

2021-2022 ANNUAL REPORT



**GRAFTON DISTRICT
SERVICES CLUB**

ABN 90 001 041 327

ALWAYS exciting, ALWAYS rewarding

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given of the Annual General Meeting of **GRAFTON DISTRICT SERVICES CLUB LIMITED** to be held on **Monday 31 October 2022** commencing at **7:00pm** at the premises of the Club, Mary Street, Grafton, NSW.

ADMITTANCE TO THE ANNUAL GENERAL MEETING WILL ONLY BE ON PRESENTATION OF CURRENT MEMBERSHIP CARD

AGENDA

1. Apologies
 2. To confirm the Minutes of the 2021 Annual General Meeting.
 3. To receive and consider the President's Report.
 4. To receive and consider the Chief Executive Officer's report.
 5. To receive and consider the Directors' Report, financial statements and the Auditor's report.
 6. To consider and if thought fit pass the Ordinary Resolutions in this Notice in relation to director's benefits.
 7. To consider and if thought fit pass the Ordinary Resolution in this Notice in relation to directors' honorariums.
 8. To consider and if thought fit pass the Ordinary Resolution in this Notice for Life Membership.
 9. Recommendations to the Board.
-

PROCEDURAL MATTERS

1. Life members, RSL members, Other Sub-Branch members, Associate members and subject to Rule 10.16 of the Constitution, Senior 20 Year members can vote on the Resolutions and in the election of the Board.
 2. Each Ordinary Resolution will be passed if at least a majority (ie. 50% plus 1) of the votes cast on the resolution by eligible members are cast in favour of the resolution.
 3. Under the Registered Clubs Act:
 - (a) members who are employees of the Club are not entitled to vote; and
 - (b) proxy voting is prohibited.
 4. The Board recommends the Resolutions to members.
 5. Members with questions on the Annual Report or accounts are asked to submit those questions in writing to the Chief Executive Officer 7 days before the meeting. Members are entitled to ask questions at the Annual General Meeting without giving this notice. However, if you do not submit questions in writing 7 days before the meeting, it may not be possible to provide you with an answer to your question at the meeting.
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ORDINARY RESOLUTIONS - DIRECTOR'S BENEFITS

FIRST ORDINARY RESOLUTION

That pursuant to the Registered Clubs Act:

- (a) The members of Grafton District Services Club Limited hereby approve reasonable expenditure by the Club until the next Annual General Meeting of the Club for the following expenses:
-

Reasonable expenses occurred by the Directors in travelling by their private or public transport to and from Directors' Meetings, or other duties associated with Club business, either within the Club or elsewhere, as approved by the Board.

- (i) Reasonable cost of meal and beverages for each Director associated with the Directors' attendance at Board or Community meetings or other Club duties on the date of such meeting or duty.
 - (ii) Reasonable expenses incurred by Directors within the Club or elsewhere in relation to such duties, including entertainment of guests of the Club and promotional activities as approved by the Board.
 - (iii) Reasonable expenses for attendance of Directors and Partners, where appropriate, at functions to represent the Club as approved by the Board.
 - (iv) Reasonable expenses on a pre-Christmas dinner for Directors and Partners.
 - (v) Reasonable expenses on Club blazer, shirt, tie, slacks and associated items for each Director.
 - (vi) That the Club Boardroom be available for Directors and that all beverages and refreshments in the boardroom be at the expense of the Club when dealing with Club business.
 - (vii) The reasonable expenses incurred in relation to providing a wake for departed members in circumstances which the Board, in its discretion, determine are special and significant to the Club.
 - (viii) That each Director be allotted to a specific parking place in the car park.
- (b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally, but only for those who are Directors of the Club and those persons directly involved in the above activities.
-

SECOND ORDINARY RESOLUTION

That pursuant to the Registered Clubs Act:

- (a) The members of Grafton District Services Club Limited hereby approve reasonable expenditure by the Club for the professional development and education of Directors until the next Annual General Meeting.
 - (i) The reasonable cost of Directors and Partners attending the Club NSW Annual Meeting and Conference, to represent the club.
 - (ii) The reasonable cost of Directors attending meetings of other Associations.
 - (iii) The reasonable cost of Directors attending other Registered Clubs for the purpose of viewing and assessing facilities and methods of operation, as approved by the board.
 - (iv) The reasonable cost of Directors attending seminars, lectures, trade displays, organized study tours, fact-finding tours and other similar events, in Australia or overseas as may be determined by the Board from time to time for the benefit of the future prosperity of the Club and its members.
 - (b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally, but only for those who are Directors of the Club and those persons directly involved in the above activities.
-

Notes to Members on the Ordinary Resolutions for Director Benefits

1. The First and Second Ordinary Resolutions propose that members approve benefits being provided to directors in relation to directors fulfilling their duties. The benefits are set out in each resolution.
-

ORDINARY RESOLUTION - HONORARIUMS

THIRD ORDINARY RESOLUTION

[The Third Ordinary Resolution is to be read in conjunction with the notes to members set out below.]

That the members hereby approve the payment of the following honorariums (inclusive of any superannuation guarantee levy if payable) to the President, Vice-President and Directors for their service as on the Board of the Club until the next Annual General Meeting:

- (a) President - \$10,000.00; and
 - (b) Vice-President - \$5,000.00
 - (c) Director - \$3,000.00
-

Notes to Members on the Third Ordinary Resolution

- 1. The Third Ordinary Resolution is to have the members approve honorariums for the President, Vice-President and Directors for duties to be performed by them until the next Annual General Meeting.
-

ORDINARY RESOLUTION – LIFE MEMBERSHIP

FOURTH ORDINARY RESOLUTION

That the members of Grafton District Services Club Limited hereby grant Life membership to Ian Speechley.

Notes to Members on the Fourth Ordinary Resolution.

- 1. The Fourth Ordinary Resolution proposes that member Ian Speechley be granted Life membership of the Club.
 - 2. The Fourth Ordinary Resolution has been proposed by members Warren Tozer and Arthur Lysaught
-

ORDINARY RESOLUTION – LIFE MEMBERSHIP

FIFTH ORDINARY RESOLUTION

That the members of Grafton District Services Club Limited hereby grant Life membership to Trevor Coleman.

Notes to Members on the Fifth Ordinary Resolution.

- 1. The Fifth Ordinary Resolution proposes that member Trevor Coleman be granted Life membership of the Club.
 - 2. The Fifth Ordinary Resolution has been proposed by members Warren Tozer and Arthur Lysaught
-

Dated: 6 October 2022

By Direction of the Board



**Michael Sear
Chief Executive Officer**

PRESIDENT'S REPORT 2021-2022

It is my pleasure to present the Annual Report for the financial year ending 30 June, 2022.

This report is to be considered at the Annual General Meeting to be held on 31 October, 2022.

The past 12 months of our 2022 financial year were overshadowed by the COVID 19 Pandemic commencing early March in our trading year. The effects of which will continue to restrict trading and our ability to proceed with the planned renovations.

However, I am pleased to say we made solid progress learning to live with the ongoing restrictions and plan for the future by closely monitoring income streams and expenditures.

You will note from the Clubs financial report that it retains a solid balance sheet and recorded an operating surplus of \$985,927.

I do wish to make a special thanks to Nathan Whiteside for his efforts and dedication during his time as CEO of our Club, and congratulate him on his appointment as CEO of Orange Ex Services Club.

Congratulations to Michael Sear on his appointment as CEO of our club. Michael is highly qualified and a extremely dedicated CEO. His knowledge and expertise are highly respected. Michael has been and is supported by his management team Debra Page, Karen Newman, Kristy Essex, David Craig, Steve Donnelly, Shane Essex and Amy Dougherty who together are a formidable group of highly focused professionals that will lead us into our planned future.

I would like to take this opportunity to acknowledge and thank the entire Grafton District Services Team for their contribution and support. The Board is most grateful for their commitment in ensuring our members and guests receive memorable experiences and continued high service levels.

To my fellow Board members, I congratulate Allan Gough, Karen Napper and Toni Ensbey on their appointments. Thank you for the co-operation that you have extended to me throughout the year. To Denis Pearce, Trevor Coleman and Mike Hall thank you for your support and efforts during your time as Directors.

In closing, to all the members of the GDSC, I would like to thank you for your continued patronage throughout a very difficult year and look forward to a brighter 2023.

Warren Tozer O.A.M
PRESIDENT

CHIEF EXECUTIVE OFFICER'S REPORT 2021-2022

Dear Members,

Where do I start for the year that was? Covid shutdowns, masks on, masks off, vaccinations, sign in, sign out, sit down, stand up, QR codes, floods, new staff, new board members, new CEO, new carpet, new 'deck', staff shortages, new menus, reduced menus, ANZAC day, trivia nights, race week, rain and of course more rain... but despite all that was the continuing support of the members of this club to contribute to another successful year for the GDSC.

The club is in a strong financial position with this year's Annual report showing a profit of \$1,016,368 and surplus income of \$985,927. We were able to make significant repayments to our loan and were able to return \$770,102 to members throughout the year.

I want to take this moment to acknowledge our staff, present and recent, for your willingness to stay with us through all this. Thank you all! Through periods of staff shortages so many have taken on new roles and responsibilities, working extra days and hours often at short notice. Through all the challenges they have faced, the team has continued to provide a friendly and inviting club and is why we continue to be successful, and I sincerely thank everyone.

During the year, Nathan Whiteside had an opportunity to move on, and we wish him the best taking the reins of Orange Ex Services Club. I would also like to welcome David Craig, Rick Hamilton and Rodney Dent to the senior team.

The commitment and effort of the management team has also been extraordinary as they have battled with so many changing rules in 2021/2022. As a new CEO, the transition into the role was made easier as my management team led by Debra Page has stepped up when required to assist, ensured the club is open for business every day and lead the front of house team to provide great customer service and a continued high standard.

I sincerely thank the Board of Directors for their effort and support during another tumultuous year. To President Warren Tozer and his board for helping me settle in. It is exciting to be part of the strategic direction the current board are taking. This path will place us in a great position to be relevant and ensure the GDSC remains an integral part of our community now and for many years in the future. With a strategy to continually improve the facilities, it is certainly exciting times ahead for staff and members.

The Board is often asked to step up in times of duress and again has delivered. Despite the trading closure, our Club happily continued to support our community through Club Grants of just over \$160,000 as well as sponsoring numerous sporting clubs, trivia nights, and charities.

Thank you to the loyal members, the community, our staff, and other stakeholders who continue to support Grafton District Services Club. We are fortunate to have the opportunity to engage with you all. The success of our businesses will always depend on each of you, and for that, we remain grateful.

Yours Sincerely

Michael Sear
Chief Executive Officer

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2022

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

Principal Activities

The company's principal activities are to provide for members and guests a social and sporting club with all the usual facilities of a club including residential and other accommodation, liquid and other refreshments and provision for sporting, musical and educational activities and other social amenities.

These principal activities assist in achieving the short term and long term objectives of the company by:

- providing sporting facilities for the members and the community.
- providing entertainment, dining, gaming and social facilities for members and the community.
- providing turnover, cash flow and profit to meet the financial objectives of the company.

Short and Long Term Objectives of the Company

The company has identified the following short term objectives:

- to provide services to members commensurate with industry needs and regulatory requirements.
- to encourage more members to use club sporting facilities.
- to meet financial viability and accountability requirements.
- to provide a workplace that is compliant with industry standards and the Fair Work Act.

The company has identified the following long term objectives:

- to ensure a sustainable club.
- to continue to be financially secure.
- to grow the company operations in accordance with member interests.

Strategies

The company has adopted the following strategies in order to achieve these objectives:

- the monitoring of the ongoing business and strategic plan that identifies the future for the club and the initiatives that will need to be implemented to promote the club.
- the preparation of an annual budget for financial performance and the regular review of the company performance against the budget by management and directors.
- the review of the company compliance with work health and safety and compliance with employment law including the Fair Work Act.

Performance Measurement

The company uses the following key performance indicators to measure performance:

- Surplus after income tax expense, for the financial year was \$985,927 (2021 Surplus: \$1,860,070).
- Cash flow from operating activities for the financial year was \$2,209,933 (2021: \$2,805,960).
- Membership for the financial year was 5,693 (2021: 5,434). Due to COVID 19 shutdowns and ongoing restrictions the GDSC extended 6 months free membership to all members, this has resulted in memberships now running on a financial year basis rather than per calendar year.
- The company has complied with all Work, Health and Safety, Employment and Environmental requirements.

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2022**Directors Information****Directors**

The names of the directors in office at any time during, or since the end of, the year and the period that each director has been in office:

Directors Name	Special Responsibilities	Period as Director	Qualifications and Experience
Warren Tozer	President Finance and Incident Committees	Appointed 31 October 2005	Retired Regional Manager Tooheys, Powers & Carlton Breweries for 46 Years Director 16 years, Vice President 4 years, President 12 years
Ian Speechley	Vice President Finance and Incident Committees	Appointed 27 October 2008	Retired Police Sergeant Director 13 years, Vice President 9 years
Arthur Lysaught	Vice President Finance Committee	Appointed 26 October 2015	General Manager of the GDSC for 37 years Clarence Valley Councillor Director 6 years Vice President 3 years
Trevor Coleman	Director	Appointed 31 October 2005 Resigned 15 November 2021	Business Proprietor Director 17 years, Vice President 11 years
Janice Gillett	Director Finance and Incident Committees	Appointed 29 March 1999	Registered Nurse for 60 years Justice of the Peace for 50 years Director 23 years, Vice President 3 years
Alfred "Mike" Hall	Director Incident Committee	Appointed 25 October 2010 Resigned 15 November 2021	Prison Manager 29 years Director 12 years
Dennis Pearce	Director	Appointed 31 October 2011 Resigned 15 November 2021	Business Proprietor Director 11 years
Allan Gough	Director	Appointed 15 November 2021	Retired Real Estate Principal, 37 years Retired Real Estate Valuer, 12 years Director Clarence Village Ltd, Incorporating Dougherty Villas, 3 years Justice of the Peace No 118879 Hon Treasurer GDSC Bowling Club, 7th term
Toni Ensbey	Director	Appointed 15 November 2021	Worked for Grafton Diary Co-Op, Northern Rivers County Council and as Office Manager at Martins & Williams (Ballina), LG Caldwell & Sons and Big River Glass. Secretary/Publicity Officer for the GDSC Swimming Club for the past 10 years with Life Membership since 2017. Vice President of the United Hospital Auxiliary (Grafton Branch).
Karen Napper	Director	Appointed 15 November 2021	Heavily involved with the Grafton Hockey Association, having been a previous Board member & on various committees.

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2022**Company Secretary**

Michael Sear was appointed as the company secretary on 21 October 2021. Michael has worked in the club industry for 18 years, he was previously gaming manager and deputy CEO here at the GDSC.

Meetings of Directors

During the financial year, 12 meetings of directors were held and the attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Warren Tozer	12	8
Ian Speechley	12	12
Arthur Lysaught	12	12
Trevor Coleman	4	3
Janice Gillett	12	11
Alfred "Mike" Hall	4	4
Dennis Pearce	4	4
Allan Gough	8	7
Toni Ensbey	8	6
Karen Napper	8	7

Membership Details

The Grafton District Services Club Limited is a public company limited by guarantee and no shares or options are issued. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding obligations of the company.

Membership Class	Number of Members	Individual Members Contribution on winding up of Company	Total Members Contribution on winding up of Company
Life / Honorary	607	\$ 5	\$ 3,035
Ordinary	5,049	\$ 5	\$ 25,245
RSL / OSB	37	\$ 5	\$ 185
Total	5,693	\$ 5	\$ 28,465

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2022

Auditors' Independence Declaration

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

Signed in accordance with a resolution of the Board of Directors



Warren Toner
President
Dated: 26 September 2022



Ian Speechley
Vice President



Crowe Central North
ABN 91 680 058 554

24 Queen Street
Grafton NSW 2460 Australia
PO Box 13
Grafton NSW 2460 Australia

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
GRAFTON DISTRICT SERVICES CLUB LTD**

Main +61 02 6640 9200
Fax +61 02 6642 7993
www.crowe.com.au

ABN 90 001 041 327

I declare that, to the best of my knowledge and belief, during the financial year to 30 June 2022 there has been:

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

CROWE CENTRAL NORTH

A handwritten signature in black ink that reads "Kylie Ellis".

Kylie Ellis
Audit Partner
Registered Company Auditor (ASIC RAN 483424)
105 Prince Street
Grafton NSW 2460

Dated: 26 September 2022

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Revenues	2	12,102,683	12,373,764
Interest revenue calculated using the effective interest rate method	2	3,436	10,252
Other income	3	343,693	499,414
Advertising and promotional expenses		(447,552)	(451,625)
Cost of goods sold	4	(2,045,215)	(1,884,091)
Depreciation and amortisation expenses		(1,184,738)	(1,132,686)
Employee benefits expense		(3,858,121)	(3,761,222)
Finance costs		(30,391)	(7,413)
Occupancy expenses		(883,997)	(950,119)
Poker machine taxes		(1,490,406)	(1,616,763)
Returns to members		(770,102)	(537,837)
Other expenses		(753,363)	(681,605)
Surplus before income tax expense attributable to members		985,927	1,860,070
Income tax expense	1(b), 5	-	-
Surplus after income tax expense		985,927	1,860,070
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to members		985,927	1,860,070

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	920,414	1,152,756
Trade and other receivables	7	184,501	155,939
Inventories	8	221,550	172,551
Investments and other financial assets	10	1,002,537	1,512,566
Other current assets	9	37,411	57,520
TOTAL CURRENT ASSETS		2,366,413	3,051,332
NON CURRENT ASSETS			
Investments and other financial assets	10	250	250
Property, plant and equipment	11	15,587,386	12,627,257
Investment property	12	868,145	851,389
Intangible assets	13	72,054	72,054
TOTAL NON CURRENT ASSETS		16,527,835	13,550,950
TOTAL ASSETS		18,894,248	16,602,282
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	714,639	779,989
Borrowings	15	187,105	-
Provisions	17	784,502	653,846
Contract liabilities	18	186,355	143,443
TOTAL CURRENT LIABILITIES		1,872,601	1,577,278
NON CURRENT LIABILITIES			
Borrowings	15	966,035	-
Provisions	17	63,843	24,322
Contract liabilities	18	39,772	34,612
TOTAL NON CURRENT LIABILITIES		1,069,650	58,934
TOTAL LIABILITIES		2,942,251	1,636,212
NET ASSETS		15,951,997	14,966,070
EQUITY			
Retained surpluses		15,951,997	14,966,070
TOTAL EQUITY		15,951,997	14,966,070

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Retained Surpluses \$	Total \$
Balance at 1 July 2020	13,106,000	13,106,000
Surplus after income tax expense	1,860,070	1,860,070
Total other comprehensive income for the year	-	-
Balance at 30 June 2021	<u>14,966,070</u>	<u>14,966,070</u>
Surplus after income tax expense	985,927	985,927
Total other comprehensive income for the year	-	-
Balance at 30 June 2022	<u>15,951,997</u>	<u>15,951,997</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		13,546,942	14,207,508
Payments to suppliers and employees		(11,312,259)	(11,402,183)
Interest received		5,641	8,047
Interest paid		(30,391)	(7,413)
Net cash provided by operating activities		2,209,933	2,805,960
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments		510,029	(506,415)
Proceeds from sale of property, plant and equipment		68,282	135,549
Purchase of property, plant and equipment		(4,173,728)	(2,347,914)
Net cash used in investing activities		(3,595,417)	(2,718,780)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		4,507,164	1,320,626
Repayment of borrowings		(3,354,023)	(1,643,648)
Net cash provided by/(used in) financing activities		1,153,141	(323,022)
Net decrease in cash held		(232,343)	(235,842)
Cash at the beginning of the financial year		1,152,756	1,388,599
Cash at the end of the financial year	6	920,414	1,152,756

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements cover Grafton District Services Club Ltd as an individual entity. Grafton District Services Club Ltd is a public company limited by guarantee, incorporated and domiciled in Australia.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Simplified Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1 (o).

The financial statements were authorised for issue on 26 September 2022 by the directors of the company.

Accounting Policies

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

(a) Revenue

Revenue from Contracts with Customers

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

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

Sale of Goods

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

Rendering of Services

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rent

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

Other revenue

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

Volunteer services

The company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

All revenue is stated net of the amount of goods and services tax (GST).

(b) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liability are calculated at the tax rates that are expected to apply for the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right to set-off exists and is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relates to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(d) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

(e) Investment Properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the company. Investment properties are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner occupation. The existing carrying amounts of investment properties are used for the subsequent accounting cost of investment properties on the date of change of use.

(f) Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings and Improvements	3%
Plant & Equipment, Furniture & Fittings	10-30%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(g) Lessor Accounting

As a lessor, the company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(h) Investments and Other Financial Assets

Investments and other financial assets, other than investments in associates, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

(i) Impairment of Non-Financial Assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(j) Trade and Other Payables

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

(k) Contract Liabilities

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

(l) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

(m) Employee Benefits

Short-term employee benefits

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

Other long-term employee benefits

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

(n) Goods and Services Tax

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

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

Commitments and contingencies are disclosed on a gross basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(o) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Key Judgement - Revenue from contracts with customers

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1 (m), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Income Tax

The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of Deferred Tax Assets

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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 incorporated association 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 incorporated association 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 incorporated association unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(p) Changes in accounting policy, disclosures, standards and interpretations

The incorporated association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

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

Conceptual Framework for Financial Reporting (Conceptual Framework)

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

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

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note	2022 \$	2021 \$
Note 2: Revenue		
Revenue from contracts with customers		
Bar trading	1,587,608	1,607,225
Catering trading	1,345,249	1,246,675
Butcher shop trading	658,478	551,802
Poker machine revenue	7,380,365	7,889,327
Gaming tax rebate	17,180	17,180
Events and venue hire	24,237	36,521
Commissions	336,523	342,325
Other revenue	12,394	10,892
Raffles	621,327	528,165
Memberships revenue	72,000	72,000
Sporting revenue	24,277	28,906
	12,079,638	12,331,018
Total revenue from contracts with customers		
Other revenue:		
Other revenue	2,969	4,890
Interest received from other persons	3,436	10,252
Rental revenue	20,076	37,856
	26,481	52,998
Total other revenue		
Total revenue	12,106,119	12,384,016
Disaggregation of revenue		
Timing of revenue recognition		
Goods transferred at a point in time	11,617,303	11,852,099
Service transferred over time	462,335	478,919
	12,079,638	12,331,018
Note 3: Other Income		
Profit/(Loss) on sale of fixed assets	56,177	(60,586)
Government stimulus - job keeper	-	510,000
Government stimulus - cashflow boost	-	50,000
Government stimulus - job saver	287,516	-
	343,693	499,414
Total other income		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note	2022 \$	2021 \$
Note 4: Expenses		
Surplus before income tax includes the following specific expenses:		
Advertising	59,289	44,698
Cost of sales	2,045,215	1,884,091
Depreciation		
Depreciation of property, plant and equipment	1,166,670	1,112,610
Depreciation of investment properties	18,068	16,945
Depreciation of right-of-use assets	-	3,131
Directors expenses	2,402	2,044
Finance costs		
Interest and finance charges paid/payable on borrowings	30,391	7,413
Insurance	244,632	236,199
Payroll tax	50,334	82,009
Poker machine duty	1,490,406	1,616,763
Printing, postage and stationery	45,394	29,495
Promotion	383,074	388,026
Repairs and maintenance	244,257	313,875
Returns to members	770,102	537,837
Salary and wages	3,275,330	3,245,252
Superannuation	345,529	331,620
Utility expenses	322,387	308,598
<i>Short-term Leases</i>		
Rental	25,121	64,915
Note 5: Income Tax Expense		
(a) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2021: 27.5%)	246,482	511,518
Less: Tax effect of;		
Non-assessable profit from members	(251,202)	(532,617)
Tax losses not brought to account	4,720	20,758
	<u>(246,482)</u>	<u>(511,859)</u>
Income tax expense attributable to the company	-	(341)
(b) The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
Note 6: Cash and Cash Equivalents		
Cash on hand	280,881	220,836
Cash at bank	639,533	931,920
	<u>920,414</u>	<u>1,152,756</u>

A floating charge over cash and cash equivalents has been provided for certain debt. Refer to Note 16 for further detail.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note	2022 \$	2021 \$
Note 7: Trade and Other Receivables		
CURRENT		
Trade receivables	133,928	104,904
Other receivables	<u>50,573</u>	<u>51,035</u>
	<u>184,501</u>	<u>155,939</u>
Note 8: Inventories		
CURRENT		
Stock on Hand, at cost:		
Bar	85,003	60,908
Butcher shop	28,839	22,011
Membership cards	10,478	6,217
Poker machine spare parts	1,666	1,666
Restaurant	44,407	27,975
Trophies	<u>51,157</u>	<u>53,774</u>
	<u>221,550</u>	<u>172,551</u>
Note 9: Other Assets		
CURRENT		
Accrued income	-	2,205
Prepayments	<u>37,411</u>	<u>55,315</u>
	<u>37,411</u>	<u>57,520</u>
Note 10: Investments and Other Financial Assets		
CURRENT		
Financial assets at amortised cost (current)		
- term deposits	<u>1,002,537</u>	<u>1,512,566</u>
	<u>1,002,537</u>	<u>1,512,566</u>
Financial assets at amortised cost comprise term deposits and unsecured notes with financial institutions. There are fixed rate returns upon maturity of these assets.		
NON CURRENT		
Financial assets at fair value through profit or loss		
- shares in other corporations, at cost	<u>250</u>	<u>250</u>
	<u>250</u>	<u>250</u>
Financial assets through profit or loss comprise investments in the ordinary issued capital of various entities. There are no fixed returns from fixed maturity dates attached to these assets.		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note	2022 \$	2021 \$
Note 11: Property, Plant & Equipment		
Land, Buildings and Improvements (at cost)		
Land, buildings and improvements	17,873,370	14,367,182
Less: Accumulated depreciation	(5,026,431)	(4,636,286)
Total Land and Buildings	<u>12,846,939</u>	<u>9,730,896</u>
Plant and Equipment (at cost)		
Plant and equipment	10,425,449	10,057,324
Less: Accumulated depreciation	(7,685,002)	(7,160,963)
Total Plant and Equipment	<u>2,740,447</u>	<u>2,896,361</u>
Total Property, Plant and Equipment	<u>15,587,386</u>	<u>12,627,257</u>

(a) Movements in carrying amounts

	Land and Buildings \$	Plant and Equipment \$	Total \$
Balance at the beginning of the year	9,730,896	2,896,361	12,627,257
Additions	3,506,189	687,132	4,193,321
Other adjustments	-	(54,417)	(54,417)
Disposals	-	(12,105)	(12,105)
Depreciation expense	<u>(390,146)</u>	<u>(776,524)</u>	<u>(1,166,670)</u>
Carrying amount at the end of the year	<u>12,846,939</u>	<u>2,740,447</u>	<u>15,587,386</u>

(b) There is a registered mortgage over all properties owned by the company as well as a registered equitable mortgage over the assets of the club including working capital.

(c) No impairment has been recognised in respect of plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note	2022 \$	2021 \$
Note 12: Investment property		
Investment property (at cost)	1,026,983	992,159
Less: Accumulated depreciation	(158,838)	(140,770)
Total Land and Buildings	868,145	851,389
(a) Movements in carrying amounts		
Balance at the beginning of the year	851,389	852,853
Additions	34,824	15,729
Depreciation expense	(18,068)	(17,193)
Carrying amount at the end of the year	868,145	851,389

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

(c) Operating Leases

Investment properties are either leased to third parties on operating leases or are vacant. Rental income of \$20,076 (2021: \$37,586) is shown within revenue. NOTE: In the current year, the entity stopped leasing the premises and therefore it will continue for the foreseeable future.

Although the risks associated with rights that the Company retains in underlying assets are not considered to be significant, the Company employs strategies to further minimise these risks. For example, ensuring all contracts include clauses requiring the lessee to compensate the Company when a property has been subjected to excess wear-and-tear during the lease term.

Future minimum lease rentals are as follows:

Within 1 year		
1 - 2 years	20,805	20,437
2 - 3 years	21,179	20,805
3 - 4 years	21,561	21,179
4 - 5 years	21,949	21,561
More than 5 years	22,344	21,949
Total	107,838	105,931

Note 13: Intangible Assets

Goodwill	41,247	41,247
Less: accumulated amortisation	(41,247)	(41,247)
	-	-
Poker machine entitlements (at cost)	72,054	72,054
	72,054	72,054

Poker Machine Entitlements

Poker machine entitlements are assessed as having an indefinite useful life. The measurement and recognition criteria is outlined in Note 1 to the financial statements.

Poker machine entitlements have been impairment tested using calculations of the higher of fair value, less costs to realise, and value in use. The directors believe that the carrying amount of poker machine entitlements are not impaired and annual impairment testing will be conducted at 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note	2022 \$	2021 \$
Note 14: Trade and Other Payables		
CURRENT		
Trade payables	362,360	428,262
GST payable	75,904	32,260
Sundry payables and accrued expenses	276,375	319,467
Total Trade and Other Payables	714,639	779,989
Note 15: Borrowings		
CURRENT		
Secured liabilities:		
Bank loan	187,105	-
	187,105	-
NON-CURRENT		
Secured liabilities:		
Bank loan	966,035	-
	966,035	-
Total Borrowings	1,153,140	-
(a) Total current and non-current secured liabilities:		
Bank loan	1,153,140	-
	1,153,140	-
(b) The unused portion of approved finance facilities are:		
Bank loan	1,170,559	2,500,000
	1,170,559	2,500,000
(c) The carrying amounts of non-current assets pledged as security are:		
First mortgage over freehold land and buildings	12,846,939	9,730,896
Mortgage debenture as a fixed and floating charge over company assets	5,141,753	5,962,477
	17,988,692	15,693,373
(d) The bank debt is secured by a first registered mortgage over certain freehold properties owned by the company and a floating charge over the other assets of the company.		
Assets that have been pledged as part of the total collateral for the benefit of bank debt are as follows:		
Cash and cash equivalents	6	1,152,756
Trade receivables	7	155,939
Inventory	8	172,551
Financial Assets	10	1,512,816
Plant and Equipment	11	2,896,361
Poker machine entitlements	13	72,054
	5,141,753	5,962,477

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note	2022 \$	2021 \$
Note 16: Tax assets and liabilities		
(a) Liabilities		
CURRENT		
Income tax	-	-
NON-CURRENT		
Deferred tax liability	-	-
(b) Assets		
CURRENT		
Income tax	-	-
NON-CURRENT		
Deferred tax asset	-	-
Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(b) occur are:		
<i>Temporary differences</i>		
Accrued expenses	718	536
Provision for employee entitlements	25,429	29,839
Provisions	1,799	1,652
Tax losses	449,997	456,984
	477,943	489,011
Note 17: Provisions		
CURRENT		
Provision for employee benefits	784,502	653,846
	784,502	653,846
NON CURRENT		
Provision for employee benefits	63,843	24,322
	63,843	24,322

Provision for employee benefits

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

Provision for poker machine jackpots

Provision has been made for poker machine jackpots representing the liability accrued as a result of turnover on poker machines in excess of the minimum jackpot amount. The measurement and recognition criteria relating to provisions has been included in Note 1 to this report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note	2022 \$	2021 \$
Note 18: Contract Liabilities		
CURRENT		
Subscriptions received in advance	49,712	31,127
Deposits held	(101)	(101)
Poker machine jackpot liability	136,744	112,417
	186,355	143,443
NON-CURRENT		
Subscriptions received in advance	39,772	34,612
	39,772	34,612

Poker machine jackpot liability

Provision has been made for poker machine jackpots representing the liability accrued as a result of turnover on poker machines in excess of the minimum jackpot amount. The measurement and recognition criteria relating to provisions has been included in Note 1 to this report.

Note 19: Capital Commitments, Contingent Assets and Contingent Liabilities

Capital Expenditure Commitments

Capital expenditure commitments contracted for:

New deck + amenities	-	2,404,890
	-	2,404,890

The company's commitments are covered by a pre-approved finance facility of \$2.5million.

The company did not have any other capital commitments, contingent assets or contingent liabilities as at 30 June 2022.

Note 20: Events After the End of the Reporting Period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date.

No events have arisen since the end of the reporting period which significantly 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note	2022 \$	2021 \$
Note 21: Related Party Transactions		
<u>Key Management Personnel</u>		
The totals of remuneration paid to key management personnel (KMP) during the year are as follows:		
Key management personnel compensation	<u>432,103</u>	<u>649,490</u>
Number of personnel	<u>4</u>	<u>5</u>
<u>Other Related Parties</u>		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
Transactions with related parties were:		
Director, T Coleman, has an interest in a motor vehicle business that provides services to the club	<u>2,436</u>	<u>8,273</u>
Director, D Pearce, has an interest in a window blinds business that provides services to the club	<u>2,855</u>	<u>2,184</u>
Note 22: Auditor's Remuneration		
During the financial year the following fees were paid or payable for services provided by Crowe Central North, the auditor of		
Audit of the financial statements	<u>30,250</u>	29,650
Other allowable services	<u>2,000</u>	<u>2,000</u>
	<u>32,250</u>	<u>31,650</u>

Note 23: Company Details

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

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

The registered office and principal place of business is:

105-107 Mary Street
GRAFTON NSW 2460

DIRECTOR'S DECLARATION

FOR THE YEAR ENDED 30 JUNE 2022


The directors of the company declare that:

1. the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
3. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors by:



Warren Toze
President
Dated: 26 September 2022



Ian Speechley
Vice President



Crowe Central North
ABN 91 680 058 554

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GRAFTON DISTRICT SERVICES CLUB LTD**

24 Queen Street
Grafton NSW 2460 Australia
PO Box 13
Grafton NSW 2460 Australia

ABN 90 001 041 327

Main +61 02 6640 9200
Fax +61 02 6642 7993
www.crowe.com.au

Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Company's Directors Report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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 skepticism 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.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Central North, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for acts or omissions of financial services licensees. © 2019 Findex (Aust) Pty Ltd



Crowe Central North
ABN 91 680 058 554

24 Queen Street
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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GRAFTON DISTRICT SERVICES CLUB LTD**

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ABN 90 001 041 327

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

CROWE CENTRAL NORTH

A handwritten signature in black ink that reads "Kylie Ellis".

Kylie Ellis
Audit Partner
Registered Company Auditor (ASIC RAN 483424)
105 Prince Street
Grafton NSW 2460

Dated: 26 September 2022

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TO THE MEMBERS OF
GRAFTON DISTRICT SERVICES CLUB LTD****ABN 90 001 041 327**

The additional financial data presented on page 30 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the company for the financial year ended 30 June 2022. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Grafton District Services Club Ltd) in respect of such data, including any errors of omissions therein however caused.

CROWE CENTRAL NORTH

A handwritten signature in black ink that reads "Kylie Ellis".

Kylie Ellis**Audit Partner**

Registered Company Auditor (ASIC RAN 483424)

105 Prince Street
Grafton NSW 2460

Dated: 26 September 2022

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
Income		
Net surplus from trading:		
Bar surplus	286,902	328,083
Catering deficit	(336,474)	(138,287)
Poker machine surplus	5,018,237	5,359,733
TAB and Keno surplus	194,733	204,805
Butcher shop deficit	(183,625)	(204,665)
	<u>4,979,773</u>	<u>5,549,669</u>
Other income		
Bowls playing fees	24,137	28,742
Commission received	111,057	111,408
Government stimulus	287,516	560,000
Interest received	3,436	10,252
Raffles	621,327	528,165
Rental income	20,076	37,856
Sporting fees and facility hire	24,377	36,685
Subscriptions	72,000	72,000
Sundry income	2,969	4,890
Subsidy	12,394	10,892
	<u>1,179,289</u>	<u>1,400,890</u>
Total income	<u>6,159,062</u>	<u>6,950,559</u>
Operating expenses	<u>(4,459,210)</u>	<u>(4,492,066)</u>
Surplus before return to members	<u>1,699,852</u>	<u>2,458,493</u>
Returns to members and donations		
Courtesy bus expenses	21,547	20,536
Dinner tickets and badge draw	625,657	449,574
Donations	18,300	10,698
Entertainment	39,460	6,302
Family assistance payments	7,800	5,600
Patrons amenities	4,365	13,184
Refreshments, competition subsidies and trophies	(8,161)	(11,188)
Sky Channel and Austar	18,030	17,565
Subsidies sporting bodies	43,104	25,566
	<u>770,102</u>	<u>537,837</u>
Surplus from ordinary activities	<u>929,750</u>	<u>1,920,656</u>
Surplus on disposal of property, plant and equipment	<u>56,177</u>	<u>(60,586)</u>
Surplus before income tax expense	<u>985,927</u>	<u>1,860,070</u>

DECEASED MEMBERS 2021-2022

ATTWATER	James	FORD	May	NICHOLSON	Thomas
ATTWATER	William	FORRESTER	Alan	NOBLE	Peter
BARNIER	John	FULLER	Dorothy	O'NEIL	Cheryl
BARNIER	Kelvin	FULLER	Joan	PAGE	Marie
BARRY	Jan	GALLAGHER	Ellen	PAYNE	Norma
BASSAN	Albert	GERRARD	Jennifer	PEARCE	Scott
BENNET	William	GIBBS	Helen	PHELPS	Elizabeth
BORTON	Beryl	GILLETT	Dannelle	PRESTON	Valmont
BRALEY	Irene	GRAYSON	Rex	REARDON	Elizabeth
BRINKWORTH	Brian	GREEN	Dorothea	REES	Janice
BROWN	Mark	HAMILTON	Dorothy	RIDDELL	Alan
CANNON	Donald	HOOKEY	Cheryl	ROBERTSON	Lola
CARLTON	Vincent	HUGHES	Warren	ROBINSON	Richard
CARTER	Vicki	HUNTER	Kristy	RYAN	Greg
CASSON	Barry	JANSSON	Norman	SALMON	Gloria
CHAPMAN	Corey	JOHNSON	Dorothy	SCHOTT	Anne
CLARK	Pauline	JOHNSTON	William	SCHWARZ	Ludwig
COLLINS	Raymond	JOVANOVIH	Julia	SHEEHAN	William
COOKSLEY	Roy	KELSALL	Max	SHORT	Rita
COOPER	Arthur	KLIENDIENST	Paul	SKINNER	Blake
COWLING	Heather	LAMONT	Barry	STOCKTON	Karlene
CREIGHTON	Nola	LEATHAM	Valerie	STONE	Betty
CREIGHTON	Merle	LEIGH	Jean	STRACHAN	Mavis
CROSS	Cheryl	LYNCH	Helena	STRATFORD	Valerie
CROSS	Thomas	MACK	Francis	SUTTON	Rosemarie
CROSSLEY	Mervyn	MASEN	Noelene	TAVENER	Judith
CUBBIN	Paul	MCBAY	Garry	TISDELL	Craig
DANIELS	Phyllis	MCFARLANE	Marilyn	TYRRELL	Ernest
DICKERSON	Ronald	MCLEOD	Malcolm	ULRICK	Owen
DONNELLY	Walter	MCPHERSON	Hazel	VERCOE	Noelene
EASTWOOD	Mark	MEPSTEAD	Stanley	WALTER	Patricia
ELLEM	Ailsa	MITCHELL	Elsa	WARREN	Mercia
ENDEAN	Maureen	MONAGHAN	Natasha	WEBB	Olive
EVERINGHAM	Shirley	MORAN	Rita	WHELAN	Lorraine
FELSCH	Frank	MORAN	Paul	WRATTEN	Roy
FERGUSON	Athol	NEWTON	Alan	WREDE	Elias
FLAHERTY	Leon	NEWTON	June		

2021-2022 ANNUAL REPORT



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ALWAYS *exciting*, ALWAYS *rewarding*

