



ANNUAL REPORT

ARMIDALE EX-SERVICES
MEMORIAL CLUB LIMITED

2020

SERVICES
Giving More
back to our members

ARMIDALE EX SERVICES MEMORIAL CLUB LIMITED
ACN 000 979 377

NOTICE OF ANNUAL GENERAL MEETING AND RESOLUTIONS

NOTICE is hereby given of the Annual General Meeting of **ARMIDALE EX SERVICES MEMORIAL CLUB LIMITED** to be held on **Wednesday, 23 September 2020** commencing at the hour of **6:00 pm** at the premises of the Club, Dumaresq Street, Armidale, New South Wales.

Note:

- Registrations will commence at **5:15 pm** and finish at **5:59 pm**.
- Doors will close at **6:00 pm**.

BUSINESS

The business of the meeting will be as follows:

1. Apologies.
2. To confirm the minutes of the previous Annual General Meeting held on 25th September 2019.
3. To receive and consider the President's Report, Chief Executive Officer's Report, Directors' Report, Financial Report and Auditor's Report. Copies of these reports are available on the Club's website (www.armidaleservies.com.au) or on request at the Club.

Note:

Members who have any questions in relation to any report are requested to submit their questions in writing to the Chief Executive Officer by 5:00pm on **Monday, 14th September 2020**. If questions are not submitted in this manner, the Club may not be able to provide a complete answer at the Annual General Meeting.

4. To consider the Ordinary Resolutions set out in this Notice.
5. To conduct the election of the Board.
6. General business.

ORDINARY RESOLUTIONS

Procedural Notes on Ordinary Resolutions

1. Each Ordinary Resolution will be considered separately.
2. To be passed, an Ordinary Resolution must receive votes in favour from a majority (50% plus 1) of those members who, being eligible to do so, vote in person on the Ordinary Resolution at the meeting.
3. **Only Life members, financial Service members and financial General members are eligible to vote on the Ordinary Resolutions.**
4. The Registered Clubs Act provides that:
 - (a) members who are employees of the Club are not entitled to vote; and
 - (b) proxy voting is prohibited.
6. The Board of the Club recommends the Ordinary Resolutions to members.

FIRST ORDINARY RESOLUTION

That:

- (a) The Members hereby approve and agree to expenditure by the Club in a sum not exceeding twenty thousand dollars (\$20,000.00) until the next Annual General Meeting of the Club for the following activities:
 - (i) The reasonable costs of directors attending seminars, lectures and other educational activities as determined by the Board from time to time.
 - (ii) The reasonable costs (including meal, travel and accommodation expenses) of directors and their spouses/partners attending meetings, conferences, trade shows and functions conducted by ClubsNSW, the Club Managers Association and the RSL & Services Clubs Association and such other conferences and trade shows as determined by the Board from time to time.
 - (iii) The reasonable cost of a meal and beverage for each director immediately before or immediately after, a Board or Committee Meeting on the day of that meeting, when that meeting corresponds with a normal mealtime.
 - (iv) Reasonable expenditure by the Club on an annual dinner to give thanks to directors of the Club and their spouses/partners.
 - (v) The reasonable expenses incurred by directors either within the Club or elsewhere in relation to such other duties including entertainment of special guests of the Club and other promotional activities approved by the Board on production of documentary evidence of such expenditure.
 - (vi) The reasonable cost of an electronic device (such as an iPad, tablet or other similar device) and internet access (if required) being made available to directors of the Club.
 - (vii) The reasonable cost of directors attending any other registered club for the purpose of viewing and assessing its facilities as determined by the Board as being necessary for the benefit of the Club.
 - (viii) The reasonable cost of directors (and their spouses/partners if required) attending any club, community or charity function as the representatives of the Club and authorised by the Board to do so.
 - (ix) The reasonable cost of Club uniforms being provided to directors as required.
 - (x) The provision of one (1) designated car parking space in the Club's car park for use by the President.
 - (xi) The provision of one (1) designated car parking space in the Club's car park for use by the Vice President and ordinary directors.
- (b) The members acknowledge that the benefits in paragraph (a) are not available for members generally but are only for those who are directors (and their spouses/partners in certain circumstances) of the Club.

Notes to Members on First Ordinary Resolution

1. The First Ordinary Resolution is to have the members in general meeting approve expenditure by the Club on directors (and their spouses/partners in certain circumstances) for a maximum amount of twenty thousand dollars (\$20,000.00) in respect of the matters set out in the First Ordinary Resolution.
2. Included in the First Ordinary Resolution is the cost of directors attending seminars, lectures, trade displays and other similar events to be kept abreast of current trends and developments which may have a significant bearing on the Club.

SECOND ORDINARY RESOLUTION

That the members hereby approve:

- (a) The payment of the following honorariums to directors of the Club for services as directors of the Club until the next Annual General Meeting:
 - (i) President - \$8,500.00.
 - (ii) Vice President - \$4,500.00.
 - (iii) Ordinary Directors - \$4,000.00 each.
- (b) Such honorariums to be paid quarterly in arrears or in such other instalments as the Club and the President, Vice President or directors may agree from time to time.
- (c) If the President, Vice President or a director only holds office for part of the term, the honorarium shall be paid on a pro-rata basis.

Notes to Members on Second Ordinary Resolution

- 1. The Second Ordinary Resolution is to have the members approve honorariums for the directors of the Club for duties to be performed by them until the next Annual General Meeting.
- 2. The honorariums will be paid on a pro-rata basis which means that if the President, Vice President or a director only holds office for part of the year, that person will only receive part of the honorarium.
- 3. The amounts for the proposed honorariums are the same as were approved last year.

Dated:

By direction of the Board

Scott Sullivan

Scott Sullivan
Chief Executive Officer

Presidents Report 2020

'We are living in unprecedented times' could be one of the most overused statements of 2020 and I hesitate to use it but 2020 has seen unprecedented times for the Armidale Ex-Services Club!

The 23rd March 2020 saw the club close due to the Covid 19 pandemic, the club was closed for 10 weeks the only time in its existence the club has been closed for any extended period of time. At the start with all the unknowns and after the initial shock, the unknowns were the biggest problem, can we go outside, are we locked down to the house, do I need more toilet paper? I must commend CEO Scott Sullivan and Deputy CEO Troy Gale for their outstanding management of the club and leadership of the staff during these difficult times. The 1st June 2020 saw the club re-open under the new restrictions and the members and guests were welcomed back with the open arms.

Sadly Friday 13th March 2020, saw the passing of long serving board member John Hamel. John was a very loyal and respected board member having dedicated many years of his life to service of the Armidale Ex-Services Club. On behalf of the board I take this opportunity to pass our condolences to his wife Beryl and family. John is sadly missed at the Club.

The motel development continues to move forward despite the pandemic. The Board is currently finalizing the Stage 1 detailed design with the hope of a construction certificate being issued by the end of the year so that construction can commence early in 2021. The sewer diversion works have been completed during the year. I am very excited by this development and the new opportunities that it will bring for the Armidale Ex-Services Club and the wider Armidale community.

In closing I would like to extend my appreciation to the dedicated and committed staff of the Armidale Ex-Services Club who have dealt with the difficulties of the past months with courage and a positive attitude. To our members I also offer my thanks for your co-operation and patience with the changes that we have had to implement to make the Club a safer place for all. I look forward to 2021 and encourage everybody to stay safe.



Brian Everett

CEO REPORT

To say that this year will go down as “a monumental moment in the history of the club” I feel would be an understatement. It was and will be a date and time that will last in my memory, being the 23rd March 2020 at 12 noon, when I was forced to close the doors of the Servies due to the Federal Governments orders in response to the COVID-19 pandemic. At the time of closure, the doors were being closed for the unforeseeable future and there was no advice from the government as to when the doors would be able to be re-opened.

Similarly, the 1st June 2020 will be a date etched in history and in my memory in that this was the date the club was able to be re-opened due to the COVID-19 pandemic. We were allowed to re-open under reduced patron capacity and restrictions, especially around social distancing (i.e. 1.5 metre rule) for patrons.

In order to ensure that we were able to offer our members and the wider Armidale community a “social experience in a safe environment” upon re-opening we developed an extensive safety plan and registered as a COVID SAFE business. We also conducted extensive staff induction and training in relation to our Covid-19 practices and protocols which also increased our cleanliness and hygiene practises.

This year’s result (after income tax) compared to the previous year is as follows:

	<u>2020</u>	<u>2019</u>
• Profit from operations of the Club	\$ 428,153	\$ 612,070
• Surplus from Discontinued Operations (Hobbit Pre School)	\$ -	\$ 369,467
• Profit from Cinema lease	<u>\$ 112,761</u>	<u>\$ 94,330</u>
Operating Surplus / (deficit) from company operations	<u>\$ 540,914</u>	<u>\$ 1,075,867</u>

Through the support of our members the club has again been able to achieve a strong financial result. Through the achievement of strong financial results over the past few years, it is with great pride, that I can advise members that during the Covid-19 shutdown period the club was able to ensure that all permanent staff remained fully financially supported even during the periods until government subsidies were introduced and received.

I would like to take this opportunity to sincerely thank and acknowledge the team of staff and management at the Servies for their contribution, effort and support throughout this year. Particularly during the Covid-19 shutdown period and upon re-opening in how they have adapted, embraced and supported the clubs Covid-19 procedures and protocols.

Motel Development

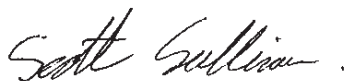
During 2019-20 the board and management have been continuing to work with Rice Construction Group Pty Ltd to finalise the detailed design drawings of the motel. I am pleased to report that the detailed architectural drawings of the motel were signed off by the board on the 25th July 2020. Given the detailed drawings have now been signed off, this will enable Rice Construction Group to finalise the required service specifications and drawings and ensure compliance to building codes are complied with. At this stage, it is envisaged that we should see the respective construction certificates for the motel development being issued in late August / early September 2020.

Whilst the Covid-19 situation may have slightly slowed the motel project development, the vision and intent of the club is to continue to proceed with this development.

Interestingly, in my 2019 annual report I reported that I envisaged that the actual building works would commence at the end of 2019 or early 2020. Given the current status of the project and should the Covid-19 situation have no further adverse impact on our business the club should now see the motel project commencing in early 2021.

I would also like to thank the club's board members who contribute their time ensuring that the Board fulfils its responsibilities and governance of the club's assets in a professional and compliant manner. I would further like to thank the board for their support of staff and management during the year, particularly during the Covid-19 shutdown period.

Finally, I'd like to again thank all members for their ongoing support, encourage and patronage of the Club as this means a lot to staff and management. I look forward to the continued support of our members in the year ahead, whatever that year may bring, and in a similar spirit to the ANZAC's lets us all "stick and work together" to ensure a safe social experience at the Servies and the safety of the wider Armidale community as a whole.



Scott Sullivan

Chief Executive Officer

ARMIDALE EX-SERVICES MEMORIAL CLUB LTD
ABN 61 000 979 377

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

ARMIDALE EX-SERVICES MEMORIAL CLUB LTD
ABN 61 000 979 377

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Your directors present their report on the company for the financial year ended 30 June 2020.

Principal Activities

The company's principal activities are the operation of a licensed registered club providing amenities to members.

These principal activities assist in achieving the short term and long term objectives of the company by:

- providing entertainment, dining, gaming and social facilities for members and the community.
- providing sporting facilities for the members and the community.
- providing turnover, cash flow and profit to meet the financial objectives of the company.

Short and Long Term Objectives of the Company

The company has identified the following short term objectives:

- to maintain the clubs core business growth.
- to provide services to members commensurate with industry needs and regulatory requirements.
- to commence the development of a motel operation.
- to continue to improve the clubs facilities for members.
- to continue to develop the IT within the club.

The company has identified the following long term objectives:

- to investigate improvements and extensions to existing member car parking facilities.
- to continue to explore business diversification avenues to reduce reliance on current core business revenue.

Strategies

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

- 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 preparation of a business strategic plan to identify the opportunities and strengths of the company to provide for a sustainable future.
- close monitoring of current business activities and cashflow returns to financially plan the strategies.

Performance Measurement

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

- Profit, before income tax expense for continuing operations, for the financial year was \$580,516 (2019: \$765,043).
- Cash flow from operating activities for the financial year was \$1,056,748 (2019: \$1,757,077).
- Membership for the financial year was 6,865.

Disruption of trade COVID-19

During the year the World Health Organisation declared a global pandemic. As a result the Australian Government imposed strict restrictions on Registered Clubs imposing a forced closure. These restrictions were eased in June 2020.

The Armidale Ex-Services Memorial Club Ltd was unable to trade between 23 March 2020 and 1 June 2020.

ARMIDALE EX-SERVICES MEMORIAL CLUB LTD
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DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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
Brian D Everett	President	Appointed 29 June 2009	Self employed fire, safety and security business proprietor. Appointed as President on 28 November 2012.
Mark D Bullen	Vice President	Appointed 12 October 2007	Self employed bicycle shop proprietor
Peter A Georkas	Director	Appointed 24 January 2018	Self employed real estate agent
John M Hamel	Director	Appointed 17 October 2004 Resigned 13 March 2020	Self employed grazier
Paul J Kennedy	Director	Appointed 22 November 2017	Owner and operator of local freight distribution business.
Sue Nelson	Director	Appointed 6 June 2016	Retirement village manager and former business owner
Francesco Falcomata	Director	Appointed 22 July 2020	Solicitor

Meetings of Directors

During the financial year, 17 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
Brian D Everett	17	16
Mark D Bullen	17	17
Paul J Kennedy	17	16
Peter A Georkas	17	16
John M Hamel	13	11
Sue Nelson	17	14
Francesco Falcomata	-	-

Company Secretary

Scott Sullivan was appointed as the Company Secretary on 5 February 2013. Scott is a Chartered Accountant with a Bachelor of Financial Administration.

ARMIDALE EX-SERVICES MEMORIAL CLUB LTD
ABN 61 000 979 377

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Membership Details

The Armidale Ex-Services Memorial 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	6,661	\$ 1	\$ 6,661
Service Members	203	\$ 1	\$ 203
Life Members	1	\$ 1	\$ 1
Total	6,865	\$ 1	\$ 6,865

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



Brian D Everett
President



Sue Nelson
Director

Dated: 12 August 2020

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
ARMIDALE EX-SERVICES MEMORIAL CLUB LIMITED
ABN 61 000 979 377**

I declare that, to the best of my knowledge and belief, during the financial year to 30 June 2020 there have been:

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

CROWE CENTRAL NORTH



Kylie Ellis

Audit Partner

Registered Company Auditor (ASIC RAN 483424)

90 Rusden St

ARMIDALE NSW 2350

Dated: 12 August 2020

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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ARMIDALE EX-SERVICES MEMORIAL CLUB LTD
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Revenue	2	6,199,427	7,524,455
Other income	3	334,761	112,916
Interest revenue calculated using the effective interest method		31,696	35,559
Advertising and promotional expenses		(764,728)	(1,088,162)
Cost of goods sold	4	(1,509,256)	(1,923,156)
Depreciation expense	4	(683,429)	(679,535)
Loss on disposal of fixed assets		(22,980)	(23,756)
Employee benefits expense		(1,846,046)	(1,971,214)
Finance costs		(5,536)	(10,614)
Occupancy costs		(853,622)	(928,568)
Other expenses		(299,771)	(282,882)
Surplus before income tax expense attributable to members		580,516	765,043
Income tax revenue/(expense)	1(b), 5	(39,602)	(58,643)
Surplus from continuing operations		540,914	706,400
Surplus from discontinued operations	6	-	369,467
Surplus after income tax expense		540,914	1,075,867
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to members		540,914	1,075,867

ARMIDALE EX-SERVICES MEMORIAL CLUB LTD
ABN 61 000 979 377

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	2,128,379	1,135,805
Trade and other receivables	8	92,267	5,248
Inventories	9	32,448	50,092
Financial assets	10	-	1,600,000
Other current assets	11	40,551	76,336
TOTAL CURRENT ASSETS		2,293,645	2,867,481
NON CURRENT ASSETS			
Property, plant and equipment	12	9,704,501	8,746,737
Deferred tax assets	16	15,746	10,135
Intangible assets	13	60,000	60,000
TOTAL NON CURRENT ASSETS		9,780,247	8,816,872
TOTAL ASSETS		12,073,892	11,684,353
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	735,159	871,430
Contract liabilities	15	102,284	-
Current tax liabilities	16	24,344	151,910
Employee benefits	17	155,183	141,196
Other liabilities	18	36,493	42,773
TOTAL CURRENT LIABILITIES		1,053,463	1,207,309
NON CURRENT LIABILITIES			
Employee benefits	17	27,030	21,764
Contract liabilities	15	1,896	-
Other liabilities	18	-	4,691
TOTAL NON CURRENT LIABILITIES		28,926	26,455
TOTAL LIABILITIES		1,082,389	1,233,764
NET ASSETS		10,991,503	10,450,589
EQUITY			
Retained surpluses		10,991,503	10,450,589
TOTAL EQUITY		10,991,503	10,450,589

ARMIDALE EX-SERVICES MEMORIAL CLUB LTD
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Retained Surpluses \$	Total \$
Balance at 1 July 2018	9,374,722	9,374,722
Surplus after income tax expense	1,075,867	1,075,867
Total other comprehensive income for the year	-	-
Balance at 30 June 2019	<u>10,450,589</u>	<u>10,450,589</u>
Surplus after income tax expense	540,914	540,914
Total other comprehensive loss for the year	-	-
Balance at 30 June 2020	<u>10,991,503</u>	<u>10,991,503</u>

ARMIDALE EX-SERVICES MEMORIAL CLUB LTD
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		7,093,035	8,547,337
Payments to suppliers and employees		(5,889,668)	(6,763,271)
Interest received		31,696	35,559
Interest and other finance costs paid		(5,536)	(10,614)
Income tax paid		(172,779)	(51,934)
Net cash provided by operating activities		<u>1,056,748</u>	<u>1,757,077</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	956,475
Purchase of property, plant and equipment		(1,664,174)	(982,072)
Net receipts from/(payment to) investments		<u>1,600,000</u>	<u>(1,600,000)</u>
Net cash (used in)/provided by investing activities		<u>(64,174)</u>	<u>(1,625,597)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	(5)
Net cash provided by/(used in) financing activities		<u>-</u>	<u>(5)</u>
Net (decrease)/increase in cash held		992,574	131,475
Cash at the beginning of the financial year		<u>1,135,805</u>	<u>1,004,330</u>
Cash at the end of the financial year	7 (a)	<u>2,128,379</u>	<u>1,135,805</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements cover Armidale Ex-Services Memorial Club Ltd as an individual entity. Armidale Ex-Services Memorial 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.

Historical cost convention

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.

Critical accounting estimates

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 areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1 (k).

The financial statements were authorised for issue on 12 August 2020 by the directors of the company.

Accounting Policies

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.

(a) Revenue

The Company recognises revenue as follows:

Revenue from contracts with customers

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

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of Goods

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

Rendering of Services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Rent

Rent revenue from the Cinema is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Volunteer services

The company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

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

(b) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

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 calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and 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.

Current tax assets and liabilities are offset where a legally enforceable right to set-off exists and is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, and the deferred tax assets and liabilities relates to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(d) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

(e) Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	2.5 - 13%
Plant and equipment	5 - 40%
Poker machines	20%
Bowling greens and equipment	5 - 20%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(f) Investments and Other Financial Assets

Investments and other financial assets, other than investments in associates, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

(g) Impairment of Non-Financial Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an 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 value. Any excess of the asset's carrying value of its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

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

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

(h) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) Contract Liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

(j) Employee Benefits

Short-term employee benefits

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

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at 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 corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

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

(k) 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 Taxation Office (ATO). In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense. 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 on a gross basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

(l) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Revenue from Contracts with Customers

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income Tax

The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Employee Benefits Provision

As discussed in note 1 (j), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(m) Discontinued operation

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished from the rest of the Company, and which:

- represents a separate major line of business or geographic area of operations;
- is a part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- or is component acquired exclusively for resale

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss or other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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

New of amended Accounting Standards and Interpretations Adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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

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

AASB 15 Revenue from Contracts with Customers

The company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 1058 Income of Not-for-Profit Entities

The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Impact of Adoption

AASB 15 and AASB 1058 have all been adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

	Carrying amount at 30 June 2019 \$	Reclassification \$	Remeasurement \$	Carrying amount at 1 July 2019 \$
Trade and other payables	871,431	(82,295)	-	789,136
Other liabilities	47,464	(21,709)	-	25,755
Contract Liabilities	-	104,004	-	104,004
Total	918,895	-	-	918,895

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Note 2: Revenue			
Revenue from contracts with customers			
Sales - Trading		1,695,684	2,190,078
Subscriptions		12,395	19,922
TAB and Keno commission		80,313	89,294
Green fees		7,610	8,323
Sponsorship		1,200	2,517
Equipment and room hire		66,138	88,810
Poker machine revenue		4,061,870	4,620,465
Bingo and raffles		259,960	378,327
Other commissions		6,750	8,261
Newspaper and merchandise sales		267	326
Ticket sales		4,531	72,744
Total revenue from contracts with customers		<u>6,196,718</u>	<u>7,507,719</u>
Other revenue			
Donations		2,395	3,999
Sundry income		314	12,737
Total other revenue		<u>2,709</u>	<u>16,736</u>
Total revenue		<u>6,199,427</u>	<u>7,524,455</u>
Disaggregation of revenue			
Timing of revenue recognition			
Goods transferred at a point in time		6,012,742	-
Service transferred over time		183,976	-
		<u>6,196,718</u>	<u>-</u>

AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been provided for disaggregation of revenue.

Note 3: Other Income

Government subsidies	222,000	-
Rental income	112,761	111,034
Profit on disposal of assets	-	1,882
Total other income	<u>334,761</u>	<u>112,916</u>

Note 4: Expenses

Profit before income tax includes the following specific expenses:

Cost of sales	1,509,256	1,923,156
Donations and sponsorships	127,019	198,879
Member benefits	584,275	819,843
Depreciation expense	683,429	679,535
Salary and wages	1,584,211	1,644,639
Superannuation	145,113	154,247
Cleaning and waste removal	187,883	250,460
Electricity and gas	209,935	256,109
Director expenses	23,823	38,328
Repairs and maintenance	294,107	258,719

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
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Note 5: Income Tax Expense

(a) The prima facie tax on surplus from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax payable on surplus from ordinary activities before income tax at 27.5% (2019: 27.5%)		159,642	348,404
Add: Tax effect of;			
Net capital gain		-	137,623
Non deductible exempt income expenditure		1,200,053	1,421,790
Other assessable income		-	3,863
Non deductible expenses		205,003	204,549
Deferred Tax Asset		(5,611)	10,180
Less: Tax effect of;			
Deduction for decline in value of depreciating assets		(31,328)	(32,660)
Exempt income		(1,477,062)	(1,738,744)
Other income not included in assessable income		-	(147,582)
Other deductible expenses		(11,095)	(16,370)
Income tax expense/(revenue) attributable to the company		39,602	191,053

Note 6: Discontinued Operations

In December 2018 the Company sold the Hobbit Preschool. Management committed to a plan to sell this enterprise following a strategic decision to place greater focus on the Company's core operations and motel development.

The financial performance of the discontinued operation to the date of sale which is included in profit/loss from discontinued operations in the income statement is as follows:

Revenue	-	279,148
Expenses	-	(293,375)
Results from operating activities	-	(14,227)
Income tax	-	-
Results from operating activities net of tax	-	(14,227)
Gain on sale of discontinued operation	-	516,104
Income tax on gain on sale of discontinued operation	-	(132,410)
Profit/(loss) from discontinued operations, net of tax	-	369,467

Note 7: Cash and Cash Equivalents

Cash on hand	177,079	203,082
Cash at bank	1,951,300	932,723
	2,128,379	1,135,805

(a) Reconciliation of cash and cash equivalents

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Cash and cash equivalents	2,128,379	1,135,805
	2,128,379	1,135,805

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Note 8: Trade and Other Receivables			
CURRENT			
Trade receivables		92,267	5,248
		<u>92,267</u>	<u>5,248</u>
Note 9: Inventories			
CURRENT			
Stock on Hand, at cost		32,448	50,092
Note 10: Financial assets			
CURRENT			
- term deposits, at amortised cost		-	1,600,000
Note 11: Other Assets			
CURRENT			
Accrued income		-	20,559
Bonds paid		5,500	5,500
Prepayments		35,051	50,277
		<u>40,551</u>	<u>76,336</u>
Note 12: Property, Plant & Equipment			
Land and Buildings (at cost)			
Capital works in progress		1,144,989	232,137
Freehold land and buildings		7,145,606	6,640,853
Less: Accumulated depreciation		(1,312,681)	(1,097,168)
		<u>5,832,925</u>	<u>5,543,685</u>
Buildings - Theatre Complex		987,700	987,700
Less: Accumulated depreciation		(576,566)	(566,025)
		<u>411,134</u>	<u>421,675</u>
Buildings - Motel		118,929	118,929
Less: Accumulated depreciation		-	-
		<u>118,929</u>	<u>118,929</u>
Total Land and Buildings		<u>7,507,977</u>	<u>6,316,426</u>
Plant and Equipment (at cost)			
Plant and equipment		2,405,481	2,399,056
Less: Accumulated depreciation		(1,553,379)	(1,407,818)
		<u>852,102</u>	<u>991,238</u>
Poker machines		2,767,162	2,757,673
Less: Accumulated depreciation		(1,540,806)	(1,450,467)
		<u>1,226,356</u>	<u>1,307,206</u>
Motor vehicles		64,032	64,032
Less: Accumulated depreciation		(33,261)	(27,814)
		<u>30,771</u>	<u>36,218</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Bowling greens and equipment		139,127	139,083
Less: Accumulated depreciation		(51,832)	(43,434)
		<u>87,295</u>	<u>95,649</u>
Total Plant and Equipment		<u>2,196,524</u>	<u>2,430,311</u>
Total Property, Plant and Equipment		<u>9,704,501</u>	<u>8,746,737</u>

(a) Movements in carrying amounts

	Land and Buildings \$	Plant and Equipment \$	Total \$
Balance at the beginning of the year	6,316,426	2,430,311	8,746,737
Additions	1,530,352	152,147	1,682,499
Transfers	(112,747)	104,600	(8,147)
Disposals	-	(33,159)	(33,159)
Depreciation expense	(226,054)	(457,375)	(683,429)
Carrying amount at the end of the year	<u>7,507,977</u>	<u>2,196,524</u>	<u>9,704,501</u>

(b) No impairment has been recognised in respect of plant and equipment.

(c) Lessor commitments

Minimum lease commitments receivable but not recognised in the financial statements:

Within one year	113,625	-
One to five years	340,875	-
More than five years	<u>72,265</u>	<u>-</u>
	<u>526,765</u>	<u>-</u>

AASB 16 was adopted using the modified retrospective approach and as such comparatives have not been provided for lessor commitments.

Note 13: Intangible Assets

Poker machine entitlements (at cost)	<u>60,000</u>	<u>60,000</u>
	<u>60,000</u>	<u>60,000</u>

Note 14: Trade and Other Payables

CURRENT

Unsecured liabilities;		
Trade payables	240,251	476,554
Poker machine duty payable	311,998	80,716
Sundry payables and accrued expenses	135,022	202,053
GST and PAYG payable	<u>47,888</u>	<u>112,107</u>
	<u>735,159</u>	<u>871,430</u>

Note 15: Contract Liabilities

CURRENT

Member subscriptions received in advance	3,010	-
Poker machine jackpot liability	<u>99,274</u>	<u>-</u>
	<u>102,284</u>	<u>-</u>

NON-CURRENT

Member subscriptions received in advance	<u>1,896</u>	<u>-</u>
	<u>1,896</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Note 16: Tax assets and liabilities			
(a) Liabilities			
CURRENT			
Income tax		<u>24,344</u>	<u>151,910</u>
(b) Assets			
NON-CURRENT			
Deferred tax asset		<u>15,746</u>	<u>10,135</u>
Note 17: Employee Benefits			
CURRENT			
Employee benefits		<u>155,183</u>	<u>141,196</u>
		<u>155,183</u>	<u>141,196</u>
NON-CURRENT			
Employee benefits		<u>27,030</u>	<u>21,764</u>
		<u>27,030</u>	<u>21,764</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 18: Other Liabilities			
CURRENT			
Other income received in advance		<u>36,493</u>	<u>42,773</u>
		<u>36,493</u>	<u>42,773</u>
NON-CURRENT			
Other income received in advance		<u>-</u>	<u>4,691</u>
		<u>-</u>	<u>4,691</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Note 19: Capital Commitments			
The amounts committed at each year end are as follows;			
Motel development Stage 1		437,805	-
Air conditioning upgrade		-	609,885
Sewer upgrade		-	566,400
		437,805	1,176,285

- On 11 July 2019 the Club entered an agreement with Rice Construction Group Pty Ltd for Stage 1 of a motel development. The remaining amount of this commitment payable is noted above.

Under Clause 34.2 of the contract, each party to the agreement has signed a Notice of Delay due to the impact of COVID-19. Neither party will be penalised for the suspension of work as outlined in the contract.

- On 28 August 2019 the Directors authorised a Letter of Offer from CBA totalling \$7.5m in relation to funding the motel development along with relevant security documents. On 6 April 2020, due to the original Letter of Offer not being drawn down a new Letter of Offer under the same terms as the original was executed. At the time of signing this report, this facility has still not been drawn down.

- The lease of the land which the Club car park is situated expired during the 2017 financial year and is now ongoing on a month by month basis. This lease was a peppercorn lease requiring payment of \$1 per year. The club is currently in negotiation with Council in respect of renewing the lease at commercial rates or purchasing the land.

Note 20: Events After the End of the Reporting Period

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the matters noted above, no others 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
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Note 21: Related Party Transactions

Key Management Personnel

The totals of remuneration paid to key management personnel (KMP) during the year are as follows:

Key management personnel compensation

Short term benefits		<u>966,633</u>	<u>728,530</u>
		<u>966,633</u>	<u>728,530</u>

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:

Director, G McCarroll, has an interest in a motor dealership that provides services to the club.

-	964
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Director, B Everett, has an interest in a fire and safety business and a security business that provides services to the club.

<u>22,153</u>	<u>35,412</u>
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Director, M Bullen, has an interest in a bicycle centre that provides services to the club.

<u>3,500</u>	<u>4,546</u>
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Director, P Kennedy, has an interest in a transport service that provides services to the club.

<u>952</u>	<u>1,245</u>
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CEO's relation, B Sullivan, has an interest in a cabinetry business that provided services to the club.

<u>30,900</u>	<u>-</u>
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During the year Sophie Gale was employed within the Club in the role of a casual waitress. Sophie is the daughter of Troy Gale, who is a key management personnel of the Club. She is paid under normal award rates and conditions.

Note 22: Company Details

The club is incorporated and domiciled in Australia as a company limited by guarantee.

The registered office and principal place of business is:

Armidale Ex Services Memorial Club Limited
137 Dumaresq Street
ARMIDALE NSW 2350

ARMIDALE EX-SERVICES MEMORIAL CLUB LTD
ABN 61 000 979 377

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2020

The directors of the company declare that:

1. the financial statements and notes, as set out in pages 5 to 21, are in accordance with the Corporations Act 2001, and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the company;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Brian D Everett
President



Sue Nelson
Director

Dated: 12 August 2020

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ARMIDALE EX-SERVICES MEMORIAL CLUB LIMITED
ABN 61 000 979 377**

Opinion

We have audited the financial report of Armidale Ex-Services Memorial Club Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other 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 2020 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 (including Independence Standards) (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.

Emphasis of Matter

We draw attention to Note 20 of the financial statements, which describes the effects of the World Health Organisation's declaration of a global health emergency relating to the spread of COVID-19. Our opinion is not modified in respect of this matter.

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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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 2020, 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.

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- 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)

90 Rusden St
ARMIDALE NSW 2350

Dated: 13 August 2018

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SUMMARY OF 10 YEAR HISTORY

Year	Assets	Liabilities	Net Assets	Gross Receipts	Administrative & General Expenses	Taxes & Licence Fees	Donations Welfare & Sports Grants	Cash Flow Operating Surplus	Depreciation & Provisions	Net Profit After Tax
2011	9,321,296	1,542,277	7,779,019	5,265,956	3,443,849	594,218	89,338	233,518	380,320	-74,206
2012	9,306,675	1,420,126	7,886,549	5,531,269	2,971,373	629,074	137,357	560,878	450,916	107,530
2013	8,974,586	1,472,181	7,502,425	6,248,133	3,584,096	557,560	159,126	396,509	693,260	-384,124
2014	9,541,765	1,420,946	8,120,819	7,456,217	3,455,338	642,621	182,932	669,004	380,633	618,394
2015	10,055,048	2,328,688	7,726,360	6,929,598	3,483,365	838,999	272,016	625,102	457,595	-394,459
2016	9,670,358	1,508,817	8,161,541	7,744,847	3,516,939	825,811	194,717	1,404,868	669,358	435,181
2017	9,645,155	873,098	8,772,057	7,939,141	4,016,279	747,731	148,545	1,568,197	675,488	610,516
2018	10,322,519	947,797	9,374,722	8,003,748	3,854,909	842,119	203,158	1,264,790	687,857	602,667
2019	11,684,353	1,233,764	10,450,589	8,512,612	3,758,039	910,123	198,879	1,777,636	684,722	1,075,867
2020	12,073,892	1,082,389	10,991,503	6,572,863	3,248,289	756,321	115,029	1,056,748	683,429	540,914



SERVIES
Giving More
back to our members

