

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

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THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

CLUB PROPERTY DECLARATION

31 DECEMBER 2022

The Pursuant to Section 41(E) of the *Registered Clubs Act 1976*, the Directors declare that, for the financial year ended 31 December 2022, the classification of the freehold land is as follows:

Property Address	Current Usage	Classification
130-134 Baker Street, TEMORA NSW 2666	Clubhouse	Core
80 Loftus Street and 139 Baker Street, TEMORA NSW 2666	Motel	Non-core
132-134 Crowley Street, TEMORA NSW 2666	Motel	Non-core

Section 41(E) of the *Registered Clubs Act 1976* requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.

Core property is any real property owned or occupied by the Company that comprises:

- a) the defined premises of the Company; or
- b) any facility provided by the Company for use of its members and their guests; or
- c) any other property declared by a resolution passed by a majority of the members present at a general meeting of Ordinary members of the Company to be core property of the Company.

Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Company not to be core property.

The significance of the distinction between core property and non-core property is that the Company cannot dispose of any core property unless:

- a) the property has been valued by a registered valuer within the meaning of the *Valuers Act 2003*; and
- b) the disposal has been approved at a general meeting of the ordinary members of the Company at which the majority of the votes cast support the approval; and
- c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.

These disposal provisions and what constitutes a disposal is for the purposes of section 41(E) are to some extent modified by regulations made under the *Registered Clubs Act 1976* and by Section 41(E) itself. For example, the requirements above do not apply to core property that is being leased or licensed for a period not exceeding 10 years on terms that have been subject of a valuation by a registered valuer.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report on Temora Ex-Services Memorial Club Limited (the Company) for the financial year ended 31 December 2022.

Directors

The names of the Directors in office at any time during, or since the end of the year are:

Name	Position	Appointed/ Resigned
Mr Jason Smith	President	Appointed: 30 May 2021
Mr Michael Floyd	Junior Vice President	Appointed: 28 May 2017
Mrs Anne Widdows	Director	Appointed: 5 May 2017
Mrs Jodie Tame	Director	Appointed: 30 May 2021
Mr Raymond Lanyon	Director	Appointed: 30 May 2021
Mr Peter Castles	Director	Appointed: 24 June 2021

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Meeting Attendance

During the financial year, 12 meetings of Directors were held. Attendances by each Director during the year were as follows:

	Number attended	Number eligible to attend
Mr Jason Smith	12	12
Mr Michael Floyd	11	12
Mrs Anne Widdows	12	12
Mrs Jodie Tame	12	12
Mr Raymond Lanyon	11	12
Mr Peter Castles	10	12

Information on Directors

The names of each person who has been a Director during the year and to the date of this report are:

Mr Jason Smith	President appointed 30 May 2021
Qualifications	Mandatory Director Training
Experience	Self-employed
Special responsibilities	Finance Committee, Buildings Committee
Mr Michael Floyd	Junior Vice President appointed 11 August 2017
Qualifications	Mandatory Director Training, Advanced Governance Workshop
Experience	Access and Equity Committee for Temora Shire Council
Special Responsibilities	Governance Committee, Finance Committee

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Information on Directors

Mrs Anne Widdows	Director appointed 11 August 2017
Qualifications	Certificate II in Business, Mandatory Director Training
Experience	2 years experience as a Director of Temora Golf Club, 15 years experience on Temora Gold Ladies Committee, 32 years experience on GBOTA Committee
Special Responsibilities	WHS Committee
Mrs Jodie Tame	Director appointed 30 May 2021
Qualifications	BA Education, Secondary Teacher for 21 years, Temora Show Society Committee, Barmedman Show Society Committee, Temora Pony Club Committee, Independent Education Union Representative
Special Responsibilities	Governance Committee
Mr Raymond Lanyon	Director appointed 30 May 2021
Qualifications	Mandatory Director Training
Experience	Self-employed, retired Panel Beater
Special Responsibilities	Men's Bowling Committee, WHS Committee, Buildings Committee
Mr Peter Castles	Director appointed 24 June 2021
Qualifications	Mandatory Director Training
Experience	40 years experience as Train Driver
Special Responsibilities	WHS Committee

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activities of The Temora Ex-Services Memorial Club Limited during the financial year were to provide facilities and amenities for its members.

No significant changes in the nature of the Company's activities occurred during the financial year.

Short term objectives

The Company's short term objectives are to:

- Provide and maintain hospitality services to its members;
- Support the local community; and
- Be a recognised leader in the provision of hospitality.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Long term objectives

The Company's long term objectives are to:

- Establish and maintain a strong relationship with the local community;
- Be sustainable and strive for continuous improvements so far as to offer the best possible outcomes for the Company's members and guest whilst continuing to operate on a not-for-profit basis; and
- Continue to operate on a not-for-profit basis, preserving any surpluses for the benefit of members.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- To improve the club facilities;
- To attract and retain quality staff;
- Seek to provide a wide range of entertainment for the local community; and
- Establish and foster working partnerships with a range of community stakeholders.

Members guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company Limited by Guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the Company. At year end, the total amount that members of the Company are liable to contribute if the Company is wound up is \$6,204 (2021: \$6,446).

Performance measures

The Company measures its own performance through the use of occupancy including revenue generated from the motels, bar sales, turnover and net profit for the gaming machines which are set down within the monthly finance reconciliation updates and are reviewed by the Board and Management.

Operating results

The profit of the Company after providing for income tax amounted to \$333,755 (2021: \$186,914).

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

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

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia other than the *Smoke-Free Environment Act 2000*, *Smoke-Free Environment Amendment Regulation 2009*, and the *Smoke-Free Environment Regulation 2007* which bans and regulates smoking in enclosed public places as well as specified public places.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Indemnification

The Company has paid premiums to insure each of its Director's against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than the conduct involving a willful breach of duty in relation to the Company.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2022 has been received and can be found on page 6 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: J. E. Smith.....

Jason Smith

Director: M. Floyd.....

Michael Floyd

Dated 2 May 2023

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AUDITOR'S INDEPENDENCE DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2022

We declare that, to the best of our knowledge and belief, during the year ended 31 December 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.

National Audits Group Pty Ltd
Authorised Audit Company



Danielle Nye
Director

Dated 2 May 2023

Wagga Wagga

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

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STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Revenue		3,930,934	3,334,014
Other income		35,866	160,249
	4	<u>3,966,800</u>	<u>3,494,263</u>
Less: Expenses			
Advertising and marketing		27,137	24,713
Cleaning and laundry expense		73,186	60,924
Depreciation and amortisation		307,457	360,110
Donations		61,386	50,707
Entertainment and activities		345,458	319,831
Employee wages and benefits		1,357,620	1,284,273
Insurance		117,407	122,163
Interest paid		17,674	20,851
Other expenses		325,683	273,947
Purchases		468,184	340,095
Poker machine tax		281,206	226,701
Repairs and maintenance		129,397	109,177
Utilities		121,250	113,857
		<u>333,755</u>	<u>186,914</u>
Profit before income tax		333,755	186,914
Income tax expense	2(a)	-	-
Other comprehensive income		-	-
		<u>333,755</u>	<u>186,914</u>
Total comprehensive income for the year		<u>333,755</u>	<u>186,914</u>
Retained earnings at the beginning of the year		6,865,351	6,678,437
Profit for the year		<u>333,755</u>	<u>186,914</u>
Retained earnings at the end of the year		<u>7,199,106</u>	<u>6,865,351</u>

The accompanying notes form part of these financial statements.

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

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STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,453,888	1,308,295
Trade and other receivables		22,768	14,750
Inventories		55,522	47,882
Other financial assets	7	472,857	390,107
Other assets		64,569	52,112
TOTAL CURRENT ASSETS		2,069,604	1,813,146
NON-CURRENT ASSETS			
Property, plant and equipment	8	4,964,382	5,117,535
Intangibles assets	9	1,035,465	1,035,465
TOTAL NON-CURRENT ASSETS		5,999,847	6,153,000
TOTAL ASSETS		8,069,451	7,966,146
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	219,347	320,695
Employee benefits	11	335,679	330,009
Borrowings	12	274,684	423,754
TOTAL CURRENT LIABILITIES		829,710	1,074,458
NON-CURRENT LIABILITIES			
Employee benefits	11	40,635	26,337
TOTAL NON-CURRENT LIABILITIES		40,635	26,337
TOTAL LIABILITIES		870,345	1,100,795
NET ASSETS		7,199,106	6,865,351
EQUITY			
Retained earnings		7,199,106	6,865,351
TOTAL EQUITY		7,199,106	6,865,351

The accompanying notes form part of these financial statements.

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,876,775	3,068,102
Payments to suppliers and employees	(3,408,826)	(2,838,684)
Government subsidies received (COVID-19)	-	129,266
Interest received	4,827	75
Net cash provided by operating activities	<u>472,776</u>	<u>358,759</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(159,783)	(144,137)
Net proceeds/(loss) from financial assets - FVTPL	(18,330)	5,170
Receipts from disposal of property, plant and equipment	-	55,341
Net cash used in investing activities	<u>(178,113)</u>	<u>(83,626)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(149,070)	(144,092)
Repayments of other financial liabilities	-	(37,947)
Net cash used in financing activities	<u>(149,070)</u>	<u>(182,039)</u>
Net increase in cash and cash equivalents held	145,593	93,094
Cash and cash equivalents at beginning of year	1,308,295	1,215,201
Cash and cash equivalents at end of financial year	<u>6</u> <u>1,453,888</u>	<u>1,308,295</u>

The accompanying notes form part of these financial statements.

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

The financial report covers The Temora Ex-Services Memorial Club Limited (the Company) as an individual entity. The Temora Ex-Services Memorial Club Limited is a not-for-profit Company Limited by Guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of the Company is Australian dollars (\$AUD) and all amounts have been rounded to the nearest dollar.

The financial report was authorised for issue by the Directors on 2 May 2023.

1 BASIS OF PREPARATION

The financial report is general purpose financial statements that has been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures, *Corporations Act 2001* and *Corporations Regulations 2001*.

The financial report has been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of financial assets and financial liabilities.

Material accounting policies adopted in the preparation of the financial report are presented below and are consistent with prior reporting periods unless otherwise stated.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Income Tax

The mutuality principle has been applied to the calculation of the Company's income tax. The Company has estimated that the assessable portion of mutual income represented by results of trading attributable to non-members of the Company is 26.25% (2021: 21.50%).

The Company does not recognise deferred tax assets as the Company has been in a tax loss position for a number of years and therefore determined the tax losses carried forward from prior periods to be unrecoverable.

(b) Revenue and other income

Revenue from Contracts with Customers

The Company recognises revenue on a basis that reflects the transfer of promised goods or services to consumers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model for each appropriate revenue stream as follows:

1. Identify the contract with the customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognise revenue as and when control of the performance obligations is transferred.

The Company's accounting policies for recognising revenue is outlined in further detail below.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(b) Revenue and other income

Income for Not-for-Profit Entities

In accordance with AASB 1058 *Income for Not-for-Profit Entities*, the Company recognises revenue on a basis that reflects the fair value of goods, services, and assets (such as cash, inventories, and property, plant and equipment), which have been provided or transferred to the Company for nil or nominal considerations, is deemed to further the objectives of the Company, and has no enforceable or sufficiently specific performance obligations attached to the receipt.

Bar trading

Revenue derived through bar sales is recognised on transfer of goods to the patron as this is deemed to be the point in time when all the risks and rewards associated with the goods are transferred, there is no longer any ownership or effective control over the inventory and the Company's performance obligations have been met.

Gaming machine takings

Gaming machine takings is recognised as revenue on receipt of the funds as there are no enforceable performance obligations contained within a contract between the Company and the patron. Revenue from gaming machine takings is shown in the statement of profit or loss and other comprehensive income net of payouts and gaming tax.

Accommodation income

Accommodation charges are made at the commencement of a guests stay and are recognised as revenue on arrival.

Cancellation of bookings are permitted with no charge being made on the guests if the booking is cancelled at least 48 hours prior to check-in. If a booking is cancelled less than 48 hours prior to check-in, the Company recognises revenue equal to the full rate of the first cancelled night. For cancelled booking during peak times, the full booking payment will be forfeited by the quest and recognised as revenue by the Company. Revenue from cancelled bookings is recognised at the time the quest becomes unable to obtain a refund.

Receipts from the sale of goods, such as food and beverages, is recognised as income at the point of sale (POS) or the passing of possession to the customer has occurred, as this is deemed the point in time the Company has fulfilled its performance obligation.

Membership subscriptions

Membership subscriptions represent the amounts received from the Company's members in accordance with the Rules of the Company. Membership subscriptions received in advance incur an obligation for the Club to honour the terms and conditions of the membership for the term of the membership.

This represents a constructive obligations to provide all benefits associated to provide all benefits associated with the membership to the members. Therefore, membership subscriptions received in advance are recognised on the statement of financial position as a contract liability and subsequently recognised as revenue in the year to which they relate, on a straight-line basis.

Commissions

Commissions are recognised as revenue on receipt of the funds as there are no enforceable performance obligations contained within a contract between the Company and the patron. The Commission income is earned on a percentage of the sales generated by the Company using third-party property.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(b) Revenue and other income

Other income

Other income is recognised as revenue when the Company has fulfilled its performance obligations, or on receipt to the extent there are no performance obligations attached to the funds.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on an exclusive basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on both a straight-line basis and diminishing value basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5% - 40%
Plant and Equipment	5% - 40%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(e) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets at fair value through profit or loss

The Company has a managed investment scheme (AMP Investment) which is designated as other financial assets at fair value through profit or loss.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from this financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. The Company has term deposits with fixed maturities greater than 3 months which have been recognised as other financial assets in the statement of financial position.

Financial liabilities

The Company's financial liabilities include borrowings, trade and other payables which are measured at amortised cost using the effective interest rate method.

(f) Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired indicator for financial assets. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(g) Intangible Assets

Goodwill

Goodwill has been recognised for the acquisition of the Goldtera Motor Inn and the Koreela Park Motor Inn.

Goodwill is not amortised but is tested for impairment annually by the Directors. When determining whether there is any evidence of an impairment of the goodwill asset, the Directors consider the sales volume and profitability of the cash generating units, past and future projections, and perform an analysis of the industry outlook.

Gaming machine licenses

Under the *Gaming Machine Act 2001* (the Act), a tradeable asset titled gaming machine entitlement was created. Gaming Machine entitlements are able to be sold to other registered clubs within the state of New South Wales (NSW), provided certain statutory requirements are met. The Act came into effect on 2 April 2001.

The Company owned forty-three (43) gaming machines prior to the commencement date of the Act on 2 April 2001. At year end, six (6) of forty-nine (49) gaming machine licences held were recognised and recorded at either cost or deemed cost and have an indefinite useful life. Gaming machine entitlements purchased prior to 2001 have not been recognised as assets of the Company at year end.

At the end of each reporting period the Company determines whether there is any evidence of impairment indicators by comparing the cost reported for each individual gaming machine entitlement with the market values for the area. In the event the cost reported exceeds recoverable amount, the entitlements are immediately reduced to their recoverable amount by recognising an impairment loss through the statement of income and retained earnings.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, cash at bank and short-term deposits which are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

(i) Leases

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(j) Employee benefits

A liability is made for the Company's employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(k) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of income and retained earnings.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Director's make estimates and judgements during the preparation of the financial report regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial report, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

In assessing impairment, management estimates the recoverable amount of each asset or cash generating units, based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Key estimates - impairment of goodwill

In accordance with AASB 136 *Impairment of Assets*, the Company is required to estimate the recoverable amount of goodwill at each reporting period.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate and using a terminal value to incorporate expectations of growth thereafter.

In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- growth in EBITDA, calculated as adjusted operating profit before depreciation and amortisation;
- timing and quantum of future capital expenditure;
- long-term growth rates; and
- the selection of discount rates to reflect the risks involved.

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FOR THE YEAR ENDED 31 DECEMBER 2022

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Key estimates - impairment of goodwill

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Company's impairment evaluation and hence results.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

4 REVENUE AND OTHER INCOME

Revenue from contracts with customers (AASB 15)

	2022	2021
	\$	\$
Accommodation income	816,034	740,231
Commissions	95,944	70,213
Functions rooms and equipment hire	38,525	29,081
Gaming machine takings	1,945,144	1,707,641
Membership subscriptions	19,637	7,415
Profit on sale of non-current assets	5,130	33,619
Sale of goods	1,010,520	745,814
	<u>3,930,934</u>	<u>3,334,014</u>

Revenue recognised on receipt (AASB 1058)

Government subsidies	-	129,266
Other income	35,866	30,983
	<u>35,866</u>	<u>160,249</u>

Total revenue and other income

	<u>3,966,800</u>	<u>3,494,263</u>
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5 AUDITOR'S REMUNERATION

Remuneration of the auditor National Audits Group Pty Ltd, for:
- auditing and assisting with compilation of the financial report

	<u>23,000</u>	<u>21,000</u>
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THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
6 CASH AND CASH EQUIVALENTS		
CURRENT		
Cash on hand	95,800	85,600
Cash at bank	1,358,088	1,222,695
	<u>1,453,888</u>	<u>1,308,295</u>
7 OTHER FINANCIAL ASSETS		
CURRENT		
Managed portfolio investment	171,777	90,107
Term deposit (maturity < 3 months)	301,080	300,000
	<u>472,857</u>	<u>390,107</u>
8 PROPERTY, PLANT AND EQUIPMENT		
NON-CURRENT		
Freehold land		
At cost	625,800	625,800
Buildings		
At cost	6,130,939	6,051,344
Accumulated depreciation	(2,373,200)	(2,214,334)
	<u>3,757,739</u>	<u>3,837,010</u>
Plant and equipment		
At cost	3,613,137	3,532,949
Accumulated depreciation	(3,032,294)	(2,878,224)
	<u>580,843</u>	<u>654,725</u>
Total property, plant, and equipment	<u>4,964,382</u>	<u>5,117,535</u>

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

8 PROPERTY, PLANT AND EQUIPMENT

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land \$	Buildings \$	Plant and Equipment \$	Total \$
Year ended 31 December 2022				
Balance at the beginning of year	625,800	3,837,010	654,725	5,117,535
Additions	-	79,595	80,188	159,783
Disposals	-	-	(5,570)	(5,570)
Depreciation	-	(158,866)	(148,500)	(307,366)
Balance at the end of the year	625,800	3,757,739	580,843	4,964,382

9 INTANGIBLE ASSETS

NON-CURRENT

	2022 \$	2021 \$
Goodwill	810,000	810,000
Gaming machine entitlements	225,465	225,465
	1,035,465	1,035,465

10 TRADE AND OTHER PAYABLES

CURRENT

Trade payables	124,914	219,951
GST payable	68,073	80,770
Other payables	26,360	19,974
	219,347	320,695

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
11 EMPLOYEE BENEFITS		
CURRENT		
Provision for employee benefits	225,179	220,995
Long service leave	110,500	109,014
	<u>335,679</u>	<u>330,009</u>
NON-CURRENT		
Long service leave	<u>40,635</u>	<u>26,337</u>
12 BORROWINGS		
CURRENT		
Bank loans	<u>274,684</u>	<u>423,754</u>

Bank loan - ANZ

The bank loan provided by the Australia and New Zealand Banking Group Limited (ANZ) was restructured on 19 June 2018. The term of the loan expires on 2 January 2026. Principal and interest payments of \$13,683 are required in arrears on a monthly basis. The bank loan has been classified as a current liability of the Company. This is due to the Company not having an unconditional right to defer payment of the remaining loan balance in full, for a period greater than twelve (12) months.

For cashflow purposes, the Company's current and non-current repayment obligations are \$164,490 and \$110,194 respectively.

The bank loan is secured by a registered first mortgage over the following freehold properties owned by the Company:

- 132-134 Crowley Street, Temora 'Koreela Park Motor Inn';
- 80 Loftus Street, Temora 'Goldtera Motor Inn';
- 125-127 Crowley Street, Temora.

The ANZ Bank may request copies of audited financial report of the Company and these must be provided within 30 days of such a request.

The bank may revalue 125-127 Crowley Street at the Company's cost, at least once every 36 months.

The bank may revalue 132-134 Crowley Street at the Company's costs, at least once every 24 months.

The valuer and the valuation report prepared by that valuer must be acceptable to the ANZ Bank.

The ANZ Bank reserves the right to revalue at any time any of the properties held as security for this loan at its cost.

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

13 KEY MANAGEMENT PERSONNEL REMUNERATION

The total remuneration paid to key management personnel of the Company during the year was \$106,880 (2021: \$100,490). Total remuneration consists of wages and salaries paid to key management as well as honorariums and allowances paid to the Directors during the year.

For details of other transactions with key management personnel, refer to Note 14: Related Parties.

14 RELATED PARTIES

Key management personnel

Any persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity are considered key management personnel. Key management personnel of the Company are as follows:

- President;
- Junior Vice President;
- Board Directors; and
- Secretary Manager.

The outgoing Secretary Manager of the Company resigned in September 2022 and the incoming Secretary Manager was appointed in January 2023.

For details of remuneration disclosures relating to key management personnel, refer to Note 13: Key Management Personnel Remuneration.

Other transactions with KMP and their related entities are shown below.

Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Transactions with 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.

The following transactions occurred with related parties:

	Sales	Payments	Wages	Balance outstanding	
	\$	\$	\$	Owed to the company	Owed by the company
	\$	\$	\$	\$	\$
Other related parties	-	9,416	105,724	-	-

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

15 CAPITAL COMMITMENTS

In October 2022, the Directors engaged with Jensen Metal Roofing Pty Ltd (ABN: 48 130 674 467) to undertake capital works on the Club's premises. Capital works agreed to include upgrades to the roof, new airconditions, and solar panels. The quoted cost for completing the capital works was \$605,165 (GST inclusive).

Capital works did not commence until after year end and are expected to be completed by no later than May 2023.

In the opinion of the Directors, the Company did not have any other material capital commitments at 31 December 2022 (2021: None)

16 CONTINGENCIES

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2022 (31 December 2021: None).

17 EVENTS OCCURRING AFTER THE REPORTING DATE

No 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.

18 COMPANY DETAILS

The registered office and principal place of business of the Company is:

The Temora Ex-Services Memorial Club Limited

130 Baker Street

TEMORA NSW 2666

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 to 23, are in accordance with the *Corporations Act 2001* and:
 - a) comply with Australian Accounting Standards - Simplified Disclosures and *Corporations Regulations 2001*; and
 - b) give a true and fair view of the Company's financial position as at 31 December 2022 and performance for the year then ended.
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.

Director *J. e. smith.*
Jason Smith

Director *M. Floyd*
Michael Floyd

Dated 2 May 2023

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED
ABN: 76 001 055 045

INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Temora Ex-Services Memorial Club Limited (the Company), which comprises the statement of financial position as at 31 December 2022, the statement of income and retained earnings 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:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- (ii) complying with the 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* (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.

Other Information

Those Directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the annual report, (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 on the other information obtained prior to the date of this auditor's report, 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.

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED
ABN: 76 001 055 045

INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Responsibilities of 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 the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001* and for such internal control as Directors determines is necessary to enable the preparation of the financial report that gives and 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this 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 management.
- Conclude on the appropriateness of the management's 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 reporter, 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.

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

- 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 management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

National Audits Group Pty Ltd
Authorised Audit Company



Danielle Nye
Director

Dated 2 May 2023

Wagga Wagga