

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

2021 Presidents Report

Dear Members,

A warm welcome to you all and it now gives me pleasure to present to you my Presidents Report for the year ended 31st December, 2021.

Once again this year's trading results have been affected to some extent by Covid restrictions at various times during the year.

However, the continued great support the club receives from regular members, the bowling activities and the increasing visitor numbers to our town have certainly benefited the club during the 2021 year.

This year's net profit of \$186,914, whilst pleasing, it is the considered opinion of the majority of your Board of Directors that further improvements can be made.

The net profit of \$186,914 is further enhanced by adding back the non-cash depreciation expense of some \$359,000 to make a cash profit for the year of \$545,914.

However, it is the overall opinion of the majority of your Board of Directors that there are costs that require close examination and refinement where applicable during this ongoing year's operations.

The percentage of wages in the Club's Profit & Loss statement to total revenue is concerning. Total payroll costs of \$930,159 to Club revenue of \$2,593,783 represents 35.9% of revenue. The majority of the Board considers this to be too high and requires close examination and refinement.

The same examinations need to be carried out as a matter of urgency on both of the Motel operations.

The Goldtera's payroll costs for the year were 53.9% of accommodation income, while the Koreela Park payroll costs were 39.1% of the income of this motel.

It is also the majority of the Board's opinion that these Motel costs need investigation and refinement.

With these cost reviews and refinements, where necessary, to the Club's ongoing operations we believe will enhance the future operation results and viability of your Club.

It is worth reporting as well that since the end of the 2021 financial year, the restaurant has come under new management and early indications are most pleasing.

I would also like to thank the staff that put so much effort into their roles of employment as it can be challenging at times, thank you.

The board have been working hard to make the much needed improvements that are needed to make the Club prosper in the future.

Kind Regards

Jason Scott Smith

Secretary Managers Report

I am happy to report another profitable year for the Club. The Temora Ex-Services Memorial Club has recorded a \$186,914 profit for the 2021 financial year.

The Club started 2021 in a strong financial position with just over \$1.2 Million in cash and cash equivalents. This gave the Club a good buffer should the Club have to be forced to shut down like they were in 2020.

The Club started to see some functions back in the Club around May/June. This did not last long though, as the Delta variant of Covid had made its way to Australia and whatever Covid restrictions had that were eased, were quickly reimposed across the state. Clubs and pubs in Sydney were less fortunate than country NSW, with a snap "two week" lockdown lasting over three months.

While the Club was still under Covid restrictions for the better part of the year, thankfully we only had to close for a period of about 4 weeks in August/September. However, the Club was faced with another hurdle in October when the government issued further restrictions on patrons based on their vaccination status. Once this was implemented, the Club saw a significant decline in revenue. The good news is that the government recognised this and the Club was eligible to obtain a total of \$129,266 in government subsidies throughout the year.

Poker machine revenue and bar revenue were up overall compared to 2020 figures, with poker machine income at \$1,707,641 (up by \$214,068 or 14.33%) and the bar income at \$745,814 (up by \$61,445 or 8.98%). The poker machine income even surpassed the 2019 income by nearly \$40,000. The bar income however was still approximately \$128,000 short of 2019 figures, which is to be expected with the lack of functions due to the pandemic.

The Motel's combined revenue was \$740,231, which is just over \$170,000 more than 2020 and even \$74,902 better than 2019. This means the Motels performed better than they were prior to the pandemic. Michael Dehlsen, Ben Gibson, Bianca Brabin and Dani Brabin should be commended for their efforts throughout the year in running the Motels. I'd like to also thank Sheree Cameron and Lara Cameron, who have also been helping in the Motels while the Managers were taking leave.

At the end of 2021, the Club still has \$1,308,295 in cash and cash equivalents, and a further \$300,000 in a term deposit, leaving the Club to remain in a strong financial position. With the constant threat of shutdowns and changing restrictions throughout the year, the Club once again was very careful with spending and kept capital expenditure to a minimum.

The Club was working on plans around this time last year for some renovations to the Frank Matthews Lounge. These plans are still going ahead, but due to tradesman being extremely busy during 2020, the works have yet to begin. At this stage, the works should be starting towards the end of April this year.

I would like to thank all of the Staff for their work throughout the year. Craig Murdoch continues to provide a top quality bowling green for the bowlers and I thank him for this. In 2021 we said goodbye to our Bar Supervisor, Melissa Magee, and welcomed Katherine Breust to take her place. Katherine has great work ethic and has shown improvement since her inception. In January 2022 we also welcomed our newest Bar Manager, Nathan Clarke, to work alongside Charmaine and he has already proven to be a valuable asset to the Club. I'd also like to thank Charmaine Doolan, Christine

Holden and all the other bar staff for their efforts in 2021. Hopefully we will begin to see more functions being held at the Club and be able to utilise our staff to their fullest potential in 2022.

The cleaning staff at both Motels and the Club are also to commended for the work they've put in throughout the year.

I'd like to give a special thanks to the administration staff of Julie Heard and Louise Brace who have had to endure organising functions and events in a difficult time with constant changes being made to restrictions throughout the year.

And finally, I'd like to thank all the members for their support throughout the year, who have also had to endure forever changing restrictions, such as wearing masks and sitting while drinking. While the rules didn't always make sense, we were charged with the duty of enforcing them whether we liked to or not, and I would like to thank everyone for their cooperation and understanding.

With restrictions hopefully behind us forever, and with the Clubs contract catering under new management, the club is currently seeing growth in all revenue areas and the 2022 financial year is looking very positive.

A handwritten signature in black ink, appearing to read 'Ben Wells', written in a cursive style.

Benjamin Wells
Secretary Manager

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

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THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

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CLUB PROPERTY DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2021

Pursuant to Section 41(E) of the *Registered Clubs Act 1976* the Directors declare that, for the financial year ended 31 December 2021, the classification of the freehold land is as follows:

Property Address	Current Usage	Classification
130-134 Baker Street, TEMORA NSW 2666	Clubhouse & Facilities	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 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 the subject of a valuation by a registered valuer.

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report on Temora Ex-Services Memorial Club Limited (the Company) for the financial year ended 31 December 2021.

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
Mr Kerry Wallace	President	Resigned: 30 May 2021
Mr Earl Kotzur	Senior Vice President	Resigned: 30 May 2021
Mrs Jone Pavelic	Director	Resigned: 30 May 2021
Mr Bruce Stacey	Director	Resigned: 25 February 2021
Mr Ross Winfield	Senior Vice President	Resigned: 27 December 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, 16 meetings of Directors were held. Attendances by each Director during the year were as follows:

	Number attended	Number eligible to attend
Mr Jason Smith	9	9
Mr Michael Floyd	16	16
Mrs Anne Widdows	15	16
Mrs Jodie Tame	9	9
Mr Raymond Lanyon	9	9
Mr Peter Castles	7	8
Mr Kerry Wallace	7	7
Mr Earl Kotzur	7	7
Mrs Jone Pavelic	5	7
Mr Bruce Stacey	-	2
Mr Ross Winfield	4	9

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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, 2 years prior experience as Director of Temora Ex-Services Memorial Club
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
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
Mr Kerry Wallace	President appointed 28 June 2017, resigned 30 May 2021
Qualifications	Mandatory Director Training
Experience	Retired WHS Officer for Temora Shire Council

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Mr Earl Kotzur	Senior Vice President appointed 11 August 2017, resigned 30 May 2021
Qualifications	Mandatory Director Training
Experience	Retired Farmer
Mrs Jone Pavelic	Director appointed 5 May 2019, resigned 30 May 2021
Qualifications	Responsible Service Alcohol
Experience	19 years as Managing Paralegal and Law Clerk, Former Caravan park manager, Former Secretary to Home Fund Commission of NSW, Former Secretary of State Forest NSW, Former owner of Courthouse Cottage B & B.
Special Responsibilities	Temora Show Society Committee
Mr Bruce Stacey	Director appointed 5 May 2019, resigned 25 February 2021
Qualifications	Security License
Experience	Security Guard
Mr Ross Winfield	Senior Vice President appointed 30 May 2021, resigned 27 December 2021
Experience	10 years prior experience as Director of Temora Ex-Services Memorial Club
Special Responsibilities	Buildings 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.

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.

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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 \$6,446 (2020: \$6,254)

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 \$186,914 (2020: \$(535,143)).

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.

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 wilful breach of duty in relation to the Company.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021 has been received and can be found on page 7 of the financial report.

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

Director:
J. S. Smith.
Jason Smith

Director:
M. J. Floyd.
Michael Floyd

Dated 12 April 2022

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED
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AUDITOR'S INDEPENDENCE DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2021

We declare that, to the best of our knowledge and belief, during the year ended 31 December 2021, there have been:

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

National Audits Group Pty Ltd
Authorised Audit Company



Danielle Nye
Director

Dated 12 April 2022

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 2021

	Note	2021 \$	2020 \$
Revenue		3,334,014	3,024,061
Other income		160,249	586,818
	4	<u>3,494,263</u>	<u>3,610,879</u>
Less: Expenses			
Advertising and marketing		24,713	17,126
Cleaning and laundry expense		60,924	55,413
Depreciation and amortisation		360,031	405,492
Donations		50,707	31,350
Entertainment and activities		319,831	240,109
Employee wages and benefits		1,284,273	1,290,844
Insurance		122,163	74,028
Interest paid		20,851	32,170
Other expenses		274,026	253,298
Purchases		340,095	315,880
Poker machine tax		226,701	169,766
Repairs and maintenance		109,177	88,247
Utilities		113,857	102,013
		<u>186,914</u>	<u>535,143</u>
Profit before income tax		186,914	535,143
Income tax expense	2(a)	-	-
Other comprehensive income		-	-
		<u>186,914</u>	<u>535,143</u>
Total comprehensive income for the year		186,914	535,143
Retained earnings at the beginning of the year		6,678,437	6,143,294
Profit for the year		<u>186,914</u>	<u>535,143</u>
Retained earnings at the end of the year		<u>6,865,351</u>	<u>6,678,437</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 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,308,295	1,215,201
Trade and other receivables		14,750	23,101
Inventories	7	47,882	40,227
Other financial assets	8	390,107	84,937
Prepayments		52,112	55,618
TOTAL CURRENT ASSETS		1,813,146	1,419,084
NON-CURRENT ASSETS			
Property, plant and equipment	9	5,117,535	5,364,770
Intangible assets	10	1,035,465	1,035,465
TOTAL NON-CURRENT ASSETS		6,153,000	6,400,235
TOTAL ASSETS		7,966,146	7,819,319
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	320,695	237,513
Employee benefits	12	330,009	281,217
Borrowings	13	423,754	567,846
Other financial liabilities		-	37,947
TOTAL CURRENT LIABILITIES		1,074,458	1,124,523
NON-CURRENT LIABILITIES			
Employee benefits	12	26,337	16,359
TOTAL NON-CURRENT LIABILITIES		26,337	16,359
TOTAL LIABILITIES		1,100,795	1,140,882
NET ASSETS		6,865,351	6,678,437
EQUITY			
Retained earnings		6,865,351	6,678,437
TOTAL EQUITY		6,865,351	6,678,437

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 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		3,068,102	3,038,857
Payments to suppliers and employees		(2,838,684)	(2,662,582)
Interest received		75	329
Government subsidies received (COVID-19)		129,266	557,500
Net cash provided by operating activities		358,759	934,104
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from disposal of plant and equipment		60,511	327,200
Purchase of property, plant and equipment		(144,137)	(112,511)
Net cash provided by/(used in) investing activities		(83,626)	214,689
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		(144,092)	(223,811)
Repayments of other financial liabilities		(37,947)	-
Net cash used in financing activities		(182,039)	(223,811)
Net increase in cash and cash equivalents held		93,094	924,982
Cash and cash equivalents at beginning of year		1,215,201	290,219
Cash and cash equivalents at end of financial year	6	1,308,295	1,215,201

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 2021

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 12 April 2022.

1 BASIS OF PREPARATION

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

The Company has opted to adopt AASB 1060 *General Purpose Financial Statements - Simplified Disclosures Standard for For-Profit and Not-for-Profit Tier 2 Entities* ahead of its mandatory effective date of 1 July 2021. Other than the change in disclosure requirements, the adoption of AASB 1060 has no significant impact on the financial statements because the Company's previous financial statements complied with Australian Accounting Standards - Reduced Disclosure Requirements.

The financial statements have 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.

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

2 SUMMARY OF SIGNIFICANT 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 21.5% (2020: 23.99%).

The Company has not previously recognised deferred tax assets, as historically tax losses have been incurred. However, in 2020 there was a taxable profit of \$38,485 reported in the Company's income tax return. This was offset with tax losses from previous years. Carry forward tax losses of \$741,374 were reported in the 2020 income tax return and an additional tax loss of \$28,015 was incurred in 2021, leaving a carry forward total of \$769,389. Due to the unlikelihood of the full amount of these losses being recovered, a deferred tax asset has not been recognised.

(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.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(b) Revenue and other income

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

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.

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(b) Revenue and other income

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.

Government subsidies

The Company has been eligible to receive JobSaver subsidies for the period between 15 August to 11 October 2022, as part of the COVID-19 economic relief from Service NSW.

The government subsidies received during the period were recognised as revenue upon receipt, in accordance with AASB 1058 *Income of Not-for-Profit Entities*. This was due to the nature of these grants and subsidies, having no performance obligations attached to them.

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 inclusive 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) Inventories

Inventories for bar stock are measured at the lower of cost and net realisable value. Cost of inventory is determined using the individual item basis which is inclusive of freight and delivery charges and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written off in the statement of income and retained earnings when deemed to be damaged or obsolete.

(e) 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.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(e) Property, plant and equipment

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.

(f) 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.

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.

(g) 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

ABN: 76 001 055 045

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(h) 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.

(i) 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.

(j) 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.

(k) 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 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(I) 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 these financial statements 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 statements, 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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

Key estimates - inventory

Each item of inventory is reviewed on an annual basis to determine whether it is being carried at higher than its net realisable value. During the year, management have written down inventory based on best estimate of the net realisable value, although until the time that inventory is sold this is an estimate.

Key judgments - Coronavirus (COVID-19) pandemic

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

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
4 REVENUE AND OTHER INCOME		
Revenue from contracts with customers (AASB 15)		
Accommodation income	740,231	569,563
Commissions	70,213	62,279
Functions rooms and equipment hire	29,081	15,540
Gaming machine takings	1,707,641	1,493,573
Membership subscriptions	7,415	18,920
Profit on sale of non-current assets	33,619	179,817
Sale of Goods	745,814	684,369
	<u>3,334,014</u>	<u>3,024,061</u>
Revenue recognised on receipt (AASB 1058)		
Government subsidies	129,266	557,500
Other income	30,983	29,318
	<u>160,249</u>	<u>586,818</u>
Total Revenue and Other Income	<u>3,494,263</u>	<u>3,610,879</u>
5 AUDITORS' REMUNERATION		
Remuneration of the auditor National Audits Group Pty Ltd, for:		
- auditing and assisting with compilation of the financial statements	21,000	21,850
	<u>21,000</u>	<u>21,850</u>
6 CASH AND CASH EQUIVALENTS		
CURRENT		
Cash on hand	85,600	75,600
Cash at bank	1,222,695	1,139,601
	<u>1,308,295</u>	<u>1,215,201</u>
7 INVENTORIES		
CURRENT		
Stock on hand	47,882	40,227
	<u>47,882</u>	<u>40,227</u>

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
8 OTHER FINANCIAL ASSETS		
CURRENT		
Managed investment portfolio	90,107	84,937
Westpac term deposit	300,000	-
	390,107	84,937
9 PROPERTY, PLANT AND EQUIPMENT		
NON-CURRENT		
Freehold land		
At cost	625,800	676,931
Buildings		
At cost	6,051,344	6,051,344
Accumulated depreciation	(2,214,334)	(2,047,844)
	3,837,010	4,003,500
Plant and equipment		
At cost	3,532,949	3,369,022
Accumulated depreciation	(2,878,224)	(2,684,683)
	654,725	684,339
	5,117,535	5,364,770

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 2021				
Balance at the beginning of year	676,931	4,003,500	684,339	5,364,770
Additions	-	-	164,722	164,722
Disposals	(51,131)	-	(796)	(51,927)
Depreciation	-	(166,490)	(193,540)	(360,030)
	625,800	3,837,010	654,725	5,117,535

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
10 INTANGIBLE ASSETS		
NON-CURRENT		
Goodwill	810,000	810,000
Gaming machine entitlements	225,465	225,465
	<u>1,035,465</u>	<u>1,035,465</u>
11 TRADE AND OTHER PAYABLES		
CURRENT		
Trade payables	219,951	147,384
GST payable	80,770	78,035
Other payables	19,974	12,094
	<u>320,695</u>	<u>237,513</u>
12 EMPLOYEE BENEFITS		
CURRENT		
Annual leave	220,995	187,616
Long service leave	109,014	93,601
	<u>330,009</u>	<u>281,217</u>
NON-CURRENT		
Long service leave	26,337	16,359
	<u>26,337</u>	<u>16,359</u>
13 BORROWINGS		
CURRENT		
Bank loans	423,754	567,846
	<u>423,754</u>	<u>567,846</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 \$259,264 respectively.

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

13 BORROWINGS

Bank loan - ANZ

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 Statements of the Club 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.

14 KEY MANAGEMENT PERSONNEL REMUNERATION

The total remuneration paid to key management personnel of the Company during the year was \$100,490 (2020: \$103,505). 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

Entities the Company exercises control over

The The Temora Ex-Services Memorial Club Limited was deemed to have the power and authority to exercise control over its subsidiary Clubs. The subsidiary Clubs operating during the year were as follows:

- The Temora Ex-Services Memorial Club Limited: Women's Bowling Club;
- The Temora Ex-Services Memorial Club Limited: Anglers Club; and
- The Temora Ex-Services Memorial Club Limited: Men's Bowling Club.

The Directors have assessed the financial position of each subsidiary as at 31 December 2021 and their financial performance for the year ended on that date to determine whether the exclusion of the subsidiaries would materially misstate the Company's financial report. The Company has only recognised the subsidiaries bank balances and net profit or loss for the year.

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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:

- Mr Jason Smith (President - Appointed 30 May 2021)
- Mr Michael Floyd (Junior Vice President)
- Mrs Anne Widdows (Director)
- Mrs Jodie Tame (Director - Appointed 30 May 2021)
- Mr Raymond Lanyon (Director - Appointed 30 May 2021)
- Mr Peter Castles (Director - Appointed 24 June 2021)
- Mr Kerry Wallace (President - Resigned 30 May 2021)
- Mr Earl Kotzur (Senior Vice President - Resigned 30 May 2021)
- Mr Jone Pavelic (Director - Resigned 30 May 2021)
- Mr Bruce Stacey (Director - Resigned 25 February 2021)
- Mr Ross Winfield (Senior Vice President - Resigned 27 December 2021)
- Mr Benjamin Wells (Secretary Manager)

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.

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
	\$	\$	\$	\$	\$
Key management personnel	-	-	100,490	-	-
Other related parties	-	9,791	77,422	-	-
	-	9,791	177,912	-	-

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

16 CAPITAL COMMITMENTS

In the opinion of the Directors, the Company did not have any material capital commitments at 31 December 2021 (2020: None)

17 CONTINGENCIES

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2021 (31 December 2020: None).

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 2021

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 2021 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. J. Floyd.*
Michael Floyd

Dated 12 April 2022

THE TEMORA EX-SERVICES MEMORIAL CLUB LIMITED

ABN: 76 001 055 045

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021, 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 2021 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 2021

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 a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the 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 report, 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 2021

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 12 April 2022

Wagga Wagga