476,623)</u>	<u>(408,697)</u>
Total Buildings	<u><u>2,978,094</u></u>	<u><u>3,054,879</u></u>
<i>Office Equipment</i>		
At cost	364,382	350,002
Less accumulated depreciation	<u>(270,105)</u>	<u>(231,988)</u>
Total Office Equipment	<u><u>94,277</u></u>	<u><u>118,014</u></u>
<i>Land</i>		
At Valuation	830,000	830,000
Less accumulated depreciation	<u>-</u>	<u>-</u>
Total Land	<u><u>830,000</u></u>	<u><u>830,000</u></u>
<i>Motor vehicles</i>		
At cost	167,783	167,783
Less accumulated depreciation	<u>(106,236)</u>	<u>(80,507)</u>
Total Motor Vehicles	<u><u>61,547</u></u>	<u><u>87,276</u></u>
<i>Plant and Equipment</i>		
At cost	1,253,138	1,182,869
Less accumulated depreciation	<u>(1,094,625)</u>	<u>(1,056,375)</u>
Total Plant and Equipment	<u><u>158,513</u></u>	<u><u>126,494</u></u>
<i>Furniture and fittings</i>		
At cost	719,297	713,836
Less accumulated depreciation	<u>(681,516)</u>	<u>(661,806)</u>
Total Furniture and Fittings	<u><u>37,781</u></u>	<u><u>52,030</u></u>
<i>Electronic Gaming Machines</i>		
At cost	1,197,269	1,322,328
Less accumulated depreciation	<u>(798,743)</u>	<u>(925,301)</u>
Total Electronic Gaming Machines	<u><u>398,526</u></u>	<u><u>397,027</u></u>
<i>Work in Progress</i>	<u><u>307,898</u></u>	<u><u>44,623</u></u>
Total Property Plant and Equipment	<u><u><u>4,866,636</u></u></u>	<u><u><u>4,710,343</u></u></u>

An independent valuation of the Club's land and building was performed by PP & E Valuations Pty Ltd (Melbourne) to determine the fair value of the land, improvements and buildings. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation is 1 December 2012.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

## NOTE 9: INTANGIBLE ASSETS

	2018 \$	2017 \$
<b>Movements in carrying amounts</b>		
<i>"A" + "B" green</i>		
Carrying amount at beginning of year	-	12,493
Additions	-	-
Disposals	-	-
Depreciation expense	-	(12,493)
Carrying amount at end of year	-	-
<i>Land</i>		
Carrying amount at beginning of year	830,000	830,000
Additions	-	-
Disposals	-	-
Depreciation expense	-	-
Carrying amount at end of year	830,000	830,000
<i>Buildings</i>		
Carrying amount at beginning of year	3,054,879	3,144,152
Additions	165,751	-
Impairment recognised directly in equity	(155,688)	-
Depreciation expense	(86,848)	(89,273)
Carrying amount at end of year	2,978,094	3,054,879
<i>Office Equipment</i>		
Carrying amount at beginning of year	118,014	144,864
Additions	14,381	11,379
Disposals	-	-
Depreciation expense	(38,117)	(38,229)
Carrying amount at end of year	94,278	118,014
<i>Plant &amp; equipment</i>		
Carrying amount at beginning of year	126,495	130,282
Additions	70,268	30,203
Disposals	-	-
Depreciation expense	(38,251)	(33,990)
Carrying amount at end of year	158,512	126,495
<i>Furniture and fittings</i>		
Carrying amount at beginning of year	52,031	71,727
Additions	5,461	2,446
Disposals	-	-
Depreciation expense	(19,710)	(22,142)
Carrying amount at end of year	37,782	52,031
<i>Motor vehicles</i>		
Carrying amount at beginning of year	87,276	76,474
Additions	-	31,612
Disposals	-	-
Depreciation expense	(25,729)	(20,810)
Carrying amount at end of year	61,547	87,276

## MARYBOROUGH HIGHLAND SOCIETY INC.

ABN: 37 631 550 150

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**NOTE 9: INTANGIBLE ASSETS (CONTINUED)**

	2018		2017
Movements in carrying amounts	\$		\$
<i>Electronic Gaming Machines</i>			
Carrying amount at beginning of year	397,027		505,782
Additions	189,502		91,480
Disposals	-		-
Depreciation expense	(188,002)		(200,235)
Carrying amount at end of year	<u>398,527</u>		<u>397,027</u>
<i>Gaming Machine Licences</i>			
Carrying amount at beginning of year	1,433,186		1,908,134
Additions	55,681		-
Disposals	-		(192,849)
Depreciation expense	(279,441)		(282,099)
Carrying amount at end of year	<u>1,209,426</u>		<u>1,433,186</u>

**NOTE 10: PAYABLES**

	2018		2017
	\$		\$
Trade creditors	195,221		207,547
Amounts due to ATO	226,910		170,761
Accrued Expenses	48,391		32,858
Superannuation	14,251		-
Function Deposits	1,150		12,045
State taxes	128,860		138,918
	<u>614,783</u>		<u>562,129</u>

**NOTE 11: PROVISIONS**

	2018		2017
	\$		\$
<i>Current</i>			
Annual leave	159,434	159,434	148,050
Long service leave	116,434	116,434	110,300
	<u>275,868</u>		<u>258,350</u>
<i>Non-Current</i>			
Long service leave	<u>47,969</u>		<u>53,155</u>

**NOTE 12: INTEREST BEARING LIABILITIES**

	2018		2017
	\$		\$
<i>Current</i>			
Bendigo Bank	-		33,290
Bendigo Bank EGM Finance	-		20,857
Finance Leases	140,954		139,915
Finance Charges Unexpired	(18,885)		(16,346)
Vehicle Finance	30,585		34,122
	<u>152,654</u>		<u>211,838</u>
<i>Non Current</i>			
Finance Leases	136,049		135,345
Finance Charges Unexpired	(26,547)		(29,942)
Vehicle Finance	46,905		77,490
	<u>156,407</u>		<u>182,893</u>



**MARYBOROUGH HIGHLAND SOCIETY INC.**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 13: OTHER LIABILITIES**

	2018	2017
	\$	\$
<i>Current</i>		
Gaming Machine Entitlements	373,004	380,753
Other	-	-
	<u>373,004</u>	<u>380,753</u>
<i>Non-Current</i>		
Gaming Machine Entitlements	-	373,004
Other	-	-
	<u>-</u>	<u>373,004</u>

**NOTE 14: RETAINED EARNINGS**

	2018	2017
	\$	\$
Retained profits/(losses)	<u>4,198,356</u>	<u>3,766,101</u>
Movement in retained profits		
Balance at beginning of year	3,766,101	4,145,370
Net profit/(loss) attributable to the Association	432,255	(379,269)
Balance at end of year	<u>4,198,356</u>	<u>3,766,101</u>

**NOTE 15: CASH FLOW STATEMENT**

	2018	2017
	\$	\$
<i>(a) Reconciliation of cash</i>		
Cash on Hand		
Operating accounts	<u>323,827</u>	<u>394,333</u>
	<u>323,827</u>	<u>394,333</u>
<i>(b) Reconciliation of Surplus/Deficit to net cash from/(used in) operating activities</i>		
Profit/(loss) from ordinary activities after income tax	432,255	(379,269)
Non cash items		
- Depreciation and amortisation	676,098	699,271
- Bad Debts Write Off	-	677,141
- Profit/loss on disposal of asset	(32,260)	(15)
Changes in assets and liabilities		
- (Increase) decrease in receivables	(9,046)	13,996
- (Increase) decrease in Inventories	(5,176)	(1,811)
- (Increase) decrease in Bonds	1,120	4,336
- Increase (decrease) in payables	52,653	(153,463)
- Increase (decrease) in provisions	12,332	(46,971)
Net cashflows from/(used in) operating activities	<u>1,127,976</u>	<u>813,215</u>

**NOTE 16: RELATED PARTY DISCLOSURES**

No remuneration or retirement benefits are payable to members of the Committee as the positions are voluntary.

There were no loans to or transactions with members of the Committee during the year.

**NOTE 17: SUBSEQUENT EVENTS**

There have been no events after the end of the financial year that would materially affect the financial statements

**NOTE 18: CONTINGENT LIABILITIES**

There were no contingent liabilities at the date of this report to affect the financial statements.

**NOTE 19: SEGMENT REPORTING**

The Association operates in the hospitality sector in the Maryborough and surrounding regions.

**NOTE 20: REGISTERED OFFICE/PRINCIPAL PLACE OF BUSINESS**

The registered office and principal place of business is 35 High Street, Maryborough, Victoria.



**MARYBOROUGH HIGHLAND SOCIETY INC.**  
**ABN: 37 631 550 150**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 21: FINANCIAL RISK MANAGEMENT**

**Financial Risk Management Objectives and Policies**

Maryborough Highland Society Inc's principal financial instruments comprise of deposits with banks, accounts receivable and payable and interest bearing liabilities and other financial liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	Carrying Amount 2018 \$	Carrying Amount 2017 \$
<b>Financial Assets</b>			
Cash & Cash Equivalents	(5)	323,827	394,333
Trade & Other Receivables	(6)	12,189	3,143
<b>Total Financial Assets</b>		<b>336,016</b>	<b>397,476</b>
<b>Financial Liabilities</b>			
At amortised cost			
Trade & Other Payables	(10)	387,873	391,368
Interest Bearing Liabilities	(12)	309,061	394,731
Other Financial Liabilities	(13)	373,004	753,757
<b>Total Financial Liabilities</b>		<b>1,069,938</b>	<b>1,539,856</b>

**Specific Financial Risk Exposures and Management**

**(a) Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Maryborough Highland Society.

The Association does not have any material credit risk exposures.

*Credit risk exposures*

The maximum exposure to credit risk, by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

The Association has no significant concentration of credit risk exposure to any single counterparty or group of counterparties.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

## NOTE 21: FINANCIAL RISK MANAGEMENT (continued)

**(b) Liquidity Risk**

Liquidity risk arises from the possibility that Maryborough Highland Society Inc might encounter difficulty in settling its debts or otherwise its obligations related to financial liabilities. Maryborough Highland Society manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational,
- investing and financing activities; and
- only investing surplus cash with major financial institutions.

The table below discloses the contractual maturity analysis for Maryborough Highland Society Inc's financial liabilities.

**Financial liability and financial assets maturity analysis**

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Liabilities due for payment</b>								
Trade & Other Payables	387,873	391,368	-	-	-	-	387,873	391,368
Interest Bearing Liabilities	152,654	211,838	156,407	182,893	-	-	309,061	394,731
Other Financial Liabilities	373,004	380,753	-	373,004	-	-	373,004	753,757
<b>Total contractual outflows</b>	<b>913,531</b>	<b>983,959</b>	<b>156,407</b>	<b>555,897</b>	<b>-</b>	<b>-</b>	<b>1,069,938</b>	<b>1,539,856</b>
<b>Total expected outflows</b>	<b>913,531</b>	<b>983,959</b>	<b>156,407</b>	<b>555,897</b>	<b>-</b>	<b>-</b>	<b>1,069,938</b>	<b>1,539,856</b>
<b>Financial assets - Cash flow realisable</b>								
Cash & Cash Equivalents	323,827	394,333	-	-	-	-	323,827	394,333
Trade & Other Receivables	12,189	3,143	-	-	-	-	12,189	3,143
<b>Total anticipated inflows</b>	<b>336,016</b>	<b>397,476</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>336,016</b>	<b>397,476</b>
<b>Net (outflow)/inflow on financial instruments</b>	<b>(577,515)</b>	<b>(586,483)</b>	<b>(156,407)</b>	<b>(555,897)</b>	<b>-</b>	<b>-</b>	<b>(733,922)</b>	<b>(1,142,380)</b>

**(c) Market Risk****(i) Interest rate risk**

The financial assets of Maryborough Highland Society Inc are not exposed to any significant interest rate risk since cash balances are maintained at various fixed interest rates.

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that are used.

The interest rate exposure on the debt portfolio is managed by appropriate budgeting strategies and by managing in accordance with target maturity profiles.

**(ii) Price risk**

Price risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Maryborough Highland Society Inc is exposed to insignificant foreign currency risk and other price risks.

**MARYBOROUGH HIGHLAND SOCIETY INC.**  
**ABN: 37 631 550 150**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 21: FINANCIAL RISK MANAGEMENT (continued)**

**(c) Market Risk (Continued)**

**Sensitivity analysis**

The following table illustrates sensitivities to the Association's exposure to changes in interest rates.

The table indicates the impact on how profit at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

- A parallel shift of + 1% and -2% in market interest rates (AUD).

		Interest rate risk			
		-2 % -200 basis points		+1 +100 basis points	
		Profit \$	Equity \$	Profit \$	Equity \$
<b>2018</b>	<b>\$</b>				
<b>Financial assets:</b>					
Cash & Cash Equivalents	323,827	(6,477)	(6,477)	3,238	3,238
Trade & Other Receivables	12,189	-	-	-	-
<b>Financial liabilities:</b>					
Trade & Other Payables	387,873	-	-	-	-
Interest Bearing Liabilities	309,061	6,182	6,182	(3,091)	(3,091)
Other Financial Liabilities	373,004	-	-	-	-

No sensitivity analysis has been performed on foreign exchange risk as the Association is not exposed to foreign currency fluctuations.

**Net Fair Values**

*Fair value estimation*

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the Statement of Financial Position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Association. Most of these instruments which are carried at amortised cost (i.e. trade receivables, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the Association.

**Net Fair Value**

	Carrying Amount 2018 \$	Net Fair Value 2018 \$	Carrying Amount 2017 \$	Net Fair Value 2017 \$
<b>Financial Assets</b>				
Cash & Cash Equivalents	323,827	323,827	394,333	394,333
Trade & Other Receivables	12,189	12,189	3,143	3,143
<b>Total Financial Assets</b>	<b>336,016</b>	<b>336,016</b>	<b>397,476</b>	<b>397,476</b>
<b>Financial Liabilities</b>				
Trade & Other Payables	387,873	387,873	391,368	391,368
Interest Bearing Liabilities	309,061	309,061	394,731	394,731
Other Financial Liabilities	373,004	373,004	753,757	753,757
<b>Total Financial Liabilities</b>	<b>1,069,938</b>	<b>1,069,938</b>	<b>1,539,856</b>	<b>1,539,856</b>

**NOTE 22: FAIR VALUE MEASUREMENT**

The Association measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition

- land

The Association does not subsequently measure any liabilities at fair value on a recurring basis, or any asset or liabilities at fair value on a non-recurring basis.

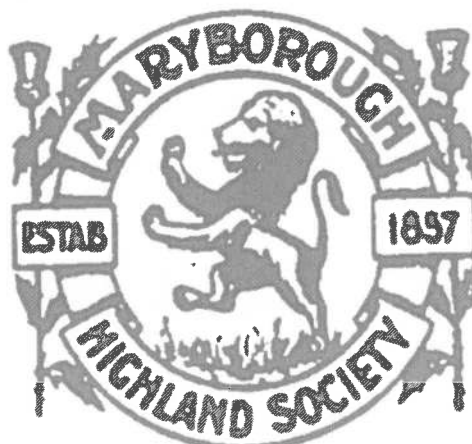
AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

- quoted prices in active markets for identical assets or liabilities (**Level 1**).
- inputs other than quoted process included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (**Level 2**).
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (**Level 3**).

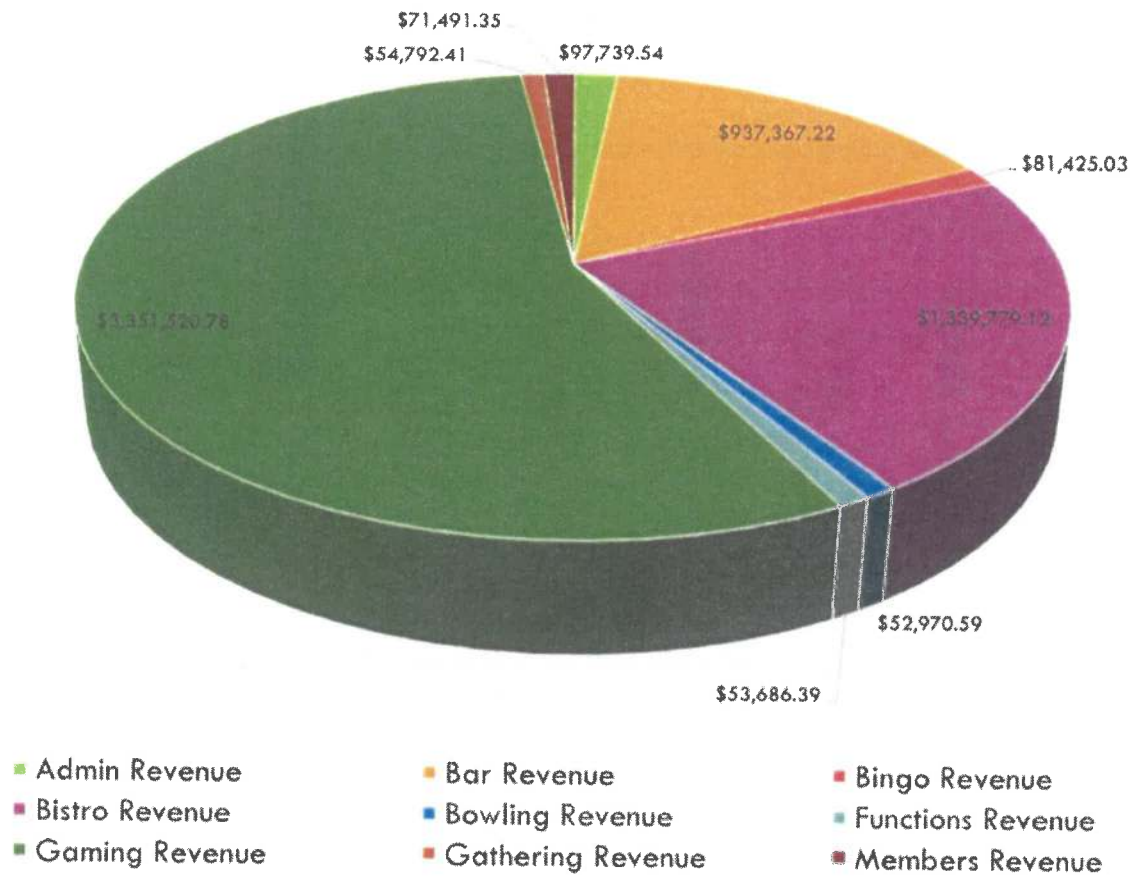
The following tables provide the fair values of the Association's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

<b>2018</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Non-financial assets</b>				
Buildings	-	-	2,978,094	2,978,094
Land	-	-	830,000	830,000
<b>Total non-financial assets recognised at fair value</b>	<b>-</b>	<b>-</b>	<b>3,808,094</b>	<b>3,808,094</b>

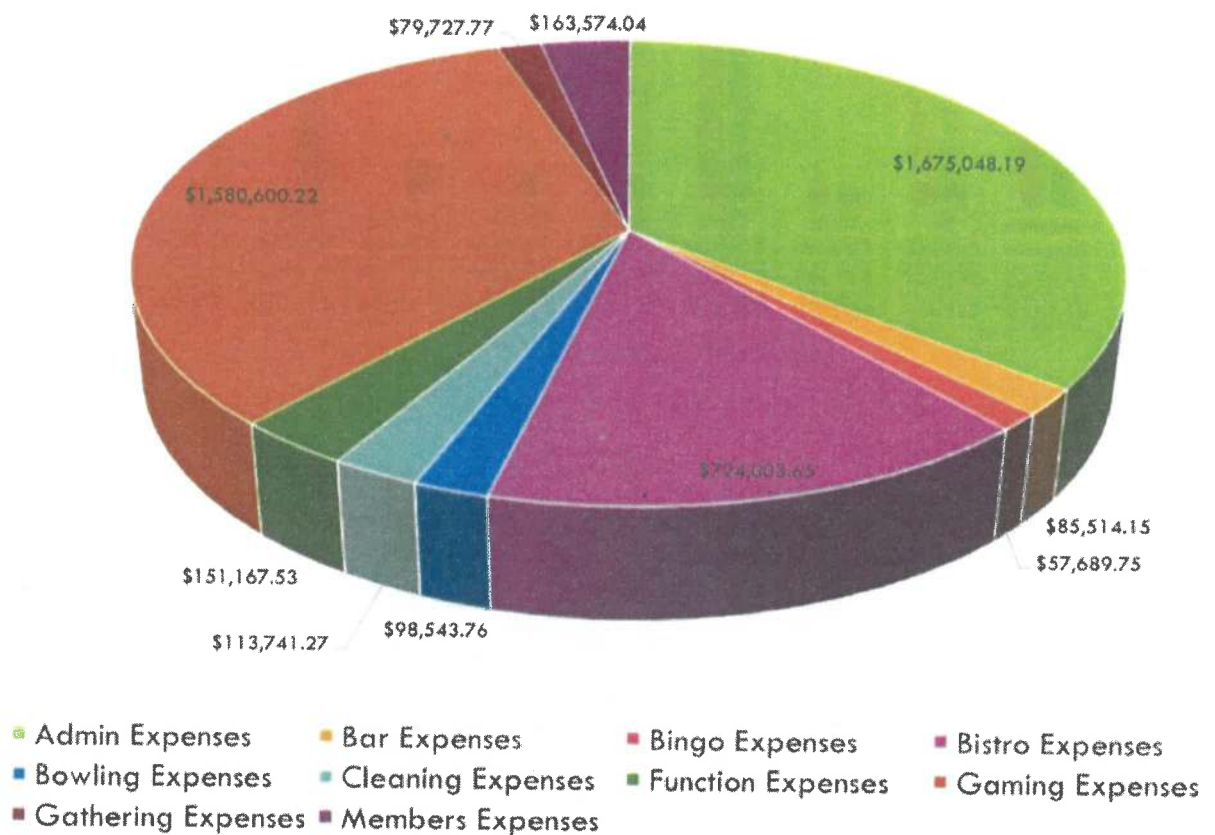
<b>2017</b>				
<b>Non-financial assets</b>				
Buildings	-	-	3,054,879	3,054,879
Land	-	-	830,000	830,000
<b>Total non-financial assets recognised at fair value</b>	<b>-</b>	<b>-</b>	<b>3,884,879</b>	<b>3,884,879</b>



## 2017 -2018 Income by Source



## 2017 -2018 Expenditure by Department



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# **B**OWLS PRESIDENT REPORT ---

Tony Lacey

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I am very pleased to present my annual report for the last bowls season.

This has been the second year of an amalgamated bowls club and I believe that the amalgamation has worked very well, with plenty of cooperation from all sides

The further development of the four year Strategic Plan has now put in place a real direction as to where our club is heading and I would like to thank Roger Watkins and Raelene Williams from ARC Ventures for the work they have done in developing this plan.

Over the last three months, members of both the greens committee and general committee have visited quite a few synthetic greens to gauge the best replacement for B green. The reason that this occurred was that the Highland Society Board were in favour of a synthetic replacement for B green and a subsequent survey of bowlers overwhelmingly favoured a synthetic green as opposed to grass. Over the next few months, a decision will be made as to the type of synthetic surface we will have.

Indoor bowls was once again a great success and our thanks go to the lady bowlers who made these days very enjoyable occasion.

Opening day was another huge success. Once again, it included our legacy day, which raised a substantial sum for legacy. Our thanks go to our Life Members for their continued sponsorship.

Our practice match against Bunninyong was once again a very enjoyable occasion and many friendships were renewed. I hope that this trend continues.

Unfortunately, due to the decline in numbers, some of the ladies events had to be curtailed. Thanks to all who took part in the events, which went ahead, and congratulations to the winners and runners up.

The mens' events were well supported and seemed to go smoothly. However, it is most important to make sure that matches are arranged and completed within the time allocated.

This year we had many members who won their way through to regional and state level. Congratulations to all of these bowlers. You have shown that with dedication and hard work you can match it with bowlers who constantly play in higher competitions.



To our pennant teams, this year we had six teams in Saturday and midweek pennant with five of those teams making it to the finals. Unfortunately, only one team, The Whites in the Saturday pennant was successful although both Tartan Sides made it through to the respective Grand finals. Congratulations to all bowlers who played pennant this year. Whether you were in the top or the bottom team no doubt you gave of your best.

Over the season many tournaments have been run. These have included Invitation Day, Monster Triples, Jackpot Triples and the Open Easter Pairs. Unfortunately, the Ern and Heather Weston event had to be cancelled. Most of these tournaments were well supported and hopefully will continue to be supported in the future.

Over the year, we had many sub-committees, which have ensured that bowls at the Maryborough Highland Society has run smoothly over the last season. These committees include Greens /

Ladies and Men's Match and Tournament / Catering / Welfare / Media / Selection Mid-week and Saturday and also members who looked after the School/social and Fun groups throughout the year. Also a big thank you to the ladies who gave their time to make the sandwiches for Saturday Pennant and the Jackpot triples. Also a big thank you to all those who helped in any way.

To my committee Thank you for a job well done To Dennis my hard working secretary who kept me on my toes, Gordon Leyton who over the last twelve months has contributed thousands of dollars with his \$2 swindle on a Wednesday and Friday night and at other opportune times. To the other board members Marj, Shirley and Corrie Who have all filled their role well, a big thank you.

It would be remiss of me not to mention the work of the late John Simmons. John worked tirelessly at this club and held many roles not in the least was that of treasurer. John will be sadly missed and his shoes will be hard to fill.

I believe that our club is at a crossroads. We can all sit on our backsides and make all the excuses under the sun as to why we cannot be involved in some way and then see this club slowly die, or we can all put our hands up and help to make this club the showpiece of the Division. The Highland Society Board are committing a lot of money to a new green and it is up to us to justify their spending. We need to entice groups here for barefoot bowls, wind up nights and even get schools involved. To this point, the primary schools in the district have, through a visit from myself and Josh Thornton, our bowls Australia representative, purchased Jack Attack kits and are now holding a round robin tournament on our green on the 22<sup>nd</sup> of June. I believe that this will be a big step forward.

We need to embrace the Strategic Plan and make it work.

I look forward to working with the new board and to a successful 2018/19

Tony Lacey  
President

#### MHS CLUB EVENT WINNERS 2017-18

Ladies Champion — Jan Turner

100up Winner — Jeanette Oliver

Men's Champion — Greg Shay

B Grade Champ — Mark Reeves

2 Bowl Winner — Garry Coburn

100up Winner — Greg Shay

President's Hcp Winner — Nathan Reeves

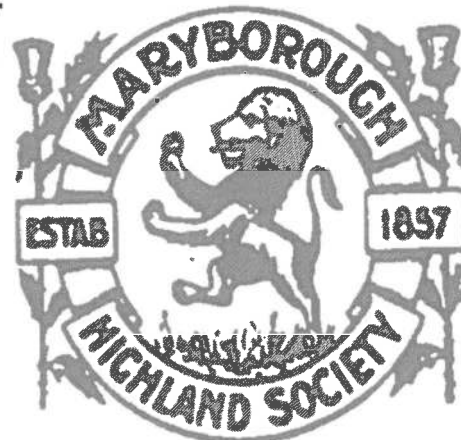
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# SPORT'S SECRETARY REPORT

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Nick Weaver

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The year 2018, the day the 1st January, the event, the 157<sup>th</sup> Maryborough Highland Gathering had finally arrived. After 11 meetings, plenty of phone calls and emails, rounding up sponsors, organising bands, food vans and dancing girls, discussions with the VAL, our day to shine was finally here.

It started perfectly with blue skies and the sun shining down upon on us with 29 degrees the expected temperature the day started well with our street parade. It was one of the biggest crowds our members had seen, some saying 10 to 15 deep at the presentation corner and with our special guest from Scotland, our Chieftan Don Campbell in prime position no one was going to be disappointed.

With 10 pipe bands playing strong and looking fantastic in their outfits, the crowd continues to grow, Pockets the Clown was great once again entertaining both sides of the street with his balloons and magic. One of the highlights of the day was Danny Mullins Fire Truck display and Dancing girl's spectacular performing in front of our President, Anne Canterbury and Chieftan, Don Campbell was something they will always remember. The kilted motorcyclist and old fashion cars were well received and the Maryborough Little Athletics Club was well presented too as they lead our bands and travelled down in the Carisbrook Lions Club train.

With the weather warming up and the parade was coming to an end, the crowd flowed through our gates like I've never seen before and with our new Team Staffing Gate Keepers everything seemed to flow well and no hold ups within the crowd. I believe this was a great move by the committee and that it will pay for itself in years to follow, by all reports from Roger Watkins and Tony Anderson and Jo from Team Staffing all gates went well and that they were welcomed by our patrons.

On entering Princes Park, it was wonderful to see everything had come together, the running arena looked fantastic, the grandstand was filling up and the sounds of the carnivals and kid's entertainment brought the families to a standstill, the 157<sup>th</sup> Maryborough Highland Gathering was alive!

In my position as Sports Secretary I'm aiming to help and please all our groups involved. With this in mind our Scottish Dancers again were very pleased with their area and facilities they had and their following seems to get bigger each year. In speaking with Chris and Bernadette from the Dancing Unions we again have looked at their final move for 2019 of which we are all happy with, so we will catch that Scottish feel as you walk in the gates with dancers, clan's tents and memorabilia all together.

The grassed area of carnival rides, kid's entertainment, face painting and cartoonists, wineries and food vans are working well. The zoo and the 8metre rock climbing wall was a popular attraction for 2018, just need a bit more work here and the families and picnic area will continue to grow. With discussions between Troy Quay, Showman's Guild, Glenn Hooper we will see what we can bring next year.

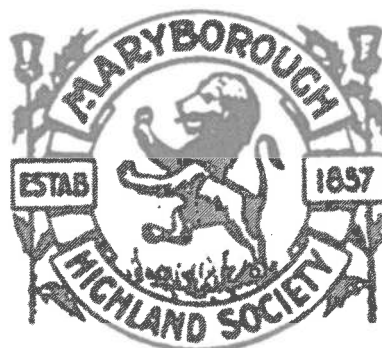
I was fortunate enough to be named Regional Club Manager of the Year this year at the Community Clubs Victoria Awards. This award, as nice as it is to be recognised by your peers, reflects the team effort from the Board to Management to all Staff. This is evident by the Highland Society being named finalist in 6 categories and winning two other awards - Gaming Club of the Year (based on our community contribution program and promoting gaming in a safe environment) and a Community Service Award and finalists in President of the Year (Anne Canterbury), Volunteer of the Year (Roger Watkins) and Regional Club Chef of the year (Jenna Townsend). Therefore, whilst this award has my name on it, it truly reflects the great team the Society are fortunate to have.

Every year I use this report to inform members of how exciting the future looks, but I don't believe that to be any more the case than it is right now. With our new Sports Bar only months away from finishing, the Society has positioned itself to go from strength to strength and continue to build on the foundations provided by the current Board. We have achieved so much this year; however, we must not rest on our successes but strive to even greater heights next year.

Malcolm Blandthorn

General Manager

Maryborough Highland Society



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# SPORT'S SECRETARY REPORT

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Nick Weaver

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With 10 pipe bands playing strong and looking fantastic in their outfits, the crowd continues to grow, Pockets the Clown was great once again entertaining both sides of the street with his balloons and magic. One of the highlights of the day was Danny Mullins Fire Truck display and Dancing girl's spectacular performing in front of our President, Anne Canterbury and Chieftan, Don Campbell was something they will always remember. The kilted motorcyclist and old fashion cars were well received and the Maryborough Little Athletics Club was well presented too as they lead our bands and travelled down in the Carisbrook Lions Club train.

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On entering Princes Park, it was wonderful to see everything had come together, the running arena looked fantastic, the grandstand was filling up and the sounds of the carnivals and kid's entertainment brought the families to a standstill, the 157th Maryborough Highland Gathering was alive!

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The grassed area of carnival rides, kid's entertainment, face painting and cartoonists, wineries and food vans are working well. The zoo and the 8metre rock climbing wall was a popular attraction for 2018, just need a bit more work here and the families and picnic area will continue to grow. With discussions between Troy Quay, Showman's Guild, Glenn Hooper we will see what we can bring next year.

No matter where you looked there was always something happening and that's why our Gathering is so unique. The oval was full of buzz and excitement as the running events proceeded, the pressure mounted to see who was going to be crowned our 2018 Maryborough Highland Society Max Martin Gift Winner, the crowd was not disappointed with over 520 athletes competing throughout the day and the Strongman events were also very entertaining. To Tom Burbridge and his VAL team thank

you so much for all your support, time and effort in helping our day run very smooth and with minimal time delays.

It was great to see our ladies 120m Sprint finally gather some momentum in sponsorship this year and it will be our 5 year plan to have the equality between the men's and ladies gift races, this will be a massive success for the club and will be well recognised throughout all of the Victorian Athletic Leagues. I believe we can use this to our advantage when promoting our day and if this happens earlier well it will certainly be taken seriously by the media too. This will be one to watch folks! We have something brewing already.

The Girl on the Drum was again a spectacular event of skill, courage and grace with the pipes and drums echoing through the grandstand as it was Bessie Penhall's final dance as the girl on the drum after 5 years. The sword dance was also great viewing and special thanks to Chris Plover and Gary Rogan on the amount of time and effort that they put in for a great exhibition on the day and for always trying something different and continuing the great tradition.

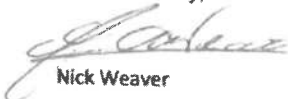
Overall, the 157th Maryborough Highland gathering was another great success for the club and community, we drew athletes and visitors from all over Australia to come to Maryborough, the weather was again perfect, all the events flowed and ran smoothly, the families and children were all entertained with the large array of amusements and to finish the day off we were all entertained by The Hoffman's and witnessed one of the best Firework Spectacular's so far.

To our 44 sponsors who have come on board this year thank you for all of your support and commitment and I hope this continues to build over the years as does your business, the future is looking great for this event and we are excited that you are able to be part of this special day in our home town.

To conclude my report I must thank Malcolm Blandthorn and Jaye Foon for their time and experience in putting paperwork together with our OHS and Safety Plans and for the great scoreboard and media work during the day. To Glenn Hooper our grounds person, he continues to amaze me with all that he knows and with his time and dedication to the event thank you very much, we both love this event as we have such a great understanding of what we want to achieve for this event to continue to grow and grow. To our wonderful volunteers who dedicate their time and effort year after year, its wonderful to see so many people come together as 1 team and get the job done on the 15th day of each year for the country to see, hold our heads high and be very proud of all our efforts.

Signing off for another great year and look forward to meeting all our volunteers and committee at our first meeting in February 2018. If anyone is interested in being a volunteer and would like to attend our meetings, please don't hesitate to contact the Maryborough Highland Society.

Yours Sincerely,



Nick Weaver

Sports Secretary, Maryborough Highland Gathering

