

GLEN INNES & DISTRICT SERVICES CLUB LTD
ABN 91 000 970 516

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

GLEN INNES & DISTRICT SERVICES CLUB LTD
ABN 91 000 970 516

DIRECTORS 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 the operation of a Licensed Club and the promotion of golf.

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 |
|-----------------------|---------------------------------|---|--|
| M Baker | President | Appointed 8 November 2012 | Self employed Contract Builder. Director for 10 years with previous board experience at golf club. |
| P Ross | Vice President | Appointed 26 October 2001 | Self employed in the building trade for 25 years. A club director for 21 years. |
| C Wallbridge | Director | Appointed 25 November 2018 | Retired Superintendent NSW Rural Fire Service, 22 years service. 9 years Treasurer Glen Innes Sporting Shooters Association, President Gem and Mineral Club. |
| A Culbert | Director | Appointed 25 November 2018 | Retired Police Officer, 29 years service. Previous president Glen Innes Rugby League Club. |
| J Crowhurst | Director | Appointed 5 February 2020 | Manager of Notleys Wool Store. Previous Club director. |
| D Boylan | Director | Appointed 27 June 2022 Resigned 15 August 2022 | Retired |
| P Evans | Director | Appointed 18 March 2020 | Wool buyer |
| K Kempton | Director | Appointed 8 November 2012 Resigned 15 April 2022 | Self employed qualified electrician/company owner. Director for 10 years with previous board experience at golf club. |

Company Secretary

Patrick Lonergan was appointed as the Company Secretary on 5 July 2004.

Meetings of Directors

During the financial year, 9 meetings of directors (including committees of directors) were held and the attendances by each director during the year were as follows:

| | Directors' Meetings | |
|--------------|---------------------|-----------------|
| | Eligible to attend | Number attended |
| M Baker | 9 | 9 |
| P Ross | 9 | 9 |
| K Kempton | 5 | 5 |
| C Wallbridge | 9 | 5 |
| A Culbert | 9 | 9 |
| J Crowhurst | 9 | 8 |
| D Boylan | 4 | 3 |
| P Evans | 9 | 8 |

Short 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 promote the club
- 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 adopted the following strategies in order to achieve these short term objectives:

- The preparation of a 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 workplace health and safety and compliance with employment law including the Fair Work Act

Long Term Objectives of the Company

The company has identified the following long term objectives:

- To ensure a sustainable club
- To continue to be financially secure
- To continue to grow the company operations

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

- The preparation of a business and strategic plan to identify the opportunities and strengths of the company to provide a sustainable club
- The preparation of a marketing plan to communicate and promote the club
- The preparation of long term budgets that consider the member service needs, infrastructure needs, service delivery, employment costs and maintaining prudent levels of working capital and liquidity in investment of funds surplus to current needs

Performance Measurement

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

- Loss, after income tax expense, for the financial year was \$77,868 compared to 2021 profit of \$1,691,821.
- Cash flow from operating activities for the financial year was \$515,896.
- Membership for the financial year was 2,462 compared to 2,467 in 2021
- The company has complied with all Workplace, Health and Safety, Employment and Environmental reviews conducted by external regulatory bodies.

Membership Details

The Glen Innes & District Services Club Ltd is a public company limited by guarantee and no shares or options are issued. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the company.

| Membership Class | Number of Members | Individual Members Contribution on winding up of Company | Total Members Contribution on winding up of Company |
|-------------------------|--------------------------|---|--|
| General Members | 2,452 | \$ 1 | \$ 2,452 |
| Life Members | 4 | \$ 1 | \$ 4 |
| Junior Members | 6 | \$ 1 | \$ 6 |
| Total | 2,462 | \$ 1 | \$ 2,462 |

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



M Baker
President



P Ross
Vice President

Dated: 14 September 2022



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

ABN 91 000 970 516

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

Kylie Ellis
Partner
Registered Company Auditor (ASIC RAN 483424)
115 Meade St
GLEN INNES NSW 2370

Dated: 14 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 external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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GLEN INNES & DISTRICT SERVICES CLUB LTD
ABN 91 000 970 516

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

| | Note | 2022 \$ | 2021 \$ |
|--|------|-----------------|------------------|
| Revenue | 2 | 4,676,687 | 5,255,573 |
| Other income | 3 | 194,367 | 359,915 |
| Interest revenue calculated using the effective interest method | | 5,122 | 6,635 |
| Cost of goods sold | | (682,328) | (614,095) |
| Occupancy expenses | | (436,204) | (429,011) |
| (Loss)/gain from revaluation of investment property | | - | 10,000 |
| Employee benefits expense | | (1,596,940) | (1,558,103) |
| Gaming expenses | | (579,513) | (708,510) |
| Depreciation expense | 4 | (585,249) | (555,097) |
| Advertising and marketing expenses | | (561,311) | (576,016) |
| Administration expenses | | (144,785) | (114,430) |
| Golf club expenses | | (362,510) | (314,499) |
| Other expenses | | (5,204) | (9,959) |
| (Loss)/Profit before income tax expense | | (77,868) | 752,403 |
| Income tax expense | 1(a) | - | - |
| (Loss)/Profit after income tax expense | | (77,868) | 752,403 |
| Other comprehensive income for the year, net of tax | | - | 939,418 |
| Total comprehensive income for the year | | (77,868) | 1,691,821 |
| Total comprehensive income attributable to members of the entity | | (77,868) | 1,691,821 |

GLEN INNES & DISTRICT SERVICES CLUB LTD
ABN 91 000 970 516

STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2022

| | Note | 2022 \$ | 2021 \$ |
|----------------------------------|------|-------------------|-------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 1,836,408 | 1,726,683 |
| Trade and other receivables | 6 | 53,193 | 2,570 |
| Inventories | 7 | 120,807 | 97,801 |
| Other current assets | 8 | 68,326 | 67,359 |
| TOTAL CURRENT ASSETS | | 2,078,734 | 1,894,413 |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 9 | 10,022,366 | 10,172,959 |
| Investment property | 10 | 268,515 | 260,000 |
| Intangible assets | 11 | 108,500 | 108,500 |
| TOTAL NON CURRENT ASSETS | | 10,399,381 | 10,541,459 |
| TOTAL ASSETS | | 12,478,115 | 12,435,872 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 12 | 315,931 | 250,536 |
| Provisions | 14 | 237,119 | 193,143 |
| Other liabilities | 15 | 100 | 2,600 |
| Contract liabilities | 16 | 152,636 | 139,396 |
| TOTAL CURRENT LIABILITIES | | 705,786 | 585,675 |
| TOTAL LIABILITIES | | 705,786 | 585,675 |
| NET ASSETS | | 11,772,329 | 11,850,197 |
| EQUITY | | | |
| Reserves | 19 | 6,449,472 | 6,449,472 |
| Retained earnings | | 5,322,857 | 5,400,725 |
| TOTAL EQUITY | | 11,772,329 | 11,850,197 |

GLEN INNES & DISTRICT SERVICES CLUB LTD
ABN 91 000 970 516

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

| | Retained Earnings \$ | Revaluation Surplus \$ | Total \$ |
|---|----------------------------|------------------------------|-------------------|
| Balance at 1 July 2020 | 4,648,322 | 5,510,054 | 10,158,376 |
| Profit for the year | 752,403 | - | 752,403 |
| Other comprehensive income for the year | - | 939,418 | 939,418 |
| Transfers to/(from) reserves | - | - | - |
| Balance at 30 June 2021 | 5,400,725 | 6,449,472 | 11,850,197 |
| Loss for the year | (77,868) | - | (77,868) |
| Other comprehensive income for the year | - | - | - |
| Transfers to/(from) reserves | - | - | - |
| Balance at 30 June 2022 | 5,322,857 | 6,449,472 | 11,772,329 |

GLEN INNES & DISTRICT SERVICES CLUB LTD

ABN 91 000 970 516

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

| | Note | 2022 \$ | 2021 \$ |
|---|------|--------------------|-------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | | 5,247,826 | 6,181,794 |
| Payments to suppliers and employees | | (4,737,052) | (4,896,673) |
| Interest received | | 5,122 | 6,635 |
| Net cash provided by operating activities | | 515,896 | 1,291,756 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from sale of property, plant and equipment | | 37,000 | 78,000 |
| Purchase of property, plant and equipment | | (434,356) | (636,726) |
| Purchase of Investment property | | (8,815) | - |
| Net cash (used in) investing activities | | (406,171) | (558,726) |
| Net increase in cash held | | 109,725 | 733,030 |
| Cash at the beginning of the financial year | | 1,726,683 | 993,653 |
| Cash at the end of the financial year | 5 | 1,836,408 | 1,726,683 |

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements cover Glen Innes & District Services Club Ltd as an individual entity. Glen Innes & 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 Disclosures and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

Historical cost convention

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

Critical accounting estimates

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

The financial statements were authorised for issue on 14 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) 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.

The mutuality principle has been applied to the income tax calculation of the Club.

(b) Revenue

The Company recognises revenue as follows:

Revenue from contracts with customers

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

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

Sale of Goods

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

Rendering of Services

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

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).

(c) Current and non-current classification

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

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

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

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

(d) Cash and Cash Equivalents

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

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

(e) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuation's by external independent valuers, less subsequent depreciation for buildings.

In periods where the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised either in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increased of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in the statement of profit or loss and other comprehensive income.

As the revalued buildings are depreciated, the difference between depreciation recognised in the statement of profit or loss and other comprehensive income, which is based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost, is transferred from the revaluation surplus to retained earnings.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

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 | 2.5-10% |
| Plant & Equipment, Furniture & Fittings | 5-33% |

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

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

(f) Investments and Other Financial Assets

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

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

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

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.

(g) Impairment of Non-Financial Assets

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

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

(h) Intangibles

Poker Machine Entitlements

The poker machine entitlements shown in the accounts represent licences purchased by the club. The company holds other poker machine entitlements that have a market value. If the company were to be wound up or the number of entitlements were in excess of requirements then the poker machine entitlements would be able to be sold at the prevailing market price. Poker machine entitlements are intangible assets classified with an indefinite life. The intangible asset is subject to annual impairment testing to the higher of fair value less related costs to sell and value in use.

(i) 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.

(j) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and 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 recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as 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 national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

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

(k) Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(l) Goods and Services Tax

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

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

Commitments and contingencies are disclosed on a gross basis.

(m) 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.

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.

Revenue from Contracts with Customers

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

Income Tax

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

Employee Benefits Provision

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

Coronavirus (COVID-19) Pandemic

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

(n) New or Amended Accounting Standards and Interpretations Adopted

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

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

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

Conceptual Framework for Financial Reporting (Conceptual Framework)

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

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

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

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

| | 2022 | 2021 |
|---|------------------|------------------|
| | \$ | \$ |
| Note 2: Revenue | | |
| Revenue from contracts with customers | | |
| Bar and restaurant sales | 1,126,468 | 1,025,851 |
| Other sales | 55,166 | 28,177 |
| Bingo and raffles | 160,239 | 184,522 |
| Commissions - KENO and TAB | 133,884 | 150,628 |
| Commissions - Other | 24,495 | 29,358 |
| Membership subscriptions | 66,074 | 75,141 |
| Poker machine revenue | 2,907,977 | 3,522,699 |
| Sponsorships | 5,712 | 15,736 |
| Equipment and room hire | 12,322 | 16,321 |
| Green and competition fees | 168,145 | 191,780 |
| Sundry revenue | 1,140 | 1,850 |
| Total revenue from contracts with customers | <u>4,661,622</u> | <u>5,242,063</u> |
| Other revenue | | |
| Donations received | 2,071 | 1,058 |
| Sundry revenue | 12,994 | 12,452 |
| Total other revenue | <u>15,065</u> | <u>13,510</u> |
| Total revenue | <u>4,676,687</u> | <u>5,255,573</u> |
| Disaggregation of revenue | | |
| Timing of revenue recognition | | |
| Goods transferred at a point in time | 4,427,430 | 4,967,339 |
| Service transferred over time | 234,192 | 274,724 |
| | <u>4,661,622</u> | <u>5,242,063</u> |

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

| | 2022 \$ | 2021 \$ |
|--|------------------|------------------|
| Note 3: Other income | | |
| Government subsidies and rebates | 121,967 | 233,445 |
| Rental income | 35,464 | 57,378 |
| Profit on disposal of assets | <u>36,936</u> | <u>69,092</u> |
| Total other income | <u>194,367</u> | <u>359,915</u> |
| Note 4: Expenses | | |
| Profit before income tax includes the following specific expenses: | | |
| Depreciation | 585,249 | 555,097 |
| Electricity and gas | 144,459 | 154,965 |
| Members promotions | 188,787 | 214,286 |
| Repairs and maintenance | 39,734 | 45,285 |
| Superannuation | 116,828 | 133,186 |
| Wages | 1,363,582 | 1,311,044 |
| Note 5: Cash and Cash Equivalents | | |
| Cash on hand | 200,000 | 180,000 |
| Cash at bank | <u>1,636,408</u> | <u>1,546,683</u> |
| | <u>1,836,408</u> | <u>1,726,683</u> |

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

| | Note | 2022 \$ | 2021 \$ |
|--|------|--------------------|--------------------|
| Note 6: Trade and Other Receivables | | | |
| CURRENT | | | |
| Trade receivables | | 14,910 | - |
| Other receivables | | <u>38,283</u> | <u>2,570</u> |
| | | <u>53,193</u> | <u>2,570</u> |
| Note 7: Inventories | | | |
| CURRENT | | | |
| Stock on hand | | <u>120,807</u> | <u>97,801</u> |
| | | <u>120,807</u> | <u>97,801</u> |
| Note 8: Other Assets | | | |
| CURRENT | | | |
| Prepayments | | <u>68,326</u> | <u>67,359</u> |
| | | <u>68,326</u> | <u>67,359</u> |
| Note 9: Property, Plant & Equipment | | | |
| Land and Buildings (at valuation) | | | |
| Club and Golf Club | | 8,523,192 | 8,523,192 |
| Less: Accumulated depreciation | | <u>(142,465)</u> | <u>-</u> |
| | | <u>8,380,727</u> | <u>8,523,192</u> |
| Improvements (at cost) | | 167,706 | 138,910 |
| Less: Accumulated depreciation | | <u>(25,423)</u> | <u>(17,696)</u> |
| | | <u>142,283</u> | <u>121,214</u> |
| Total Land and Buildings | | <u>8,523,010</u> | <u>8,644,406</u> |
| Plant and Equipment (at cost) | | | |
| Plant and equipment | | 4,646,758 | 4,529,119 |
| Less: Accumulated depreciation | | <u>(3,147,402)</u> | <u>(3,000,566)</u> |
| Total Plant, Equipment and Fittings | | <u>1,499,356</u> | <u>1,528,553</u> |
| Total Property Plant and Equipment | | <u>10,022,366</u> | <u>10,172,959</u> |

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

| | Note | 2022 \$ | 2021 \$ |
|--|------|------------|------------|
|--|------|------------|------------|

(a) Movements in carrying amounts

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

| | Land and Buildings \$ | Plant and Equipment \$ | Total \$ |
|--|-----------------------------|------------------------------|-------------------|
| Balance at the beginning of the year | 8,644,406 | 1,528,553 | 10,172,959 |
| Additions | 28,796 | 405,560 | 434,356 |
| Disposals | - | - | - |
| Revaluation | - | - | - |
| Depreciation expense | (150,192) | (434,757) | (584,949) |
| Carrying amount at the end of the year | <u>8,523,010</u> | <u>1,499,356</u> | <u>10,022,366</u> |

The basis of the valuation of land and buildings is fair value being the amounts which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The land and buildings were last valued on 21 and 22 June 2021 by MJ Williams (AAPI, FREAV) Certified Practising Valuer No 67996 (Formerly No 619).

(b) Operating leases

Property Plant & Equipment includes the clubs kitchen space, and various portions of unoccupied land which is leased to third parties. The leases have been classed as operating leases.

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.

Future minimum lease rentals are as follows:

| | | |
|-------------------|----------------|---------|
| Within 1 year | 13,594 | 25,547 |
| 1 - 2 years | 13,594 | 13,257 |
| 2 - 3 years | 13,594 | 13,257 |
| 3 - 4 years | 13,594 | 13,257 |
| 4 - 5 years | 13,594 | 13,257 |
| More than 5 years | 90,448 | 101,092 |
| Total | 158,416 | 179,667 |

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

| | Note | 2022 \$ | 2021 \$ |
|-------------------------------------|------|----------------|----------------|
| Note 10: Investment Property | | | |
| 80 Oliver street - at valuation | | <u>268,515</u> | <u>260,000</u> |
| | | <u>268,515</u> | <u>260,000</u> |

The basis of the valuation of investment property is fair value being the amounts which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The land and buildings were last valued on 23 June 2021 by MJ Williams (AAPI, FREAV) Certified Practising Valuer No 67996 (Formerly No 619). The directors do not believe that there has been a material movement in fair value since the revaluation date.

The investment property is rented on a week by week basis. The lease has been classified as an operating lease.

Note 11: Intangible Assets

| | | | |
|--------------------------------------|--|----------------|----------------|
| Poker machine entitlements (at cost) | | <u>108,500</u> | <u>108,500</u> |
| | | <u>108,500</u> | <u>108,500</u> |

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 was conducted at 30 June 2022.

Note 12: Trade and Other Payables

CURRENT

Unsecured liabilities;

| | | | |
|--------------------------------------|--|----------------|----------------|
| Trade payables | | 101,064 | 94,757 |
| Sundry payables and accrued expenses | | <u>214,867</u> | <u>155,779</u> |
| | | <u>315,931</u> | <u>250,536</u> |

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

| | Note | 2022 \$ | 2021 \$ |
|--|------|------------|------------|
|--|------|------------|------------|

Note 13: Borrowings

The Club currently has no borrowings in place, however the Westpac Bank still holds the title over the property for 80 Oliver Street and 120 Grey Street Glen Innes, NSW.

Note 14: Provisions

CURRENT

| | | | |
|----------------------------------|--|----------------|----------------|
| Provision for annual leave | | 147,471 | 95,609 |
| Provision for long service leave | | 89,648 | 97,534 |
| | | <u>237,119</u> | <u>193,143</u> |

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.

Note 15: Other Liabilities

CURRENT

| | | | |
|---------------------------|--|------------|--------------|
| Other current liabilities | | 100 | 2,600 |
| | | <u>100</u> | <u>2,600</u> |

Note 16: Contract Liabilities

CURRENT

| | | | |
|--|--|----------------|----------------|
| Member subscriptions received in advance | | 19,024 | 16,165 |
| Provision for members points | | 58,170 | 51,316 |
| Provision for poker machine jackpots | | 75,442 | 71,915 |
| | | <u>152,636</u> | <u>139,396</u> |

Note 17: 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 other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

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

| Note | 2022 \$ | 2021 \$ |
|------|------------|------------|
|------|------------|------------|

Note 18: Related Party Transactions

Other Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties were:

| | | |
|--|----------------|----------------|
| K Kempton - amounts paid to ASK Electrical | <u>8,318</u> | <u>15,014</u> |
| M Baker - amounts paid to MI & GM Baker | <u>4,200</u> | <u>-</u> |
| Key Management Personnel remuneration | <u>323,622</u> | <u>365,689</u> |
| Number of key management personnel | <u>11</u> | <u>13</u> |

During the year Cassandra Lonergan was employed within the Club in the role of Bar Supervisor. Cassandra is the daughter of Patrick Lonergan who is a key management personnel of the Club.

During the year Mark Law was employed within the Club in the role of Casual Bar Steward. Mark is the grandson of director Malcolm Baker.

Both employees are paid under normal award rates and conditions.

Note 19: Reserves

Revaluation Reserves

The revaluation surplus records the revaluation of non-current assets. Where revaluations are deemed to represent profits of a permanent nature.

Note 20: Ancillary Sporting Clubs

The economic entity which is the Glen Innes & District Services Club Ltd comprises of the Club and its ancillary sporting clubs. At balance date four sporting clubs existed: the Glen Innes Services Indoor Bowls Club, Glen Innes District Veteran Golfers, Servies Darts Club and Glen Innes Golf Club Ladies Account. These Clubs had assets totalling \$14,634 (2021 \$13,346). Given the level of operation of these Clubs, the Directors are of the opinion that it is impractical to consolidate their operations due to materiality with those of the main Club and accordingly the financial report only reflects the operations of the Glen Innes & District Services Club Ltd for the year ended 30 June 2022 and the previous year.

Note 21: Income Tax

Income tax is not payable on the company's net profit but only on the taxable income derived from sources other than members (i.e. visitors, investments, etc). The provision for income tax has accordingly been calculated upon a taxable income so determined. At balance date the Club had a carry forward tax losses of \$1,311,080 (2021: \$1,368,020). A deferred tax asset is not accounted for in the statement of financial position as there is not certainty that the Club will utilise these losses.

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

| | Note | 2022 \$ | 2021 \$ |
|--|------|------------|------------|
|--|------|------------|------------|

Note 22: Capital Commitments

As at 30 June 2022 and 30 June 2021 the company had no capital commitments.

Note 23: Auditors' Remuneration

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

| | | | |
|-----------------------------------|--|---------------|---------------|
| Audit of the financial statements | | 18,500 | 17,600 |
| Other allowable services | | 2,000 | 2,000 |
| | | <u>20,500</u> | <u>19,600</u> |

Note 24: Company Details

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

The registered office and principal place of business is:

Glen Innes & District Services Club
120 Grey Street
GLEN INNES NSW 2370

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.

GLEN INNES & DISTRICT SERVICES CLUB LTD
ABN 91 000 970 516

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2022

In the directors' opinion

1. The attached financial statements and notes thereto 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 thereto 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 made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



M Baker
President



P Ross
Vice President

Dated: 14 September 2022

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GLEN INNES & DISTRICT SERVICES CLUB LTD**

ABN 91 000 970 516

Opinion

We have audited the financial report of Glen Innes & District Services Club Ltd (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GLEN INNES & DISTRICT SERVICES CLUB LTD**

ABN 91 000 970 516

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GLEN INNES & DISTRICT SERVICES CLUB LTD**

ABN 91 000 970 516

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

CROWE CENTRAL NORTH



Kylie Ellis
Partner
Registered Company Auditor (ASIC RAN 483424)
115 Meade St
GLEN INNES NSW 2370

Dated: 19 October 2022

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

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**DISCLAIMER
TO THE MEMBERS OF
GLEN INNES & DISTRICT SERVICES CLUB LTD**

ABN 91 000 970 516

The additional financial data presented on pages 29 -32 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 Glen Innes & 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
Partner
Registered Company Auditor (ASIC RAN 483424)
115 Meade St
GLEN INNES NSW 2370

Dated: 19 October 2022

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

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GLEN INNES & DISTRICT SERVICES CLUB LTD
ABN 91 000 970 516

DETAILED TRADING STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

| | 2022 \$ | 2021 \$ |
|---|------------------|------------------|
| Bar Trading | | |
| Sales | 394,112 | 468,642 |
| Less: Cost of goods sold | <u>(241,241)</u> | <u>(280,453)</u> |
| Net Profit | <u>152,871</u> | <u>188,189</u> |
| Gross profit percentage to sales | <u>39%</u> | <u>40%</u> |
| Bottle Trading | | |
| Sales | 428,690 | 481,118 |
| Less: Cost of goods sold | <u>(249,660)</u> | <u>(275,438)</u> |
| Net Profit | <u>179,030</u> | <u>205,680</u> |
| Gross profit percentage to sales | <u>42%</u> | <u>43%</u> |
| Restaurant Trading | | |
| Sales | 244,621 | (0) |
| Less: Cost of goods sold | <u>(160,909)</u> | <u>-</u> |
| Net Profit | <u>83,712</u> | <u>-</u> |
| Gross profit percentage to sales | <u>34%</u> | <u>0%</u> |
| Poker Machines | | |
| Poker machine revenue | 2,907,977 | 3,522,699 |
| Poker machine GST assistance | 17,180 | 15,748 |
| Less: Jackpot liability expenses | (3,527) | (7,159) |
| Less: Poker machines expenses | <u>(562,227)</u> | <u>(687,418)</u> |
| Net profit | <u>2,359,403</u> | <u>2,843,870</u> |
| Confectionary and Sundry Sales | | |
| Sales | 8,865 | 9,113 |
| Less: Cost of goods sold | <u>(3,754)</u> | <u>(3,934)</u> |
| Net Profit | <u>5,111</u> | <u>5,179</u> |
| Golf Club Bar Sales | | |
| Sales | 59,046 | 76,092 |
| Less: Cost of goods sold | <u>(32,255)</u> | <u>(43,764)</u> |
| Net profit | <u>26,791</u> | <u>32,328</u> |
| Gross profit percentage to sales | <u>45%</u> | <u>42%</u> |
| Golf Club Sales | | |
| Sales | 831 | 1,683 |
| Less: Cost of goods sold | <u>(321)</u> | <u>(1,241)</u> |
| Net Profit | <u>510</u> | <u>442</u> |
| Golf Club Confectionary & Food | | |
| Sales | 7,147 | 10,277 |
| Less: Cost of goods sold | <u>(6,215)</u> | <u>(9,266)</u> |
| Net Profit | <u>932</u> | <u>1,011</u> |

GLEN INNES & DISTRICT SERVICES CLUB LTD
ABN 91 000 970 516

DETAILED TRADING STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

| | 2022 | 2021 |
|---|------------------|------------------|
| | \$ | \$ |
| TAB | | |
| Commissions | 48,274 | 53,018 |
| Less: TAB expenses | <u>(11,458)</u> | <u>(11,130)</u> |
| Net Profit | <u>36,816</u> | <u>41,888</u> |
| Keno | | |
| Commissions | 85,610 | 97,611 |
| Less: Keno expenses | <u>(2,301)</u> | <u>(2,803)</u> |
| | <u>83,309</u> | <u>94,808</u> |
| Income | | |
| Services Club Income | | |
| Bar gross profit | 152,871 | 188,189 |
| Poker Machine net profit | 2,359,403 | 2,843,870 |
| Bottle gross profit | 179,030 | 205,680 |
| Restaurant gross profit | 83,712 | - |
| Confectionary and sundry trading gross profit | 5,111 | 5,179 |
| ATM rebate | 23,495 | 27,899 |
| Diesel fuel rebate | 714 | 816 |
| Interest income | 5,122 | 6,635 |
| Keno profit | 83,309 | 94,808 |
| Members subscriptions | 18,409 | 19,963 |
| Rent received net - Oliver street | 6,307 | 13,580 |
| Rent received net - restaurant | 4,098 | 12,714 |
| Sundry income | 26,281 | 25,507 |
| Gain on revaluation of investment property | - | 10,000 |
| TAB profit | <u>36,816</u> | <u>41,888</u> |
| Total Services Club Income | <u>2,984,678</u> | <u>3,496,728</u> |
| Golf Club Income | | |
| Gross profit - bar sales | 26,791 | 32,328 |
| Gross profit - golf sales | 510 | 442 |
| Gross profit - confectionary and food | 932 | 1,011 |
| Advertising and sponsorship income | 5,712 | 5,600 |
| Buggy shed rent | 12,764 | 16,918 |
| Cart hire | 8,296 | 12,460 |
| Competition fees income | 130,605 | 146,802 |
| Diesel rebate | 2,758 | 1,381 |
| Green fees | 26,982 | 33,732 |
| Club house and course hire | - | (769) |
| Pro pin income | 10,558 | 11,246 |
| Rent received | 909 | 3,117 |
| Members subscriptions | 47,665 | 55,177 |
| Sundry income | <u>5,337</u> | <u>15,668</u> |
| Total Golf Club Income | <u>279,819</u> | <u>335,113</u> |
| Government Subsidies received | <u>101,315</u> | <u>215,500</u> |
| Total Income | <u>3,365,812</u> | <u>4,047,341</u> |

This statement is to be read in conjunction with the attached disclaimer.

GLEN INNES & DISTRICT SERVICES CLUB LTD
ABN 91 000 970 516

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

| | 2022 | 2021 |
|--------------------------------|----------------|----------------|
| | \$ | \$ |
| Expenditure | | |
| <u>Golf Club Expenses</u> | | |
| Affiliation fees | 12,933 | 10,628 |
| Cleaning | 1,675 | 1,772 |
| Electricity | 13,236 | 11,365 |
| Fuel and oil | 12,031 | 6,278 |
| Insurance | 8,059 | 6,560 |
| Printing and stationery | 2,063 | 2,324 |
| Rates | 9,899 | 9,588 |
| Repairs and maintenance | 46,659 | 58,829 |
| Security | 1,989 | 1,414 |
| Subscriptions | 450 | 430 |
| Superannuation | 20,735 | 17,427 |
| Telephone and internet | 3,513 | 4,179 |
| Trophies | 10,407 | 12,145 |
| Wages | 196,507 | 162,621 |
| Sundry expenses | 13,743 | 8,942 |
| | 353,899 | 314,502 |
| <u>Administration expenses</u> | | |
| Accountancy fees | 2,500 | 2,500 |
| Audit fees | 25,520 | 22,130 |
| Bank fees | 7,128 | 6,373 |
| Cash shortages | (1,810) | (2,021) |
| Computer software and training | 13,339 | 14,595 |
| Conference and travel expenses | 12,268 | 1,651 |
| Consultancy fees | 28,030 | - |
| Directors remuneration | 2,774 | 1,800 |
| Legal expenses | - | - |
| Postage | 1,632 | 4,410 |
| Printing and stationery | 8,960 | 13,908 |
| Subscriptions | 26,137 | 30,901 |
| Telephone | 18,309 | 18,183 |
| | 144,787 | 114,430 |
| <u>Occupancy expenses</u> | | |
| Amenities | 18,735 | 28,712 |
| Cleaning and waste disposal | 39,147 | 39,505 |
| Electricity and gas | 144,459 | 154,965 |
| Fuel and lubricants | 8,310 | 3,527 |
| Insurance | 109,604 | 92,462 |
| Pest control | 1,337 | 60 |
| Plant hire | 10,456 | 4,650 |
| Rates | 28,046 | 30,957 |
| Replacements | 15,377 | 6,326 |
| Repairs and maintenance | 39,734 | 45,285 |
| Security | 17,585 | 22,562 |
| | 432,790 | 429,011 |

GLEN INNES & DISTRICT SERVICES CLUB LTD
ABN 91 000 970 516

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

| | 2022 | 2021 |
|--|------------------|------------------|
| | \$ | \$ |
| <u>Employee expenses</u> | | |
| Payroll tax | 13,107 | 21,776 |
| Provision expense - employee entitlements | 99,262 | 78,760 |
| Staff training | 2,620 | 5,889 |
| Superannuation | 116,828 | 133,186 |
| Uniform | 1,542 | 7,448 |
| Wages | 1,363,582 | 1,311,044 |
| | <u>1,596,941</u> | <u>1,558,103</u> |
| | | |
| <u>Advertising and marketing expenses</u> | | |
| Advertising | 28,262 | 41,360 |
| Donations | 50,254 | 55,797 |
| Entertainment | 44,327 | 33,723 |
| Members promotions | 188,787 | 214,286 |
| Member taxi service | 2,033 | 3,553 |
| Raffles and bingo net | 26,036 | 12,226 |
| Sky channel expenses | 22,049 | 21,985 |
| | <u>361,748</u> | <u>382,930</u> |
| | | |
| <u>Other expenses</u> | | |
| Freight | 209 | 195 |
| Sundry expenses | 4,993 | 9,762 |
| | <u>5,202</u> | <u>9,957</u> |
| | | |
| (Profit)/loss on sale of assets | (36,936) | (69,092) |
| Depreciation | 585,249 | 555,097 |
| Total Expenditure | <u>3,443,680</u> | <u>3,294,938</u> |
| Net Operating (Loss)/Profit Before Income Tax | <u>(77,868)</u> | <u>752,403</u> |