

SERVIES *Giving More*  
back to our members

# ANNUAL REPORT

# 2022

**ARMIDALE EX SERVICES MEMORIAL CLUB LIMITED ACN 000 979 377**

**NOTICE OF ANNUAL GENERAL MEETING AND RESOLUTIONS**

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**NOTICE** is hereby given of the Annual General Meeting of **ARMIDALE EX SERVICES MEMORIAL CLUB LIMITED** to be held on **Wednesday, 28 September 2022** 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**.

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**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 22 September 2021
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 2022. 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, 19<sup>th</sup> September 2022**. 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. To conduct the election of the Board.
  7. 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. 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) **deleting** from Rule 2(a)(ii) the word “and” and **inserting** the word “or”.
- (b) **Inserting** the following new Rule 2(a)(iii):  
*“if the Board does not charge a member a subscription, but the member has not renewed their membership by the date set by the Board for the renewal of that membership; and”*
- (c) **inserting** at the end of Article 2(a) the words “or until the membership is renewed, whichever is applicable.”
- (d) **inserting** the following new Rules 18(g) and (h):  
  - “(g) A person may be admitted to Temporary membership for a period of up to, but not exceeding seven (7) consecutive days (or such longer period as approved by the relevant regulatory body). A person admitted to Temporary membership under this Rule shall only be required to enter their relevant details in the register of Temporary members referred to in Rule 38 on the first day that they enter the Club’s premises during that period.*
  - “(h) The Secretary or senior employee then on duty may refuse a person admission to the Club as a Temporary member and/or terminate the membership of any Temporary member at any time without notice and without having to provide any reason.”*
- (e) **inserting** at the end of Article 19 the words “provided that if the person has applied for membership electronically, they can only be granted Provisional membership if they have provided documents verifying their identity as required by Article 24(c1).”
- (f) **inserting** into Rule 23 after the words “in writing” the words “either in hard copy or created electronically”.
- (g) **deleting** Rule 23(d) and renumbering the remaining paragraphs of Rule 23 accordingly.
- (h) **inserting** into Rule 24(a) after the words “application for membership” the words “made in a hard copy application”.
- (i) **inserting** the following new Rule 24(c1), (c2) and (c3):  
  - “(c1) A person who has lodged an electronic application for membership and who wishes to be a Provisional member must present to an authorized officer of the Club:*
    - (i) the entrance fee and the appropriate annual subscription if any; and*
    - (ii) identification such as (without limitation a current driver’s licence or a current passport) held by that applicant”.*
  - “(c2) The authorised officer of the Club shall compare the particulars of the applicant as appearing in the online application with the particulars and identity of that person as appearing in the identification. If the authorised officer is satisfied that the particulars of the applicant in the online application and in the form of identification correspond,*

*the authorised officer shall note the forms of identification and cause the application to be sent to the Secretary.*

- (c3) *A person whose online application has been referred to the Secretary in accordance with paragraph (c2) of this Rule 24 and who has paid the Club the entrance fee (if any) and the first annual subscription (if any) for the class of membership applied for shall become a Provisional member."*

(j) **deleting** from Rule 24(d) the words "and address".

(k) **inserting** the following new Rule 25(a1)

*"If an applicant has made application for membership electronically, and has not become a Provisional member, the election by the Board for that person to be a member shall not have any effect unless and until the member provides to the Club forms of identification as required by Rule 24 to verify their identity."*

(l) **deleting** from Rule 26 the words "*provided that the annual subscription shall be not less than \$2.00 excluding goods and services tax or such other minimum subscription provided from time to time by the Registered Clubs Act.*"

(m) **deleting** from Rule 27 the words "*provided that it not be less than \$2.00 or such other minimum prescribed under the Registered Clubs Act.*"

(n) **deleting** Rule 28 and in its place **inserting** the following:

- "(a) Any subscription imposed by the Board shall be due and payable on such date as determined by the Board.*
- (b) Any person who has not paid any such subscription by the due date shall cease to be entitled to the privileges of membership of the;*
- (c) Any person who has not paid any subscription within one (1) month of the due date may by resolution of the Board be removed from membership of the Club and the provisions of Rule 31 shall not apply to such a resolution.*
- (d) If the Board does not charge a subscription for a member, but sets a membership period, by the end of which the membership must be renewed by the member, and if such renewal has not taken place by the date set for renewal, the member shall be debarred from all privileges of membership and may by resolution of the Board be removed as a member of the Club."*

(o) **deleting** from Rule 31(b) the words "*or for five (5) weeks whichever is sooner*".

(p) **inserting** into Rule 32 after the words "*to the Secretary*" the words "*, or by returning their membership card to the Club and indicating that they are resigning their membership,*".

(q) **inserting** into Rule 32 after the words "*by the Secretary*" the words "*or the card is received by the Club*".

(r) **inserting** the following new rule 38(1a) immediately before Rule 38(a)

*The Board may determine that voting in the election of the Board be conducted electronically. 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.*

(s) **inserting** at the end of rule 38(d):

*The nomination form shall be in such a format and contain such particulars as the Board determines.*

(t) **inserting** the following new Rules 38(d1)

*Only members who have an Australian director identification number in accordance with the Act by the close of nominations, and have stated that number on their nomination form, are eligible to nominate for election to the Board*

(u) **deleting** from Rule 38(h) the words "*and additional nominations made with the consent of the nominee or nominees be made at the meeting for the position not so filled*" and in its place **inserting** the words "*all remaining positions will be casual vacancies.*"

(v) **inserting** in Rule 49(m)(i) after the words "*To create*" the words "*and dissolve*".

- (w) **inserting** the following new Rule 40m(vii):  
*“Any sections and committees must conform to any regulation or restriction that the Board may impose.”*
- (x) **deleting** from Rule 41(a) the words *“calendar month for the transaction of business”* and in their place **inserting** the words *“each quarter for the transaction of business, where quarter means a period of 3 months ending on 31 March, 30 June, 30 September or 31 December in each year.”*
- (y) **Inserting** the following new Rule 55A:  
*“The Board shall determine when, where and how all general meetings of the Club will be held provided the time of the meeting is reasonable and such meetings may be held:*  
 (a) *at one or more physical venues;*  
 (b) *at one more physical venues using virtual meeting technology; or*  
 (c) *using virtual meeting technology.”*
- (z) **deleting** from Rule 56(b)(iii) the full stop, **inserting** in its place a semi-colan and **inserting** the word *“and”*.
- (aa) **inserting** the following new Rule 56(b)(iv):  
*“if the general meeting is to be held with technology, information on how members can participate in the meeting by technology.”*
- (bb) **inserting** the following new Rule 57A(c):  
*“If virtual meeting technology is used to hold a general meeting, the technology must give the persons entitled to attend the meeting, as a whole, the reasonable opportunity to participate without being physically present in the same place.”*
- (cc) **inserting** after the first sentence of Rule 64 the words *“All members participating in such a meeting are taken for all purpose to be present in person at the meeting while so participating”*.
- (dd) **inserting** the following new Rule 65(e):  
*“If a general meeting is being conducted exclusively or partly through the use of technology, every resolution submitted to such a meeting shall be decided by a poll.”*
- (ee) **inserting** the following new Rule 67D  
*If permitted by the Act, the Club may hold virtual only general meetings or Annual General Meetings. The provisions of the Act shall apply to such meetings and to the extent of any inconsistencies between the Act and the Constitution, the provisions of the Act shall prevail.*
- (ff) **inserting** the following new Rule 75(e):  
*A director or the secretary may sign a document pursuant to this Rule 75 either by signing a physical form of the document, or signing an electronic form of the document using electronic means and the two officers signing a document on behalf the Club can sign different copies of the document and all use different methods to sign the document.*

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#### **Notes to Members on Special Resolution**

1. The Special resolution proposes a number of amendments to the Constitution to update the document and ensure that it reflects current provisions of the Corporations Act and Registered Clubs Act.
2. The Special Resolution also makes a number of other drafting amendments to improve the drafting throughout the document and ensures it is up to date with best practice.
3. **Paragraphs (a) and (c)** update the definition of Financial member to reflect the fact that the Registered Clubs Act no longer requires a minimum subscription.
4. **Paragraph (c)** updates the Rules in relation to temporary membership to reflect the Registered Clubs Act.
5. **Paragraphs (e) to (k)** update the Rules in relation to applications for membership, allow application for membership to be lodged electronically, confirm the identification necessary to become a Provisional member and amend the Club's Constitution to reflect the Club's current practice.
6. **Paragraphs (l) to (n)** update the rules in relation to subscriptions to reflect the fact that the Registered Clubs Act no longer requires a minimum subscription and the method of payment if the Board imposes

subscriptions on members. It also gives the Club the power to set due dates for subscriptions and renewals, instead of providing the one set due date of 1 July

7. **Paragraph (o)** updates the rules in relation to disciplinary proceedings to remove the requirement that a member can only be suspended for up to 5 weeks before a disciplinary hearing
8. **Paragraphs (p) and (q)** clarify that a member can resign their membership by returning their membership card to the Club.
9. **Paragraph (r)** clarifies that elections for the Board may be conducted electronically.
10. **Paragraph (s)** clarifies that the Board determines the requirements of nomination from.
11. **Paragraph (t)** provides that nominees for election to the Board must have an Australian director identification number as required by the Corporations Act.
12. **Paragraph (u)** will amend the Constitution to provide that if there are any vacancies as at the close of nominations, these will be casual vacancies to be filled by the Board after the Annual General Meeting.
13. **Paragraphs (v) and (w)** update rules in relation to sub clubs to confirm the Board's powers in relation to subclubs.
14. **Paragraph (x)** updates the Rules in relation to Board meetings to reflect the current requirements of the Registered Clubs Act. The Act no longer requires the Board to meet monthly.
15. **Paragraphs (y) to (ee)(dd)** will update the Rules in relation to general meetings and Annual General Meetings to reflect current provisions of the Corporations Act and allow for the use of technology..
16. **Paragraph (ff)** will update the Constitution to allow the Club to execute documents electronically.

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Dated: 27 July 2022

By direction of the Board



**Scott Sullivan**  
**Chief Executive Officer**

# Presidents Report 2022

It is with a sense of satisfaction that I write this annual report sharing some of the activities and successes of what has been both a challenging and productive year.

On the 10<sup>th</sup> January 2022 we had the pleasure of officially opening the Servies Motel. This day was the culmination of over 10 years of planning and approval. The Armidale Ex-Services club built an \$8 million motel on time and on budget by local building company Rice Constructions. On behalf of the board, I would like to express our thanks to the Rice team lead by Nick, Sam and Dave Rice for delivering such a magnificent structure. The first new motel in Armidale for over 15 years!

We had the honor of the complex being opened by Mrs. Thelma McCarthy OAM. During her speech, Thelma, an ex-service person and stalwart of the Armidale community stated, "it was the best thing she had ever opened".

Sadly, Thelma Passed away on the 27<sup>th</sup> of March aged 97 and will be missed by the club and throughout the entire region. I pass on our condolences to Thelma's family on behalf of the board of the Armidale Ex-Services Club and acknowledge Thelma's many years supporting the club.

We were extremely fortunate to have the assistance of former Inverell RSM Motel Manager Noel White who assisted the club by managing the motel and assisting in the selection process for our full time Managers Mitch Shultz and Alana Smith. The motel is already experiencing an average of 50 % occupancy rates which is excellent for the first year of trading.

Challenges surrounding staffing has been an aftermath of the pandemic and continues to be an issue for not just the Servies but many local businesses however I would like to take the opportunity to thank our hard working and friendly staff for their dedication to making the Armidale Ex-Services Club the best Club in the region.

Financially it has been another successful year for the club with a very good profit of approximately \$940,000.00 which continues to put the club in a good position to continue serving its members well into the future.

The Armidale Ex Services club has continued to improve and grow thanks in no small measure to the hard work of Club CEO, Scott Sullivan and Deputy CEO, Troy Gale and their team. Scott & Troy both invested a significant amount of extra time over the last 2 years to see the Motel project come to fruition.

The Club is fortunate to have a very qualified and knowledgeable CEO in Scott. He is extremely dedicated to growing the Club and developing a brand and reputation that will continue to be associated with excellent facilities, dining and service. The Board and Management continue to be supported by hardworking and loyal staff across all areas of the club. It is these staff members who assist Scott to ensure the smooth and successful operation of the Club.

A handwritten signature in black ink, appearing to read 'B. A.', with a stylized, cursive-like flourish.

Brian Everett

# Chief Executive Officer's Report

As I commenced writing this annual report, I realised it was my tenth (10<sup>th</sup>) as CEO for the Armidale Ex-Services Memorial Club. How fast those years seemed to have passed! With this statement in mind, I revisited the initial CEO report I wrote outlining my vision for the club:

- To be the *hospitality venue of choice* in Armidale by providing exceptional service, facilities and food.
- To be the *home of entertainment* and bring a vast array of concerts and live entertainment acts to the club on a regular basis.
- To *give more back to our members* not just financially but by providing additional services within the club including entertainment, promotions and community support and involvement.
- To *bring viable business diversification prospects*, such as the motel development, to reality to reduce reliance on the current revenue sources of the club.

I feel as a team at the Servies we have made great progress towards achieving this overall vision. Our challenge now is to ensure we not only sustain our vision but that we continue to grow each element within it.

The early part of this financial year started with the club again being forced to close doors from the 8<sup>th</sup> August 2021 to 11<sup>th</sup> September 2021 due to Government orders in response to the COVID-19 pandemic. At the time of closure, there was uncertainty and confusion around the Government's advice regarding when the doors would be able to re-open.

Over the last year our staff and management team have again worked through demanding and difficult times with the pandemic leading to increased pressures around industry regulatory issues, staff sickness and overall staff shortages across the industry. On occasion, this has seen our team ultimately tested as they sought successfully to balance the work pressures, personal and emotional issues caused by the pandemic. I applaud their resilience and would like to take this opportunity to personally thank and acknowledge the Servies team for their contribution, effort and support throughout this year.

At the time of preparing this report, COVID-19 cases in Armidale and the wider community were again increasing. Our emphasis at the Servies 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'.

This financial year saw the construction of the club's thirty-one room motel project by Rice Construction Group Pty completed. An occupancy certificate was issued in December 2021 and the motel commenced trading on the 14<sup>th</sup> January 2022. The motel has traded well in this initial phase of operation. Occupancy levels are increasing month by month and the feedback by guests has been positive.

As the CEO, I am again pleased to report the club has had another strong financial gain against a difficult trading year and a thirty-four (34) day shutdown period due to COVID-19. The operating financial result (before income tax) for the year compared to the previous year being:

	<u>2022</u>	<u>2021</u>
Operating Surplus / (deficit) after income tax	<u>\$ 910,135</u>	<u>\$ 1,370,590</u>

The continued success of the club is always dependent upon the support and patronage of our members. Our members devotion to the club is our motivation to continually strive to offer the best possible service, products and facilities that we can, not only now but into the future. In this regard, I would like to offer a sincere “thank you” to all our members for contributing to the Servies success during the last couple of years.

Additionally, I acknowledge the efforts and dedication of a Board of Directors committed to adhering to their charter of setting policy and strategy for the betterment of all members. They, together with management, are devoted to continually exploring opportunities for the advancement of the club.

Finally, I look forward to the ongoing patronage and support of our club members in the years ahead, whatever challenges those years may bring.



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 2022**

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

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

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Your directors present their report on the company for the financial year ended 30 June 2022.

### **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 clubs 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 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 \$942,039 (2021: \$1,422,337).
- Cash flow from operating activities for the financial year was \$1,707,319 (2021: \$1,955,911).
- Membership for the financial year was 5,897.

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

**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**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, 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	11
Mark D Bullen	13	11
Paul J Kennedy	13	12
Peter A Georkas	13	13
Sue Nelson	13	12
Francesco Falcomata	13	11
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.

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

**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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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	5,807	\$ 1	\$ 5,807
Service Members	90	\$ 1	\$ 90
Total	5,897	\$ 1	\$ 5,897

**Auditors' Independence Declaration**

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

Signed in accordance with a resolution of the Board of Directors



Brian D Everett  
President



Sue Nelson  
Director

Dated: 3 August 2022

**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 2022 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: 3 August 2022

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 2022

	Note	2022 \$	2021 \$
Revenue	2	7,290,263	7,157,803
Other income	3	234,929	309,416
Interest revenue calculated using the effective interest method		710	4,836
Advertising and promotional expenses		(602,563)	(547,412)
Cost of goods sold	4	(1,798,024)	(1,746,601)
Depreciation expense	4	(850,038)	(667,867)
Loss on disposal of fixed assets		(32,753)	(57,523)
Employee benefits expense		(1,969,663)	(1,771,093)
Finance costs		(80,596)	(334)
Occupancy costs		(920,365)	(1,004,835)
Other expenses		(329,861)	(254,053)
<b>Surplus before income tax expense</b>		<b>942,039</b>	<b>1,422,337</b>
Income tax expense	1(b), 5	(31,904)	(51,747)
<b>Surplus after income tax expense for the year attributable to members</b>		<b>910,135</b>	<b>1,370,590</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year attributable to members</b>		<b>910,135</b>	<b>1,370,590</b>

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	273,081	1,850,803
Trade and other receivables	7	13,966	1,045
Inventories	8	43,271	42,685
Current tax assets	14	-	57,591
Other current assets	9	55,004	52,829
<b>TOTAL CURRENT ASSETS</b>		<b>385,322</b>	<b>2,004,953</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	10	16,715,777	11,774,438
Intangible assets	11	60,000	60,000
<b>TOTAL NON CURRENT ASSETS</b>		<b>16,775,777</b>	<b>11,834,438</b>
<b>TOTAL ASSETS</b>		<b>17,161,099</b>	<b>13,839,391</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	720,315	843,789
Contract liabilities	13	303,481	215,108
Employee benefits	16	194,602	152,236
Other liabilities	17	88,058	37,821
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,306,456</b>	<b>1,248,954</b>
<b>NON CURRENT LIABILITIES</b>			
Financial liabilities	15	2,463,681	10
Deferred tax liabilities	14	92,046	61,535
Employee benefits	16	13,874	55,835
Contract liabilities	13	12,814	110,964
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>2,582,415</b>	<b>228,344</b>
<b>TOTAL LIABILITIES</b>		<b>3,888,871</b>	<b>1,477,298</b>
<b>NET ASSETS</b>		<b>13,272,228</b>	<b>12,362,093</b>
<b>EQUITY</b>			
Retained surpluses		13,272,228	12,362,093
<b>TOTAL EQUITY</b>		<b>13,272,228</b>	<b>12,362,093</b>

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

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	Retained Surpluses \$	Total \$
<b>Balance at 1 July 2020</b>	10,991,503	10,991,503
Surplus after income tax expense	1,370,590	1,370,590
Total other comprehensive income for the year	-	-
<b>Balance at 30 June 2021</b>	<u>12,362,093</u>	<u>12,362,093</u>
Surplus after income tax expense	910,135	910,135
Total other comprehensive loss for the year	-	-
<b>Balance at 30 June 2022</b>	<u>13,272,228</u>	<u>13,272,228</u>

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		8,337,435	8,334,858
Payments to suppliers and employees		(6,606,429)	(6,327,047)
Interest received		710	4,836
Interest and other finance costs paid		(80,596)	(334)
Income tax paid		56,199	(56,402)
Net cash provided by operating activities		1,707,319	1,955,911
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		8,365	-
Purchase of property, plant and equipment		(5,757,076)	(2,233,497)
Net cash used in investing activities		(5,748,711)	(2,233,497)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		7,499,990	1,323,710
Repayment of borrowings		(5,036,320)	(1,323,700)
Net cash provided by financing activities		2,463,670	10
Net decrease in cash held		(1,577,722)	(277,576)
Cash at the beginning of the financial year		1,850,803	2,128,379
Cash at the end of the financial year	6	273,081	1,850,803

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

**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 3 August 2022 by the directors of the company.

**Accounting Policies**

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

**(a) Revenue**

The Company recognises revenue as follows:

Revenue from contracts with customers

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

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

Sale of Goods

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

Rendering of Services

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

Rent

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

Other Revenue

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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 2022

**(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 2022**

**(g) Impairment of Non-Financial Assets**

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value of its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

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

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

**(h) Trade and Other Payables**

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

**(i) Contract Liabilities**

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

**(j) Employee Benefits**

Short-term employee benefits

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

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

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

**(k) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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

Commitments and contingencies are disclosed on a gross basis.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

**(I) 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

**(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.

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

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

*Conceptual Framework for Financial Reporting (Conceptual Framework)*

The Company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Company's financial statements.

*AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*

The Company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
<b>Note 2: Revenue</b>			
Revenue from contracts with customers			
Sales - Trading		1,797,412	1,658,476
Subscriptions		14,335	5,260
TAB and Keno commission		86,613	90,911
Green fees		7,109	5,074
Sponsorship		1,500	-
Equipment and room hire		35,598	36,916
Poker machine revenue		4,810,343	5,135,186
Bingo and raffles		180,195	181,156
Other commissions		39,562	30,830
Newspaper and merchandise sales		102	122
Ticket sales		23,962	9,273
Motel Revenue		287,551	-
Total revenue from contracts with customers		7,284,282	7,153,204
Other revenue			
Donations		3,123	4,451
Sundry income		2,858	148
Total other revenue		5,981	4,599
Total revenue		7,290,263	7,157,803
Disaggregation of revenue			
Timing of revenue recognition			
Goods transferred at a point in time		7,089,494	6,972,107
Service transferred over time		194,788	181,097
		7,284,282	7,153,204
<b>Note 3: Other Income</b>			
Government subsidies		119,152	195,500
Rental income		115,777	113,916
Total other income		234,929	309,416
<b>Note 4: Expenses</b>			
Profit before income tax includes the following specific expenses:			
Cost of sales		1,798,024	1,746,601
Donations and sponsorships		135,630	146,206
Member benefits		356,564	347,478
Depreciation expense		850,038	667,867
Salary and wages		1,703,438	1,511,813
Superannuation		167,975	145,504
Cleaning and waste removal		272,925	200,894
Electricity and gas		233,279	226,489
Director expenses		62,234	32,749
Repairs and maintenance		206,868	414,543

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
<b>Note 5: Income Tax Expense</b>			
(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 25% (2021: 27.5%)		235,510	391,143
Add: Tax effect of;			
Non deductible exempt income expenditure		1,111,557	1,198,211
Other assessable income		200,253	26,559
Non deductible expenses		212,391	183,663
Deferred tax movement		30,511	77,281
Less: Tax effect of;			
Deduction for decline in value of depreciating assets		(253,041)	(123,236)
Exempt income		(1,497,344)	(1,689,100)
Other deductible expenses		(7,933)	(12,774)
Income tax expense/(revenue) attributable to the company		31,904	51,747
<b>Note 6: Cash and Cash Equivalents</b>			
Cash on hand		193,930	184,342
Cash at bank		79,151	1,666,461
		273,081	1,850,803
<b>Note 7: Trade and Other Receivables</b>			
CURRENT			
Trade receivables		13,966	1,045
		13,966	1,045
<b>Note 8: Inventories</b>			
CURRENT			
Stock on Hand, at cost		43,271	42,685
		43,271	42,685
<b>Note 9: Other Assets</b>			
CURRENT			
Bonds paid		5,500	5,500
Prepayments		49,504	47,329
		55,004	52,829

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
<b>Note 10: Property, Plant &amp; Equipment</b>			
Land and Buildings (at cost)			
Capital works in progress		<u>110,540</u>	<u>3,293,344</u>
Freehold land and buildings		<u>7,307,235</u>	<u>7,307,235</u>
Less: Accumulated depreciation		<u>(1,743,148)</u>	<u>(1,527,260)</u>
		<u>5,564,087</u>	<u>5,779,975</u>
Buildings - Theatre Complex		<u>987,700</u>	<u>987,700</u>
Less: Accumulated depreciation		<u>(596,866)</u>	<u>(586,845)</u>
		<u>390,834</u>	<u>400,855</u>
Buildings - Motel		<u>7,916,225</u>	<u>118,929</u>
Less: Accumulated depreciation		<u>(99,638)</u>	<u>-</u>
		<u>7,816,587</u>	<u>118,929</u>
Total Land and Buildings		<u>13,882,048</u>	<u>9,593,103</u>
Plant and Equipment (at cost)			
Plant and equipment		<u>2,537,056</u>	<u>2,496,739</u>
Less: Accumulated depreciation		<u>(1,784,801)</u>	<u>(1,665,665)</u>
		<u>752,255</u>	<u>831,074</u>
Plant and equipment - motel		<u>811,759</u>	<u>-</u>
Less: Accumulated depreciation		<u>(99,628)</u>	<u>-</u>
		<u>712,131</u>	<u>-</u>
Poker machines		<u>2,947,071</u>	<u>2,858,375</u>
Less: Accumulated depreciation		<u>(1,668,723)</u>	<u>(1,612,312)</u>
		<u>1,278,348</u>	<u>1,246,063</u>
Motor vehicles		<u>63,523</u>	<u>64,032</u>
Less: Accumulated depreciation		<u>(43,847)</u>	<u>(38,708)</u>
		<u>19,676</u>	<u>25,324</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Bowling greens and equipment		139,127	139,127
Less: Accumulated depreciation		(67,808)	(60,253)
		71,319	78,874
Total Plant and Equipment		2,833,729	2,181,335
Total Property, Plant and Equipment		16,715,777	11,774,438
(a) Movements in carrying amounts			
	Land and Buildings \$	Plant and Equipment \$	Total \$
Balance at the beginning of the year	9,593,103	2,181,335	11,774,438
Additions	4,614,491	1,217,730	5,832,221
Disposals	-	(41,318)	(41,318)
Depreciation expense	(325,546)	(524,018)	(849,564)
Carrying amount at the end of the year	13,882,048	2,833,729	16,715,777
(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		117,991	114,498
One to five years		192,989	301,773
More than five years		-	-
		310,980	416,271
<b>Note 11: Intangible Assets</b>			
Poker machine entitlements (at cost)		60,000	60,000
		60,000	60,000
<b>Note 12: Trade and Other Payables</b>			
CURRENT			
Unsecured liabilities;			
Trade payables		388,677	611,011
Poker machine duty payable		104,801	62,808
Sundry payables and accrued expenses		144,769	118,520
GST and PAYG payable		82,068	51,450
		720,315	843,789
<b>Note 13: Contract Liabilities</b>			
CURRENT			
Bowls memberships in advance		-	(534)
Motel retention		170,972	95,827
Poker machine jackpot liability		132,509	119,815
		303,481	215,108
NON-CURRENT			
Member subscriptions received in advance		12,814	15,137
Motel retention		-	95,827
		12,814	110,964

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
<b>Note 14: Tax assets and liabilities</b>			
(a) Liabilities			
CURRENT			
Income tax		-	-
NON-CURRENT			
Deferred tax liability		92,046	61,535
(b) Assets			
CURRENT			
Income tax		-	57,591
NON-CURRENT			
Deferred tax asset		-	-
<b>Note 15: Financial Liabilities</b>			
CURRENT			
Business loan		-	-
NON CURRENT			
Business loan		2,463,681	10
		2,463,681	10
<p>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 \$4,866,040 unused.</p> <p>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 4.35% on 30 June 2022 (2021: 3.55%).</p>			
<b>Note 16: Employee Benefits</b>			
CURRENT			
Employee benefits		194,602	152,236
		194,602	152,236
NON-CURRENT			
Employee benefits		13,874	55,835
		13,874	55,835
<b>Provision for employee benefits</b>			
<p>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.</p>			
<b>Note 17: Other Liabilities</b>			
CURRENT			
Other income received in advance		88,058	37,821
		88,058	37,821

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
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**Note 18: Capital Commitments**

The amounts committed at each year end are as follows;

Motel development Stage 2	-	5,640,768
	-	5,640,768

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 at 30 June 2021 was settled in April 2022. No further commitments were noted in 2022.

**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 2022, 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.

**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	846,717	974,489
	846,717	974,489

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.	32,597	46,777
Director, M Bullen, has an interest in a bicycle centre that provides services to the club.	2,727	50
Director, P Kennedy, has an interest in a transport service that provides services to the club.	1,246	248
CEO's relation, B Sullivan, has an interest in a cabinetry business that provided services to the club.	12,749	44,042

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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
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**Note 21: Auditors' Remuneration**

During the financial year the following fees were paid or payable for services provided by Crowe Central North, the auditor of the company:

Audit of the financial statements		23,500	21,900
Other allowable services		2,000	2,000
		<u>25,500</u>	<u>23,900</u>

**Note 22: Company Details**

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

The registered office and principal place of business is:

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

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 2022**

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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 - Simplified Disclosures, 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 2022 and of the performance for the year ended on that date of the company;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Brian D Everett  
President



Sue Nelson  
Director

Dated: 3 August 2022

**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 2022, 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 2022 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.

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.

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 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 2022, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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**

- 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: 3 August 2022

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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
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
2022	16,925,860	3,801,119	13,124,741	7,589,298	3,377,784	910,227	131,150	1,702,325	850,038	940,648