

ANNUAL REPORT

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, 27 September 2023** 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 28 September 2022.
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 2023. Copies of these reports are available on the Club's website (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, 18 September 2023**. 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. General business.
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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. **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.
5. 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.

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 - \$10,500.00.
 - (ii) Vice President - \$6,500.00.
 - (iii) Ordinary Directors - \$6,000.00 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 has increased by \$2,000.00 from the amounts approved last year. This is to take into account the increased role of directors in registered clubs, the increased breadth of operations of the Club and inflation over the last year.

Dated: 26 July 2023

By direction of the Board



Scott Sullivan - Chief Executive Officer

Presidents Report 2023

It is with pleasure that I present my Presidents Report for 2023.

In what has been another interesting and challenging year for the hospitality industry. It is pleasing that while the Armidale Ex-Services club trading conditions have been impacted by a myriad of external factors, the club's board and management team have managed to continue to keep their focus on the club's strategic plan and continued financial viability. The board and managements ongoing focus on the steadying and strengthening of operations has seen the board continue to invest in the future of the club while ensuring the club remains a viable and safe environment for members and guests to enjoy.

The club has continued the support of local sporting and community groups over the last year, the board take pride in being able to continue this level of support of our local community.

The media has recently been saturated with the proposed Cashless Gaming Card. The use of Cash in society is rapidly diminishing in favour of digital transactions. The Covid pandemic greatly accelerated the transition away from cash. Armidale Ex-Services Club while supporting cashless gaming technology, are not convinced that an untested mandatory cashless card is the best option. Cashless Gaming should not be implemented in a way that will push consumers to online gambling where the prevalence of problem gambling is much higher than licenced premises. Additionally online gambling provides minimal employment and pay little or no tax. With this scenario the only winners will be the online Casino owners. Any significant loss of revenue to our clubs will result in expenditure cuts to employment, entertainment, community support and subsidies to name a few. Armidale Ex-Services club supports the use of technology to support problem gambling and the use of technology to ban problem gamblers and criminals from gaming rooms. Armidale Ex-Services Club supports the Clubs NSW Gaming Code of Conduct and will actively meet all requirements.

The club's Board Members have again generously contributed their time to ensure the Board fulfils its responsibilities as custodians of the club's assets. This has included the clubs CEO Scott Sullivan and Chief Operating Officer Troy Gale attending industry meetings and conferences, to keep abreast of the latest trends and legislative changes.

I once again extend my appreciation to all Board Members, Club CEO Scott Sullivan, management team and staff for their professionalism, commitment, contribution and assistance throughout the year.

Finally, to the Armidale Ex-Services Club's loyal member's and guests thank you for your support and patronage throughout the year. Clubs are nothing without their member's.



Brian Everett

Chief Executive Officer's Report

This year the Armidale Ex Services Club has continued to make forward steps despite customary challenges to the hospitality industry.

After a full year of trading the Club has again finished in a strong financial position. This is the direct result of a well planned business diversification strategy, which has resulted in additional income being generated from the Servies Motel, leasing of the Belgrave Cinema and rent from accommodation units purchased by the Club.

I am again pleased to report another profitable year for the Club with the operating financial result (before

income tax) for the year compared to the previous year being:

	<u>2023</u>	<u>2022</u>
Operating Surplus / (deficit) after income tax	<u>\$1,135,922</u>	<u>\$ 910,135</u>

I take this opportunity to thank and acknowledge the management team of the 'Servies' and all the staff for their work and effort over the year. It is every team members sustained focus to provide exceptional customer service that is at the heart of our success.

During the financial year, managerial focus aimed to stabilise and strengthen operations in the face of business pressures relative to increased food and bar supplier costs; rising electricity tariffs; increased insurance premiums and the impact on future revenue streams of the ongoing debate around cashless gaming between politicians and industry bodies.

Going forward, the Club aims to continue to achieve financial sustainability through it's ongoing exploration and expansion of business diversification opportunities.

Motel Development

Coming off the financial impacts experienced throughout the sector, the Servies Motel has again traded well. Occupancy levels have increased month by month and the feedback by guests has been positive. The motel's increased marketing & promotion activities have also had a flow on effect. Additionally, corporate client support of the motel has seen increased patronage within the Club and of function events.

Rental Accommodation

In October 2022, as part of it's diversification strategy, the Club acquired two (2) x two (2) bedroom units in Armidale. These properties were purchased with a view to capital investment and the opportunity to "give back" to our employees by providing readily available and affordable accommodation to staff, particularly our overseas visa supported employees who come to work at the Servies.

Consultancy Business Services

The 'Servies' has systems and expertise in managing a licenced club and have capitalised on this opportunity to provide consultancy services to other clubs. As a result, the Uralla Golf Club has entered into an agreement with the 'Servies' to be provided these services as negotiations and discussions take place with the view for both clubs to amalgamate.

I would like to acknowledge and thank the Board of Directors for their support, dedication and commitment to their roles as Directors of the Club. They are a great team and operate with professionalism and enthusiasm in the oversight of the governance of the organisation.

Finally, I thank you for your continued support and patronage of the 'Servies', it is our pleasure to provide our amenities and services to you and we look forward to your support of the 'Servies' in the coming year and into the future.

A handwritten signature in black ink, appearing to read 'Scott Sullivan', is centered on the page. The signature is fluid and cursive.

Scott Sullivan

Chief Executive Officer

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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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Your directors present their report on the company for the financial year ended 30 June 2023.

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 motel accommodation in Armidale.
- 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 club's core business growth.
- to provide services to members commensurate with industry needs and regulatory requirements.
- to develop and implement an income diversification strategy through the purchase of short term residential accommodation properties
- to continue to improve the club's 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 \$1,136,339 (2022: \$942,039).
- Cash flow from operating activities for the financial year was \$2,299,297 (2022: \$1,707,319).
- Membership for the financial year was 7,403.

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

**DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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

	Directors' Meetings	
	Eligible to attend	Number attended
Brian D Everett	13	12
Mark D Bullen	13	11
Paul J Kennedy	13	10
Peter A Georkas	13	9
Sue Nelson	13	9
Francesco Falcomata	13	12
John Schuman	13	13

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.

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	7,250	\$ 1	\$ 7,250
Service Members	153	\$ 1	\$ 153
Total	7,403	\$ 1	\$ 7,403

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
Director

Dated: 9 August 2023

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

I declare that, to the best of my knowledge and belief, during the financial year to 30 June 2023 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 AUDIT AUSTRALIA



Kylie Ellis
Audit Partner
Registered Company Auditor (ASIC RAN 483424)
134 Taylor St
ARMIDALE NSW 2350

Dated: 9 August 2023

Liability limited by a scheme approved under Professional Standards Legislation.

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 external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Revenue	2	9,532,680	7,290,263
Other income	3	143,452	234,929
Interest revenue calculated using the effective interest method		-	710
Advertising and promotional expenses		(726,036)	(602,563)
Cost of goods sold	4	(2,350,204)	(1,798,024)
Depreciation expense	4	(1,202,943)	(850,038)
Loss on disposal of fixed assets		(90,370)	(32,753)
Employee benefits expense		(2,222,292)	(1,899,202)
Finance costs		(115,736)	(80,596)
Occupancy costs		(1,385,049)	(990,826)
Other expenses		(447,163)	(329,861)
Surplus before income tax expense		1,136,339	942,039
Income tax expense	1(b), 5	(417)	(31,904)
Surplus after income tax expense for the year attributable to members		1,135,922	910,135
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to members		1,135,922	910,135

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	265,565	273,081
Trade and other receivables	7	2,049	13,966
Inventories	8	46,498	43,271
Other current assets	9	70,127	55,004
TOTAL CURRENT ASSETS		384,239	385,322
NON CURRENT ASSETS			
Property, plant and equipment	10	16,071,774	16,715,777
Investment property	12	634,433	-
Intangible assets	11	60,000	60,000
TOTAL NON CURRENT ASSETS		16,766,207	16,775,777
TOTAL ASSETS		17,150,446	17,161,099
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	779,255	720,315
Contract liabilities	14	132,091	303,481
Employee benefits	17	179,021	194,602
Other liabilities	18	80,865	88,058
TOTAL CURRENT LIABILITIES		1,171,232	1,306,456
NON CURRENT LIABILITIES			
Financial liabilities	16	1,440,612	2,463,681
Deferred tax liabilities	15	92,463	92,046
Employee benefits	17	28,791	13,874
Contract liabilities	14	9,198	12,814
TOTAL NON CURRENT LIABILITIES		1,571,064	2,582,415
TOTAL LIABILITIES		2,742,296	3,888,871
NET ASSETS		14,408,150	13,272,228
EQUITY			
Retained surpluses		14,408,150	13,272,228
TOTAL EQUITY		14,408,150	13,272,228

The accompanying notes form part of these financial statements.

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Retained Surpluses \$	Total \$
Balance at 1 July 2021	12,362,093	12,362,093
Surplus after income tax expense	910,135	910,135
Total other comprehensive income for the year	-	-
Balance at 30 June 2022	<u>13,272,228</u>	<u>13,272,228</u>
Surplus after income tax expense	1,135,922	1,135,922
Total other comprehensive loss for the year	-	-
Balance at 30 June 2023	<u>14,408,150</u>	<u>14,408,150</u>

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		10,269,874	8,337,435
Payments to suppliers and employees		(7,854,841)	(6,606,429)
Interest received		-	710
Interest and other finance costs paid		(115,736)	(80,596)
Income tax paid		-	56,199
Net cash provided by operating activities		<u>2,299,297</u>	<u>1,707,319</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		27,201	8,365
Purchase of property, plant and equipment		(1,310,672)	(5,757,076)
Net cash used in investing activities		<u>(1,283,471)</u>	<u>(5,748,711)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		5,425,968	7,499,990
Repayment of borrowings		(6,449,310)	(5,036,320)
Net cash provided by/(used in) financing activities		<u>(1,023,342)</u>	<u>2,463,670</u>
Net decrease in cash held		(7,516)	(1,577,722)
Cash at the beginning of the financial year		<u>273,081</u>	<u>1,850,803</u>
Cash at the end of the financial year	6	<u>265,565</u>	<u>273,081</u>

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 - Simplified Disclosures 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.

The financial statements were authorised for issue on 9 August 2023 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 from the Cinema is recognised on a straight-line basis over the lease term as other income. Lease incentives granted are recognised as part of the rental. Contingent rentals are recognised as income in the period when earned.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Other Revenue

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

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.

The mutuality principle has been applied to the income tax calculation of the Club.

(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 2023

(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 2023

(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) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. The company has elected to measure investment properties at cost subsequent to acquisition.

Investment properties are depreciated on a straight line basis with an expected life of 40 years.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss in the period in which the property is derecognised.

(i) 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.

(j) 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.

(k) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(l) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian 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.

(m) 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 (k), 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.

(n) 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Note 2: Revenue			
Revenue from contracts with customers			
Sales - Trading		2,506,847	1,797,412
Subscriptions		7,711	14,335
TAB and Keno commission		108,375	86,613
Green fees		2,413	7,109
Sponsorship		-	1,500
Equipment and room hire		44,716	35,598
Poker machine revenue		5,871,491	4,810,343
Bingo and raffles		215,905	180,195
Other commissions		50,786	39,562
Newspaper and merchandise sales		164	102
Ticket sales		20,667	23,962
Motel Revenue		691,873	287,551
		<u>9,520,948</u>	<u>7,284,282</u>
Total revenue from contracts with customers			
Other revenue			
Donations		7,879	3,123
Sundry income		3,853	2,858
		<u>11,732</u>	<u>5,981</u>
Total other revenue			
Total revenue			
		<u>9,532,680</u>	<u>7,290,263</u>
Disaggregation of revenue			
Timing of revenue recognition			
Goods transferred at a point in time		9,292,109	7,089,494
Service transferred over time		228,768	194,788
		<u>9,520,877</u>	<u>7,284,282</u>
Note 3: Other Income			
Government subsidies		-	119,152
Rental income		143,452	115,777
		<u>143,452</u>	<u>234,929</u>
Note 4: Expenses			
Profit before income tax includes the following specific expenses:			
Cost of sales		2,350,204	1,798,024
Donations and sponsorships		180,044	135,630
Member benefits		436,022	356,564
Depreciation expense		1,191,395	850,038
Salary and wages		1,986,279	1,703,438
Superannuation		206,939	167,975
Cleaning and waste removal		396,512	272,925
Electricity and gas		375,578	233,279
Director expenses		28,421	62,234
Repairs and maintenance		249,542	206,868

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note	2023 \$	2022 \$
Note 5: Income Tax Expense		
(a) The prima facie tax on surplus before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on surplus before income tax at 25% (2022: 25%)	284,085	235,510
Add: Tax effect of;		
Non deductible exempt income expenditure	1,373,336	1,111,557
Other assessable income	189,991	200,253
Non deductible expenses	300,736	212,391
Deferred tax movement	417	30,511
Less: Tax effect of;		
Deduction for decline in value of depreciating assets	(289,867)	(253,041)
Exempt income	(1,858,115)	(1,497,344)
Other deductible expenses	(166)	(7,933)
Income tax expense/(revenue) attributable to the company	417	31,904
Note 6: Cash and Cash Equivalents		
Cash on hand	181,665	193,930
Cash at bank	83,900	79,151
	265,565	273,081
Note 7: Trade and Other Receivables		
CURRENT		
Trade receivables	2,049	13,966
	2,049	13,966
Note 8: Inventories		
CURRENT		
Stock on Hand, at cost	46,498	43,271
	46,498	43,271
Note 9: Other Assets		
CURRENT		
Bonds paid	5,500	5,500
Prepayments	64,627	49,504
	70,127	55,004
Note 10: Property, Plant & Equipment		
Land and Buildings (at cost)		
Capital works in progress	48,450	110,540
Freehold land and buildings	7,307,235	7,307,235
Less: Accumulated depreciation	(1,957,480)	(1,743,148)
	5,349,755	5,564,087

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note	2023 \$	2022 \$
Buildings - Theatre Complex	987,700	987,700
Less: Accumulated depreciation	<u>(606,637)</u>	<u>(596,866)</u>
	381,063	390,834
Buildings - Motel	7,916,225	7,916,225
Less: Accumulated depreciation	<u>(297,544)</u>	<u>(99,638)</u>
	7,618,681	7,816,587
Total Land and Buildings	<u>13,397,949</u>	<u>13,882,048</u>
Plant and Equipment (at cost)		
Plant and equipment	2,568,159	2,537,056
Less: Accumulated depreciation	<u>(1,780,570)</u>	<u>(1,784,801)</u>
	787,589	752,255
Plant and equipment - motel	811,759	811,759
Less: Accumulated depreciation	<u>(273,510)</u>	<u>(99,628)</u>
	538,249	712,131
Poker machines	3,093,369	2,947,071
Less: Accumulated depreciation	<u>(1,851,924)</u>	<u>(1,668,723)</u>
	1,241,445	1,278,348
Motor vehicles	63,436	63,523
Less: Accumulated depreciation	<u>(21,426)</u>	<u>(43,847)</u>
	42,010	19,676
Bowling greens and equipment	139,127	139,127
Less: Accumulated depreciation	<u>(74,595)</u>	<u>(67,808)</u>
	64,532	71,319
Total Plant and Equipment	<u>2,673,825</u>	<u>2,833,729</u>
Total Property, Plant and Equipment	<u>16,071,774</u>	<u>16,715,777</u>

(a) Movements in carrying amounts

	Land and Buildings \$	Plant and Equipment \$	Total \$
Balance at the beginning of the year	13,882,048	2,833,729	16,715,777
Additions	48,450	603,068	651,518
Transfers	(110,540)	110,540	-
Disposals	-	(103,277)	(103,277)
Depreciation expense	<u>(422,009)</u>	<u>(770,235)</u>	<u>(1,192,244)</u>
Carrying amount at the end of the year	<u>13,397,949</u>	<u>2,673,825</u>	<u>16,071,774</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	127,015	117,991
One to five years	29,050	192,989
More than five years	<u>-</u>	<u>-</u>
	<u>156,065</u>	<u>310,980</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2023

Note	2023 \$	2022 \$
Note 11: Intangible Assets		
Poker machine entitlements (at cost)	<u>60,000</u>	60,000
	<u>60,000</u>	<u>60,000</u>
Note 12: Investment property		
Buildings (at cost)	645,981	-
Less: accumulated depreciation	<u>(11,548)</u>	-
	<u>634,433</u>	<u>-</u>
<p>The investment property relates to the buildings held at 1 & 2/17 Jayne Close Armidale NSW 2350.</p> <p>The investment properties are rented initially on a six month lease and then on a week to week basis. Weekly rental payments are at fair market rates. The lease has been classified as an operating lease.</p>		
Note 13: Trade and Other Payables		
CURRENT		
Unsecured liabilities;		
Trade payables	292,904	388,677
Poker machine duty payable	106,293	104,801
Sundry payables and accrued expenses	186,586	144,769
GST and PAYG payable	<u>193,472</u>	82,068
	<u>779,255</u>	<u>720,315</u>
Note 14: Contract Liabilities		
CURRENT		
Bowls memberships in advance	251	-
Motel retention	-	170,972
Poker machine jackpot liability	<u>131,840</u>	132,509
	<u>132,091</u>	<u>303,481</u>
NON-CURRENT		
Member subscriptions received in advance	<u>9,198</u>	12,814
	<u>9,198</u>	<u>12,814</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Note 15: Tax assets and liabilities			
(a) Liabilities			
CURRENT			
Income tax		-	-
NON-CURRENT			
Deferred tax liability		92,463	92,046
(b) Assets			
CURRENT			
Income tax		-	-
NON-CURRENT			
Deferred tax asset		-	-
Note 16: Financial Liabilities			
CURRENT			
Business loan		-	-
NON CURRENT			
Business loan		1,440,612	2,463,681
		1,440,612	2,463,681
The Club has a \$7,334,715 secured loan with Commonwealth Bank of Australia. The loan is secured by a charge over the Club assets. At balance date there was \$5,890,180 unused.			
The bank loan bears interest payments only until March 2024. Thereafter the loan principle and interest are repayable in monthly instalments and due to mature in 2031. The variable interest rate is 6.60% on 30 June 2023 (2022: 4.35%).			
Note 17: Employee Benefits			
CURRENT			
Employee benefits		179,021	194,602
		179,021	194,602
NON-CURRENT			
Employee benefits		28,791	13,874
		28,791	13,874
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		80,865	88,058
		80,865	88,058

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note	2023 \$	2022 \$
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Note 19: Capital Commitments

As at 30 June 2023 and 30 June 2022 the company had no capital commitments.

Note 20: Events After the End of the Reporting Period

On 3 July 2023 the Club commenced providing consultancy services to the Uralla Golf Club Ltd whilst negotiations continue as to whether the parties can reach an agreement on the terms of a possible amalgamation and then enter into a Memorandum of Understanding.

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

Note 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>923,766</u>	<u>846,717</u>
	<u>923,766</u>	<u>846,717</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, B Everett, has an interest in a fire and safety business and a security business that provides services to the club.	<u>25,186</u>	<u>32,597</u>
Director, M Bullen, has an interest in a bicycle centre that provides services to the club.	<u>2,536</u>	<u>2,727</u>
Director, P Kennedy, has an interest in a transport service that provides services to the club.	<u>1,048</u>	<u>1,246</u>
CEO's relation, B Sullivan, has an interest in a cabinetry business that provided services to the club.	<u>71,485</u>	<u>12,749</u>

During the year Sophie Gale was employed within the Club as a casual employee. 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.

During the year Grace Everett was employed within the Club as a casual employee. Grace is the daughter of Brian Everett, who is a director of the Club. She is paid under normal award rates and conditions.

During the year Ari Georkas was employed within the Club as a casual employee. Ari is the son of Peter Georkas, who is a director of the Club. He is paid under normal award rates and conditions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Note 22: Auditors' Remuneration			
During the financial year the following fees were paid or payable for services provided by Crowe Audit Australia, the auditor of the company:			
Audit of the financial statements		25,800	23,500
Other allowable services		<u>2,000</u>	<u>2,000</u>
		<u>27,800</u>	<u>25,500</u>

Note 23: 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

A description of the nature of the Company's operations and its principal activities are included in the Director's Report, which is not part of the financial statements.

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

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2023

The directors of the company declare that:

1. the attached financial statements and notes are in accordance with the Corporations Act 2001, and:
 - comply with Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other
 - (a) mandatory professional reporting requirements; and
 - give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on
 - (b) 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
Director

Dated: 9 August 2023

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

Opinion

We have audited the financial report of Armidale Ex-Services Memorial Club Ltd (the Company), which comprises the statement of financial position as at 30 June 2023, 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 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's 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.

Liability limited by a scheme approved under Professional Standards Legislation.

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 external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ARMIDALE EX-SERVICES MEMORIAL CLUB LTD 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 2023, 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 – Simplified Disclosures and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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.

Liability limited by a scheme approved under Professional Standards Legislation.

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 external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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INDEPENDENT AUDITORS' REPORT

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

- 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 AUDIT AUSTRALIA



Kylie Ellis
Partner

Registered Company Auditor (ASIC RAN 483424)
134 Taylor St
ARMIDALE NSW 2350

Dated: 10 August 2023

Liability limited by a scheme approved under Professional Standards Legislation.

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 external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. 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

Year End: 30 June 2023

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
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
2022	17,161,099	3,888,871	13,272,228	7,525,902	3,377,784	910,227	131,150	1,707,319	850,038	910,135
2023	17,150,446	2,742,296	14,408,150	9,676,132	4,375,091	1,215,822	180,044	2,299,297	1,202,943	1,135,922