

# ANNUAL REPORT

ARMIDALE EX-SERVICES MEMORIAL CLUB LIMITED

# 2021



**SERVIES**  
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, 22 September 2021** commencing at the hour of **6:00 pm** at the premises of the Club, Dumaresq Street, Armidale, New South Wales.

Registrations will commence at **5:15 pm** and finish at **5:59 pm** and 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 23 September 2020.
3. To receive and consider the President's Report, Chief Executive Officer's Report, Directors' Report, Financial Report and Auditor's Report for the financial year ended 30 June 2021. Copies of these reports are available on the Club's website ([www.armidaleservices.com.au](http://www.armidaleservices.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, 13<sup>th</sup> September 2021**. 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 and if through fit pass the Ordinary Resolutions set out in this Notice.
5. To consider and if through fit pass the Special Resolution set out in this Notice.
6. General business.

**Procedural Notes**

1. Each 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. To be passed, a Special Resolution must receive votes in favour from at least 75% of those members who, being eligible to do so, vote in person on the Special Resolution at the meeting.
4. **Only Life members, financial Service members and financial General members are eligible to vote on the Ordinary Resolutions.**
5. **Only Life members, financial Service members and financial General members (who have been members of the Club for the ten (10) calendar years immediately preceding the date on which the Special Resolutions are to be considered) are eligible to vote on the Special Resolution.**
6. Amendments to the Special Resolution (other than minor typographical corrections which do not change the substance or effect of the Special Resolution) will not be permitted from the floor of the meeting.
7. 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.
8. The Board of the Club recommends the Ordinary and Special 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.

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#### 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. Each honorarium is for the same amount as approved last year.

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#### SPECIAL RESOLUTION

*[The Special Resolution is to be read in conjunction with the notes to members set out below.]*

That the Articles of Association of Armidale Ex Services Memorial Club Limited be amended by

- (a) **inserting** the new Article 23(b1) after Article 23(b)  
*"the email address of the applicant."*
- (b) **deleting** and Article 29 and the heading Addresses of Members before Article 29 in their place **inserting** the following new heading and Article:

**"DETAILS OF MEMBERS**

29. *Members must advise the Secretary of the Club of any change in their details (including address, email address and telephone number) within seven (7) days of changing their address or details as recorded in the register."*

(c) **inserting** into Article 36C the following new paragraphs:

(e) *has been convicted of an indictable offence (irrespective of whether or not a conviction was actually recorded) but it does not include a spent conviction (as defined in the Criminal Records Act 1991);*

(f) *is disqualified from managing any company under Part 2D.6 of the Act;*

(g) *is of unsound mind or whose person or estate is liable to be dealt with any way under the law relating to mental health;*

(h) *is prohibited from being a director by reason of any order or declaration made under the Act, Liquor Act, Registered Clubs Act or any other applicable legislation;*

(d) **inserting** the following new Rule 37A:

*"Notwithstanding any other provision of this Constitution, the Board may determine that voting in the election of the Board be conducted by electronic means. If the election of the Board is to be conducted electronically, members will be able to vote either by using their own personal computer or other electronic device without having to attend the Club's premises or by using a designated computer or other electronic device at the Club's premises."*

(e) **inserting** in Articles 38 (l), (m), (p) and (s) after the words "ballot papers" the words ", and electronic voting form if voting takes place electronically."

(f) **inserting** in Article 40(a) after the words "any of its powers to" the words "directors, members, employees or"

(g) **inserting** the following new Rule 47A:

*"In addition to Rule 47, a resolution may be passed by the Board if the proposed resolution is emailed to all directors and all directors agree to the proposed resolution by each director sending a reply email to the Club to that effect. The resolution shall be passed when the last director has sent their reply email agreeing to the proposed resolution."*

(h) **inserting** the following new sub-heading and Articles 49.13 and 49.14:

**"TRAINING DISCLOSURES**

49.13 *The Club must make available to members:*

(a) *details of any training which has been completed by directors, the Secretary and managers of the Club in accordance with the Registered Clubs Regulation; and*

(b) *the reasons for any exemption of any director, the Secretary and any manager of the Club from the training prescribed by the Registered Clubs Regulation.*

49.14) *The Club must indicate, by displaying a notice on the Club's premises and on the Club's website (if any), how the members of the Club can access the information."*

(i) **inserting** the following new sub-heading and Article 67A :

**"CANCELLATION AND POSTPONEMENT OF GENERAL MEETINGS**

67A *The Board may cancel or postpone any general meeting prior to the date on which it is to be held, except where such cancellation or postponement would be contrary to the Act. The Board may give such notice of the cancellation or postponement as it thinks fit but any failure to give notice of the cancellation or postponement does not invalidate the cancellation or postponement or any resolution passed at a postponed meeting. This Rule 67A will not operate in relation to a meeting called pursuant to a request or requisition of members."*

(j) **inserting** the following new sub-heading and Rule 67B:

**"WITHDRAWAL OF RESOLUTIONS**

67B *The Board may withdraw any resolution which has been proposed by the Board and which is to be considered at a general meeting, except where the withdrawal of such a resolution would be contrary to the Act."*

(k) **inserting** the following new sub-heading and Rule 67C:

**"USE OF TECHNOLOGY FOR GENERAL MEETINGS**

67C *The Club may hold a general meeting at two (2) or more venues using technology that gives the members as a whole a reasonable opportunity to participate at the meeting."*

(l) **deleting** Articles 76, 77 and 77A and inserting the following new Articles 76, 77, 77A and 77B

"76 *A notice may be given by the Club to any member either:*

(a) *personally; or*

- (b) *by sending it by post to the address of the member recorded for that member in the Register of Members kept pursuant to this Constitution;*
  - (c) *by sending it by any electronic means;*
  - (d) *by notifying the member, either personally, by post, or electronically, that the notice is available and how the member can access the notice; or*
  - (e) *by any other means permitted by the Act.*
- 77 *Where a notice is sent by post to a member the notice shall be deemed to have been received by the member:*
- (a) *in the case of a notice convening a meeting, on the day following that on which the notice was posted; and*
  - (b) *in any other case, at the time at which the notice would have been delivered in the ordinary course of post.*
- 77A *Where a notice is sent by electronic means, the notice is taken to have been received on the day following that on which it was sent.*
- 77B *Where a member is notified of a notice in accordance with Article 76(d), the notice is taken to have been received on the day following that on which the notification was sent.*

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#### Notes to Members on the Special Resolution

1. The Special Resolution proposes a series of amendments to the Club's Constitution to bring it into line with the *Corporations Act*, *Liquor Act* and the *Registered Clubs Act*.
2. **Paragraphs (a) and (b)** amend the existing requirements for membership applications to include the applicant's email address in order for the Club to contact members electronically. They also clarify that members are required to update the Secretary of any change to their contact details.
3. **Paragraph (c)** lists additional reasons which will, if the Special Resolution is passed, prohibit a member from being a director.
4. **Paragraphs (d) and (e)** insert new Rules to allow the Club to conduct elections for the Board electronically.
5. **Paragraph (f)** clarifies that the Board can delegate powers to individuals, not only committees.
6. **Paragraph (g)** clarifies that a board resolution can be passed by way of email. This is permitted by the *Corporations Act*.
7. **Paragraph (h)** amends existing provisions relating to mandatory director training and accountability to bring the Constitution into line with the *Registered Clubs Accountability Code*.
8. **Paragraphs (i), (j) and (k)** amend existing provisions relating to proposed resolutions, and the holding and postponing of general meetings to bring the Constitution into line with the *Corporations Act*.
9. **Paragraph (l)** amends existing provisions relating to notices to members to bring the Constitution into line with the *Corporations Act*. The amendments refer to the Club's ability to give notice of general meetings to members electronically if a member elects to receive notices this way or if the *Corporations Act* allows the Club to do so.
10. The Board recommends the Special Resolution to members.

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Dated:

By direction of the Board



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Scott Sullivan

Chief Executive Officer

## **Presidents Report 2021**

It has been another exciting and interesting year at the Armidale Ex-Services Club and I am very proud of what this club has achieved especially during these recent uncertain times. We have emerged from the Pandemic in a favorable financial position, and we returned to providing our excellent facilities to our members and the community as soon as it was possible. I must also commend how well our staff and management team coped with a constantly changing pandemic response situation.

One of the great things to come out of the COVID pandemic, is that member support of the Club has been maintained, even without the Club being able to offer much in the way of live entertainment or functions. I attended the Club on the post-lockdown reopening, when the doors opened for the first time in several months it was like a reunion of old friends. Clearly the members missed what the Club had to offer. You do not realise how important something is until it is not there. I urge you, the members to continue this trend and continue to support the Club with your patronage in 2022.

The new year saw the commencement of works on the Servies Motel. The thirty-one room motel with its modern and contemporary fit out will offer spacious accommodation with quality furnishings all within walking distance of the dining and entertainment facilities of the Servies. I look forward to the opening of the complex in January 2022.

As President I take this opportunity, on behalf of all the members of the club, to thank Armidale Ex-Services Club CEO, Scott Sullivan and Deputy CEO, Troy Gale for their efforts this year. I also wish to acknowledge the support of each member of our board for the work they do on behalf of our club during what has been both a challenging and productive year.

As we head toward a new year, one that will be of so many unknowns may I ask that everyone works together to ensure that members and guests can all enjoy themselves whilst maintaining strict safety guidelines that will be in place for as long as necessary.

A handwritten signature in dark ink, appearing to read 'B A' followed by a stylized flourish.

Brian Everett

## CEO REPORT

The Armidale Ex Services Memorial Club has experienced another challenging, yet very rewarding year on a number of fronts.

The year started with the club operating under the new COVID-19 restrictions, including the 1.5 metre social distancing rule. This reduced patron capacity and there was uncertainty around how this would affect the trading position of the club.

As the CEO, I am pleased to report the club has had a strong trading result in response to a difficult trading year and a three month shutdown due to COVID-19. The operating financial result (before income tax) for the year compared to the previous year being:

	<u>2021</u>	<u>2020</u>
• Profit from operations of the Club	\$ 1,308.420	\$ 428,153
• Profit from Cinema lease	<u>\$ 113,917</u>	<u>\$ 112,761</u>
Operating Surplus / (deficit) from company operations	<u>\$ 1,422,337</u>	<u>\$ 540,914</u>

There has been a continual management focus on the stabilisation and strengthening of operations this financial year. A strategy adopted in anticipation of the industry potentially facing increased COVID-19 pandemic related business pressures in the forthcoming year. The overall aim is to financially secure the club for the foreseeable future. This will ensure our club remains viable for members and provides staff the comfort of secure future employment.

I would like to take this opportunity to sincerely thank and acknowledge the management team and all the staff of the 'Servies' for their work and efforts over the last year. Their assistance during the last twelve months has been incredible as they have adapted, embraced and supported the enormous changes that the COVID-19 restrictions have made to their daily work routines. Our ongoing success over the last year would not have been possible without them – thanks again team.

Our success comes with thanks too to all our members and visitors who have shown continued support for the club during the last twelve months and I look forward to their sustained support, understanding and assistance in complying with our COVID-19 trading restrictions.

The long-anticipated construction of the club's thirty-one room motel project by Rice Construction Group Pty Ltd commenced on the 12th January, 2021. The project is progressing well and really starting to take shape with the build at around twenty-five percent complete. Pending no further disruptions, the current status of the project should see the motel finished and trading by mid-January 2022.

In 2021, the 'Servies' was again nominated as a finalist in the state-wide 'Clubs & Community Awards' for our support of the Burrumbuttock Hay Runners – "Mates Helping Mates – Drought Relief program. These annual awards are very prestigious industry awards and the club is proud to have achieved this level of industry recognition.

Unfortunately, in the last stage of the financial year further restrictions were introduced in NSW as a result of the COVID-19 Delta variant outbreak in Sydney. This saw stricter measures introduced with patrons required to wear facemasks indoors, remain seated while drinking and observe the 1 patron per 4 sqm rule.

With restrictions around COVID-19 regularly changing on short notice it is hard to predict what the impact may be on the club industry over the next twelve months and beyond. However, our emphasis has been and will continue to be to strive to ensure we offer our members and the wider Armidale community a 'social experience in a safe environment' at the 'Servies'.

The club's Board Members have again generously contributed their time to ensure the Board fulfils its responsibilities as stewards of the club's assets. I extend my appreciation to all Board Members for their professionalism, commitment, contribution and assistance throughout the year.

Finally, I'd like to again thank all our members for their wonderful understanding, assistance and patronage of the club. It not only means so much to the staff and management but ensures the future success of 'Our Great Club'. I look forward to the ongoing support of our members in the year ahead, whatever that year may bring.

A handwritten signature in black ink, appearing to read 'Scott Sullivan', with a small flourish at the end.

Scott Sullivan

Chief Executive Officer



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

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**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021

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

**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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Your directors present their report on the company for the financial year ended 30 June 2021.

**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 the financial year was \$1,422,337 (2020: \$580,516).
- Cash flow from operating activities for the financial year was \$1,955,911 (2020: \$1,056,748).
- Membership for the financial year was 7,733.

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

**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**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:

<b>Directors Name</b>	<b>Special Responsibilities</b>	<b>Period as Director</b>	<b>Qualifications and Experience</b>
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
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
John Schuman	Director	Appointed 23 September 2020	Financial Systems Manager

**Meetings of Directors**

During the financial year, 16 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	16	13
Mark D Bullen	16	14
Paul J Kennedy	16	16
Peter A Georkas	16	16
Sue Nelson	16	13
Francesco Falcomata	15	15
John Schuman	11	10

**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 2021**

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**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	7,568	\$ 1	\$ 7,568
Service Members	165	\$ 1	\$ 165
Total	7,733	\$ 1	\$ 7,733

**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



Mark D Bullen  
Vice President

Dated: 4 August 2021



**Crowe Central North**

ABN 91 680 058 554

90 Rusden Street  
Armidale NSW 2350 Australia  
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**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 2021 there have been:

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

**CROWE CENTRAL NORTH**

**Kylie Ellis**

**Audit Partner**

Registered Company Auditor (ASIC RAN 483424)

90 Rusden St  
ARMIDALE NSW 2350

Dated: 4 August 2021

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**  
**ABN 61 000 979 377**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
Revenue	2	7,157,803	6,199,427
Other income	3	309,416	334,761
Interest revenue calculated using the effective interest method		4,836	31,696
Advertising and promotional expenses		(547,412)	(764,728)
Cost of goods sold	4	(1,746,601)	(1,509,256)
Depreciation expense	4	(667,867)	(683,429)
Loss on disposal of fixed assets		(57,523)	(22,980)
Employee benefits expense		(1,771,093)	(1,846,046)
Finance costs		(334)	(5,536)
Occupancy costs		(1,004,835)	(853,622)
Other expenses		(254,053)	(299,771)
<b>Surplus before income tax expense</b>		<b>1,422,337</b>	<b>580,516</b>
Income tax expense	1(b), 5	(51,747)	(39,602)
<b>Surplus after income tax expense for the year attributable to members</b>		<b>1,370,590</b>	<b>540,914</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year attributable to members</b>		<b>1,370,590</b>	<b>540,914</b>

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	1,850,803	2,128,379
Trade and other receivables	7	1,045	92,267
Inventories	8	42,685	32,448
Current tax assets	14	57,591	-
Other current assets	9	52,829	40,551
<b>TOTAL CURRENT ASSETS</b>		<b>2,004,953</b>	<b>2,293,645</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	10	11,774,438	9,704,501
Deferred tax assets	14	-	15,746
Intangible assets	11	60,000	60,000
<b>TOTAL NON CURRENT ASSETS</b>		<b>11,834,438</b>	<b>9,780,247</b>
<b>TOTAL ASSETS</b>		<b>13,839,391</b>	<b>12,073,892</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	843,789	735,159
Contract liabilities	13	215,108	102,284
Financial liabilities	15	10	-
Current tax liabilities	14	-	24,344
Employee benefits	16	152,236	155,183
Other liabilities	17	37,821	36,493
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,248,964</b>	<b>1,053,463</b>
<b>NON CURRENT LIABILITIES</b>			
Deferred tax liabilities	14	61,535	-
Employee benefits	16	55,835	27,030
Contract liabilities	13	110,964	1,896
Other liabilities	17	-	-
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>228,334</b>	<b>28,926</b>
<b>TOTAL LIABILITIES</b>		<b>1,477,298</b>	<b>1,082,389</b>
<b>NET ASSETS</b>		<b>12,362,093</b>	<b>10,991,503</b>
<b>EQUITY</b>			
Retained surpluses		12,362,093	10,991,503
<b>TOTAL EQUITY</b>		<b>12,362,093</b>	<b>10,991,503</b>



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

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Retained Surpluses \$	Total \$
<b>Balance at 1 July 2019</b>	10,450,589	10,450,589
Surplus after income tax expense	540,914	540,914
Total other comprehensive income for the year	-	-
<b>Balance at 30 June 2020</b>	<u>10,991,503</u>	<u>10,991,503</u>
Surplus after income tax expense	1,370,590	1,370,590
Total other comprehensive loss for the year	-	-
<b>Balance at 30 June 2021</b>	<u>12,362,093</u>	<u>12,362,093</u>

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		8,334,858	7,093,035
Payments to suppliers and employees		(6,327,047)	(5,889,668)
Interest received		4,836	31,696
Interest and other finance costs paid		(334)	(5,536)
Income tax paid		(56,402)	(172,779)
Net cash provided by operating activities		1,955,911	1,056,748
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(2,233,497)	(1,664,174)
Net receipts from/(payment to) investments		-	1,600,000
Net cash (used in)/provided by investing activities		(2,233,497)	(64,174)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		1,323,710	-
Repayment of borrowings		(1,323,700)	-
Net cash provided by/(used in) financing activities		10	-
Net (decrease)/increase in cash held		(277,576)	992,574
Cash at the beginning of the financial year		2,128,379	1,135,805
Cash at the end of the financial year	6 (a)	1,850,803	2,128,379

**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 (I).

The financial statements were authorised for issue on 4 August 2021 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.

**ARMIDALE EX-SERVICES MEMORIAL CLUB LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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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 2021

**(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.

**(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.

**(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.

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.

Coronavirus (COVID-19) Pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

**(m) New or 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.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>Note 2: Revenue</b>			
Revenue from contracts with customers			
Sales - Trading		1,658,476	1,695,684
Subscriptions		5,260	12,395
TAB and Keno commission		90,911	80,313
Green fees		5,074	7,610
Sponsorship		-	1,200
Equipment and room hire		36,916	66,138
Poker machine revenue		5,135,186	4,061,870
Bingo and raffles		181,156	259,960
Other commissions		30,830	6,750
Newspaper and merchandise sales		122	267
Ticket sales		9,273	4,531
Total revenue from contracts with customers		7,153,204	6,196,718
Other revenue			
Donations		4,451	2,395
Sundry income		148	314
Total other revenue		4,599	2,709
Total revenue		7,157,803	6,199,427
Disaggregation of revenue			
Timing of revenue recognition			
Goods transferred at a point in time		6,972,107	6,012,742
Service transferred over time		181,097	183,976
		7,153,204	6,196,718
<b>Note 3: Other Income</b>			
Government subsidies		195,500	222,000
Rental income		113,916	112,761
Total other income		309,416	334,761
<b>Note 4: Expenses</b>			
Profit before income tax includes the following specific expenses:			
Cost of sales		1,746,601	1,509,256
Donations and sponsorships		146,206	127,019
Member benefits		347,478	584,275
Depreciation expense		667,867	683,429
Salary and wages		1,511,813	1,584,211
Superannuation		145,504	145,113
Cleaning and waste removal		200,894	187,883
Electricity and gas		226,489	209,935
Director expenses		32,749	23,823
Repairs and maintenance		414,543	294,107



**ARMIDALE EX-SERVICES MEMORIAL CLUB LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
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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% (2020: 27.5%)		<b>391,143</b>	159,642
Add: Tax effect of;			
Non deductible exempt income expenditure		<b>1,198,211</b>	1,200,053
Other assessable income		<b>26,559</b>	-
Non deductible expenses		<b>183,663</b>	205,003
Deferred tax movement		<b>77,281</b>	(5,611)
Less: Tax effect of;			
Deduction for decline in value of depreciating assets		<b>(123,236)</b>	(31,328)
Exempt income		<b>(1,689,100)</b>	(1,477,062)
Other deductible expenses		<b>(12,774)</b>	(11,095)
Income tax expense/(revenue) attributable to the company		<b>51,747</b>	39,602

**Note 6: Cash and Cash Equivalents**

Cash on hand	<b>184,342</b>	177,079
Cash at bank	<b>1,666,461</b>	1,951,300
	<b>1,850,803</b>	2,128,379

(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	<b>1,850,803</b>	2,128,379
	<b>1,850,803</b>	2,128,379

**ARMIDALE EX-SERVICES MEMORIAL CLUB LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>Note 7: Trade and Other Receivables</b>			
CURRENT			
Trade receivables		<u>1,045</u>	<u>92,267</u>
		<u>1,045</u>	<u>92,267</u>
<b>Note 8: Inventories</b>			
CURRENT			
Stock on Hand, at cost		<u>42,685</u>	<u>32,448</u>
		<u>42,685</u>	<u>32,448</u>
<b>Note 9: Other Assets</b>			
CURRENT			
Bonds paid		<u>5,500</u>	<u>5,500</u>
Prepayments		<u>47,329</u>	<u>35,051</u>
		<u>52,829</u>	<u>40,551</u>
<b>Note 10: Property, Plant &amp; Equipment</b>			
Land and Buildings (at cost)			
Capital works in progress		<u>3,293,344</u>	<u>1,144,989</u>
Freehold land and buildings		<u>7,307,235</u>	<u>7,145,606</u>
Less: Accumulated depreciation		<u>(1,527,260)</u>	<u>(1,312,681)</u>
		<u>5,779,975</u>	<u>5,832,925</u>
Buildings - Theatre Complex		<u>987,700</u>	<u>987,700</u>
Less: Accumulated depreciation		<u>(586,845)</u>	<u>(576,566)</u>
		<u>400,855</u>	<u>411,134</u>
Buildings - Motel		<u>118,929</u>	<u>118,929</u>
Less: Accumulated depreciation		<u>-</u>	<u>-</u>
		<u>118,929</u>	<u>118,929</u>
Total Land and Buildings		<u>9,593,103</u>	<u>7,507,977</u>
Plant and Equipment (at cost)			
Plant and equipment		<u>2,496,739</u>	<u>2,405,481</u>
Less: Accumulated depreciation		<u>(1,665,665)</u>	<u>(1,553,379)</u>
		<u>831,074</u>	<u>852,102</u>
Poker machines		<u>2,858,375</u>	<u>2,767,162</u>
Less: Accumulated depreciation		<u>(1,612,312)</u>	<u>(1,540,806)</u>
		<u>1,246,063</u>	<u>1,226,356</u>
Motor vehicles		<u>64,032</u>	<u>64,032</u>
Less: Accumulated depreciation		<u>(38,708)</u>	<u>(33,261)</u>
		<u>25,324</u>	<u>30,771</u>

**ARMIDALE EX-SERVICES MEMORIAL CLUB LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
Bowling greens and equipment		139,127	139,127
Less: Accumulated depreciation		(60,253)	(51,832)
		<u>78,874</u>	<u>87,295</u>
Total Plant and Equipment		<u>2,181,335</u>	<u>2,196,524</u>
Total Property, Plant and Equipment		<u>11,774,438</u>	<u>9,704,501</u>

(a) Movements in carrying amounts

	Land and Buildings \$	Plant and Equipment \$	Total \$
Balance at the beginning of the year	7,507,977	2,196,524	9,704,501
Additions	2,320,316	475,010	2,795,326
Disposals	(7,637)	(49,885)	(57,522)
Depreciation expense	(227,553)	(440,314)	(667,867)
Carrying amount at the end of the year	<u>9,593,103</u>	<u>2,181,335</u>	<u>11,774,438</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	114,498	113,625
One to five years	301,773	340,875
More than five years	-	72,265
	<u>416,271</u>	<u>526,765</u>

**Note 11: Intangible Assets**

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

**Note 12: Trade and Other Payables**

CURRENT

Unsecured liabilities;		
Trade payables	611,011	240,251
Poker machine duty payable	62,808	311,998
Sundry payables and accrued expenses	118,520	135,022
GST and PAYG payable	51,450	47,888
	<u>843,789</u>	<u>735,159</u>

**Note 13: Contract Liabilities**

CURRENT

Bowls memberships in advance	(534)	-
Members subscriptions held in advance	-	3,010
Motel retention	95,827	-
Poker machine jackpot liability	119,815	99,274
	<u>215,108</u>	<u>102,284</u>

NON-CURRENT

Member subscriptions received in advance	15,137	1,896
Motel retention	95,827	-
	<u>110,964</u>	<u>1,896</u>

**ARMIDALE EX-SERVICES MEMORIAL CLUB LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>Note 14: Tax assets and liabilities</b>			
(a) Liabilities			
CURRENT			
Income tax		-	24,344
NON-CURRENT			
Deferred tax liability		61,535	-
(b) Assets			
CURRENT			
Income tax		57,591	-
NON-CURRENT			
Deferred tax asset		-	15,746
<b>Note 15: Financial Liabilities</b>			
CURRENT			
Business loan		10	-
		10	-
The Club has a \$7,500,000 secured loan with Commonwealth Bank of Australia. The loan is secured by a charge over the club assets. At balance date there was \$7,499,990 unused.			
<b>Note 16: Employee Benefits</b>			
CURRENT			
Employee benefits		152,236	155,183
		152,236	155,183
NON-CURRENT			
Employee benefits		55,835	27,030
		55,835	27,030
<b>Provision for employee benefits</b>			
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.			
<b>Note 17: Other Liabilities</b>			
CURRENT			
Other income received in advance		37,821	36,493
		37,821	36,493

**ARMIDALE EX-SERVICES MEMORIAL CLUB LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
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**Note 18: Capital Commitments**

The amounts committed at each year end are as follows;

Motel development Stage 1	-	437,805
Motel development Stage 2	<u>5,640,768</u>	<u>-</u>
	<u>5,640,768</u>	<u>437,805</u>

- On 12 January 2021 the Club entered an agreement with Rice Construction Group Pty Ltd for Stage 2 of a motel development. The remaining amount of this commitment payable is noted above.

**Note 19: Events After the End of the Reporting Period**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the company up to 30 June 2021, 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.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
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**Note 20: 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		<b>974,489</b>	966,633
		<b>974,489</b>	966,633

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, B Everett, has an interest in a fire and safety business and a security business that provides services to the club.	<b>46,777</b>	22,153
Director, M Bullen, has an interest in a bicycle centre that provides services to the club.	<b>50</b>	3,500
Director, P Kennedy, has an interest in a transport service that provides services to the club.	<b>248</b>	952
CEO's relation, B Sullivan, has an interest in a cabinetry business that provided services to the club.	<b>44,042</b>	30,900

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 21: 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 Dumaesq Street  
 ARMIDALE NSW 2350

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

**DIRECTORS' DECLARATION**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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The directors of the company declare that:

1. the attached financial statements and notes 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 2021 and of the performance for the year ended on that date of the company;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Brian D Everett  
President



Mark D Bullen  
Vice President

Dated: 4 August 2021



**Crowe Central North**

ABN 91 680 058 554

90 Rusden Street  
Armidale NSW 2350 Australia  
PO Box 660  
Armidale NSW 2350 Australia

Tel 02 6776 5100  
Fax 02 6772 9492  
[www.crowe.com.au](http://www.crowe.com.au)

**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 2021, 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 2021 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.

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

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Central North, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for acts or omissions of financial services licensees.

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

**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 2021, 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.

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**INDEPENDENT AUDITORS' REPORT**

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

- 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.
- 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: 5 August 2021

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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# 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
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
2021	13,839,391	1,477,298	12,362,093	7,480,787	3,106,886	1,031,261	131,972	1,955,911	667,867	1,370,590

