

# **THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED**

**ABN: 76 001 055 045**

## **FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

# THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

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FOR THE YEAR ENDED 31 DECEMBER 2023

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# THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

## CLUB PROPERTY DECLARATION

31 DECEMBER 2023

The Pursuant to Section 41(E) of the *Registered Clubs Act 1976*, the Directors declare that, for the financial year ended 31 December 2023, the classification of the freehold land is as follows:

<b>Property Address</b>	<b>Current Usage</b>	<b>Classification</b>
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.

# THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present their report on Temora Ex-Services Memorial Club Limited (the Company) for the financial year ended 31 December 2023.

### 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	Senior Vice President	Appointed: 24 June 2021
Mr John Bradley	Director	Appointed: 28 May 2023
Mr Frank Hoban	Director	Appointed: 28 May 2023

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, 0 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	12	12
Mrs Anne Widdows	11	12
Mrs Jodie Tame	11	12
Mr Raymond Lanyon	5	5
Mr Peter Castles	10	12
Mr John Bradley	5	7
Mr Frank Hoban	5	7

### 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

# THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

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## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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
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, 2 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	Senior Vice President appointed 24 June 2021
Qualifications	Mandatory Director Training
Experience	40 years experience as Train Driver
Special Responsibilities	WHS Committee
Mr John Bradley	Director appointed 28 May 2023
Qualifications	Mandatory training in progress
Experience	Retired School Teacher
Special Responsibilities	Building, Governance
Mr Frank Hoban	Director appointed 28 May 2023
Qualifications	Mandatory training in progress
Experience	Retired Police Officer
Special Responsibilities	WHS - Corporate Governance

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

# THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

### 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.

### 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 \$6,082 (2022: \$6,204).

### 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 \$263,610 (2022: \$333,755).

### Significant changes in state of affairs

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

# THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

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## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

### 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.

### 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 2023 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. Smith* .....

Jason Smith

Director: ..... *M. Floyd* .....

Michael Floyd

Dated 6 May 2024

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

**AUDITOR'S INDEPENDENCE DECLARATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

We declare that, to the best of our knowledge and belief, during the year ended 31 December 2023, there have been:

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

**National Audits Group Pty Ltd**  
**Authorised Audit Company**



**Danielle Nye**  
**Director**

**Dated 8 May 2024**

**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 2023

	Note	2023 \$	2022 \$
Revenue and other income	4	4,177,580	3,966,800
<b>Less: Expenses</b>			
Advertising and marketing		27,845	27,137
Cleaning and laundry expense		85,014	73,186
Depreciation and amortisation		293,210	307,365
Donations		60,105	61,386
Entertainment and activities		378,570	345,458
Employee wages and benefits		1,518,031	1,357,620
Insurance		135,376	117,407
Interest paid		18,717	17,674
Other expenses		376,667	325,775
Purchases		494,025	468,184
Poker machine tax		276,850	281,206
Repairs and maintenance		123,693	129,397
Utilities		125,867	121,250
<b>Profit before income tax</b>		263,610	333,755
Income tax expense	2(a)	-	-
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		263,610	333,755
<b>Retained earnings at the beginning of the year</b>		7,199,106	6,865,351
Profit for the year		263,610	333,755
<b>Retained earnings at the end of the year</b>		7,462,716	7,199,106

The accompanying notes form part of these financial statements.

# THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

## STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	1,136,205	1,453,888
Trade and other receivables		41,590	22,768
Inventories		53,357	55,522
Other financial assets	7	487,949	472,857
Other assets		47,614	64,569
<b>TOTAL CURRENT ASSETS</b>		<b>1,766,715</b>	<b>2,069,604</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	8	5,426,012	4,964,382
Intangible assets	9	1,035,465	1,035,465
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,461,477</b>	<b>5,999,847</b>
<b>TOTAL ASSETS</b>		<b>8,228,192</b>	<b>8,069,451</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	247,325	219,347
Employee benefits	11	257,443	335,679
Borrowings	12	118,224	274,684
Other financial liabilities	13	114,067	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>737,059</b>	<b>829,710</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	11	28,417	40,635
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>28,417</b>	<b>40,635</b>
<b>TOTAL LIABILITIES</b>		<b>765,476</b>	<b>870,345</b>
<b>NET ASSETS</b>		<b>7,462,716</b>	<b>7,199,106</b>
<b>EQUITY</b>			
Retained earnings		7,462,716	7,199,106
<b>TOTAL EQUITY</b>		<b>7,462,716</b>	<b>7,199,106</b>

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 2023

	2023	2022
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	4,130,854	3,876,775
Payments to suppliers and employees	(3,649,777)	(3,408,826)
Interest received	12,048	4,827
<b>Net cash provided by operating activities</b>	<u>493,125</u>	<u>472,776</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for property, plant and equipment	(754,077)	(159,783)
Net proceeds/(loss) from financial assets - FVTPL	(14,339)	(18,330)
<b>Net cash used in investing activities</b>	<u>(768,416)</u>	<u>(178,113)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of borrowings	(286,187)	(149,070)
Proceeds from borrowings	243,795	-
<b>Net cash used in financing activities</b>	<u>(42,392)</u>	<u>(149,070)</u>
<b>Net increase in cash and cash equivalents held</b>	(317,683)	145,593
Cash and cash equivalents at beginning of year	1,453,888	1,308,295
<b>Cash and cash equivalents at end of financial year</b>	6 <u>1,136,205</u>	<u>1,453,888</u>

The accompanying notes form part of these financial statements.

# THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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 6 May 2024.

### 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 24.12% (2022: 26.25%).

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.

# THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

### 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 guest and recognised as revenue by the Company. Revenue from cancelled bookings is recognised at the time the guest 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.

# THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

### 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:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
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.

# THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

### 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 2023

### 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.



# THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

### 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 Directors 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.

# THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

### 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**

	2023	2022
	\$	\$
Accommodation income	851,691	816,034
Commissions	110,510	95,944
Functions rooms and equipment hire	36,721	38,525
Gaming machine takings	1,915,754	1,945,144
Membership subscriptions	12,242	19,637
Sale of goods	1,107,777	1,010,520
	<u>4,034,695</u>	<u>3,925,804</u>

#### **Other income**

Profit on sale of non-current assets	-	5,130
Investment income	20,142	3,521
Other income	122,743	32,345
	<u>142,885</u>	<u>40,996</u>

#### **Total revenue and other income**

	<u>4,177,580</u>	<u>3,966,800</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	24,000	23,000
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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 2023

	2023	2022
	\$	\$
<b>6 CASH AND CASH EQUIVALENTS</b>		
CURRENT		
Cash on hand	95,800	95,800
Cash at bank	1,025,405	1,358,088
Short-term deposits	15,000	-
	<u>1,136,205</u>	<u>1,453,888</u>
<b>7 OTHER FINANCIAL ASSETS</b>		
CURRENT		
Managed portfolio investment	186,116	171,777
Term deposit (maturity < 3 months)	301,833	301,080
	<u>487,949</u>	<u>472,857</u>
<b>8 PROPERTY, PLANT AND EQUIPMENT</b>		
NON-CURRENT		
Freehold land		
At cost	<u>625,800</u>	<u>625,800</u>
Buildings		
At cost	6,350,939	6,130,939
Accumulated depreciation	<u>(2,516,821)</u>	<u>(2,373,200)</u>
	<u>3,834,118</u>	<u>3,757,739</u>
Capital works in progress		
At cost	<u>14,370</u>	<u>-</u>
Plant and equipment		
At cost	3,932,330	3,613,137
Accumulated depreciation	<u>(2,980,606)</u>	<u>(3,032,294)</u>
	<u>951,724</u>	<u>580,843</u>
<b>Total property, plant, and equipment</b>	<u>5,426,012</u>	<u>4,964,382</u>

# THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

### 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:

	Capital Works in Progress	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$	\$
<b>Year ended 31 December 2023</b>					
Balance at the beginning of year	-	625,800	3,757,739	580,843	4,964,382
Additions	14,370	-	220,000	519,707	754,077
Depreciation	-	-	(143,621)	(148,826)	(292,447)
<b>Balance at the end of the year</b>	<b>14,370</b>	<b>625,800</b>	<b>3,834,118</b>	<b>951,724</b>	<b>5,426,012</b>

### 9 INTANGIBLE ASSETS

#### NON-CURRENT

	2023 \$	2022 \$
Goodwill	810,000	810,000
Gaming machine entitlements	225,465	225,465
	<u>1,035,465</u>	<u>1,035,465</u>

### 10 TRADE AND OTHER PAYABLES

#### CURRENT

	2023 \$	2022 \$
Trade payables	123,530	124,914
GST payable	51,030	68,073
Other payables	72,765	26,360
	<u>247,325</u>	<u>219,347</u>

# THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	\$	\$
<b>11 EMPLOYEE BENEFITS</b>		
CURRENT		
Provision for annual leave	150,810	225,179
Long service leave	106,633	110,500
	<u>257,443</u>	<u>335,679</u>
NON-CURRENT		
Long service leave	<u>28,417</u>	<u>40,635</u>
<b>12 BORROWINGS</b>		
CURRENT		
Bank loans	<u>118,224</u>	<u>274,684</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 \$0 and \$0 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 2023

	2023	2022
	\$	\$
<b>13 OTHER FINANCIAL LIABILITIES</b>		
CURRENT		
Finance lease liability	62,099	-
Insurance finance	51,968	-
	<u>114,067</u>	<u>-</u>

### 14 KEY MANAGEMENT PERSONNEL REMUNERATION

The total remuneration paid to key management personnel of the Company during the year was \$207,037 (2022: \$106,880). 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 15: Related Parties.

### 15 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;
- Senior Vice 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 14: 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.

# THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

### 15 RELATED PARTIES

#### *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	-	10,564	158,422	-	-

### 16 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 airconditioners, and solar panels. The quoted cost for completing the capital works was \$551,059 (GST exclusive).

Capital works did not commence until the 2023 financial year. As at 31 December 2023, capital works for these upgrades amounted to \$567,251 (GST exclusive) and have been completed as of 9 June 2023.

Further to the above, in September 2023, the Directors engaged with Network Refurbishments and Construction (ABN: 89 065 824 437) to create a new outdoor gaming room and for internal renovations to the Club. The quoted amount for completing these capital works was \$450,000 (GST exclusive).

As at 31 December 2023, capital works in progress for this project amounted to \$14,370 (GST exclusive). The development application is with the Council and is awaiting their response.

In the opinion of the Directors, the Company did not have any other material capital commitments at 31 December 2023.

### 17 CONTINGENCIES

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2023 (2022: None).

# THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

### 18 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.

### 19 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 2023**

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 22, 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 2023 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. S. Smith* .....  
Jason Smith

Director ..... *M. Floyd* .....  
Michael Floyd

Dated 6 May 2024

## **THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED**

**ABN: 76 001 055 045**

### **INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

#### **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 2023, 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 2023 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 2023**

**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 2023**

**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 8 May 2024**

**Wagga Wagga**