

THE INVERELL RETURNED SERVICEMEN'S MEMORIAL CLUB LTD

ABN 40 000 830 535

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

THE INVERELL RETURNED SERVICEMEN'S MEMORIAL CLUB LTD
ABN 40 000 830 535

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2023

Your directors present their report on the company for the financial year ended 30 June 2023.

Principal Activities

The company's principal activities are the operation of a Licensed Club.

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
J A Ross	President, finance, marketing and welfare, properties and facilities	Previously director (March 1989 - March 1990) Reappointed March 1995	Retired purchasing officer
P Caddey	Marketing, finance and properties	Director since January 2017	Manager Administrative & Marketing Services
J Scoble	Human resources, OH&S, properties and facilities committees	Director since November 2004	Retired. Previously Local Government Administration.
D Wemyss	Marketing and properties	Director since November 2012	Retired sales assistant
T Marshall	Properties and facilities	Director since November 2012	Electrician
P Pay	Finance	Director since November 2017	Certified Practicing Accountant
D Maddigan	Finance, properties and catering	Director since November 2019	Retired consultant
W Ehsman	Properties and marketing	Director since November 2019	Retired auto electrician
P McMahon	Finance, marketing and governance	Previously director (November 2003 - March 2016) Reappointed November 2020	Retired RAAF

Company Secretary

Tim Palmer was appointed as the Company Secretary on 30 December 2005.

THE INVERELL RETURNED SERVICEMEN'S MEMORIAL CLUB LTD
ABN 40 000 830 535

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2023

Meetings of Directors

During the financial year, 13 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
J A Ross	13	12
P Caddey	13	12
J Scoble	13	12
D Wemyss	13	12
T Marshall	13	10
P Pay	13	13
D Maddigan	13	12
W Ehsman	13	10
P McMahon	13	11

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 registered club industry
- To consolidate the Club's operations
- 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 followings strategies in order to achieve these short term objectives:

- To update the business and strategic plan that identifies the future for the industry and the initiatives that will need to be implemented to promote the industry.
- 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 industry
- To consolidate the Club's operations
- To continue to be financially secure
- To continue to grow the company operations in accordance with member services and interests

The company has adopted the followings 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 industry.
- The preparation of a marketing plan to communicate and promote the industry
- 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:

- Profit, after income tax expense, for the financial year was \$755,604 compared to the 2022 profit of \$865,328.
- Cash flow from operating activities for the financial year was \$1,910,690
- Membership for the financial year was 7,933.
- The company has complied with all Workplace, Health and Safety, Employment and Environmental reviews conducted by external regulatory bodies.

Membership Details

The Inverell Returned Servicemen's 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 \$2 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
RSL Returned Members & Ex-Services Members	26	\$ 2	\$ 52
Life Members	6	\$ 2	\$ 12
Associate Members	7,901	\$ 2	\$ 15,802
Total	7,933	\$ 2	\$ 15,866

THE INVERELL RETURNED SERVICEMEN'S MEMORIAL CLUB LTD
ABN 40 000 830 535

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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



J A Ross
President



P Pay
Director

Dated: 25 September 2023

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
THE INVERELL RETURNED SERVICEMAN'S MEMORIAL CLUB LTD
ABN 40 000 830 535**

I declare that, to the best of my knowledge and belief, during the financial year to 30 June 2023 there have been:

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

CROWE CENTRAL NORTH



Kylie Ellis

Partner

Registered Company Auditor (ASIC RAN 483424)

149 Otho St

INVERELL NSW 2360

Dated: 25 September 2023

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.

© 2019 Findex (Aust) Pty Ltd

THE INVERELL RETURNED SERVICEMEN'S MEMORIAL CLUB LTD
ABN 40 000 830 535

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Revenue	2	11,002,467	8,615,988
Interest revenue calculated using the effective interest method		180,329	56,025
Other income	3	112,061	328,298
Administration expenses		(315,083)	(232,947)
Cost of goods sold		(2,058,178)	(1,523,620)
Depreciation expense		(952,075)	(924,535)
Donations expenses		(84,031)	(77,987)
Employee benefits expenses		(3,516,267)	(2,920,049)
Gaming expenses		(1,014,736)	(801,916)
Gain/(loss) on disposal of assets		7,132	68,378
Marketing, advertising and promotional expenses		(549,412)	(540,057)
Motel expenses		(443,726)	(355,245)
Occupancy expenses		(486,354)	(442,762)
Repairs and maintenance		(325,391)	(197,200)
Sub club expenses		(167,135)	(132,482)
Other expenses		(259,474)	(266,176)
Profit before income tax expense		1,130,127	653,713
Income tax income/(expense) attributable to deferred tax movement	1(a), 5	(213,784)	211,615
Income tax income/(expense) attributable to taxable income	1(a), 5	(160,739)	-
Profit after income tax expense		755,604	865,328
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		755,604	865,328
Total comprehensive income attributable to members of the entity		755,604	865,328

THE INVERELL RETURNED SERVICEMEN'S MEMORIAL CLUB LTD
ABN 40 000 830 535

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	2,304,628	4,033,770
Trade and other receivables	7	27,081	41,088
Inventories	8	129,500	108,373
Financial assets	9	6,508,840	4,276,493
Current tax assets	18	-	9,951
Other current assets	10	301,589	261,234
TOTAL CURRENT ASSETS		9,271,638	8,730,909
NON CURRENT ASSETS			
Investment property	12	1,688,615	1,730,579
Property, plant and equipment	11	7,427,676	6,927,396
Right of use assets	13	164,199	327,951
Intangible assets	14	263,266	263,266
TOTAL NON CURRENT ASSETS		9,543,756	9,249,192
TOTAL ASSETS		18,815,394	17,980,101
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	531,959	674,586
Contract liabilities	16	153,271	127,315
Current tax liabilities	18	156,732	-
Provisions	17	482,936	513,089
Lease liabilities	19	187,039	163,166
TOTAL CURRENT LIABILITIES		1,511,937	1,478,156
NON CURRENT LIABILITIES			
Contract liabilities	16	30,309	34,943
Deferred tax liabilities	18	451,673	237,889
Provisions	17	28,607	-
Lease liabilities	19	-	191,849
TOTAL NON CURRENT LIABILITIES		510,589	464,681
TOTAL LIABILITIES		2,022,526	1,942,837
NET ASSETS		16,792,868	16,037,264
EQUITY			
Retained earnings		16,792,868	16,037,264
TOTAL EQUITY		16,792,868	16,037,264

THE INVERELL RETURNED SERVICEMEN'S MEMORIAL CLUB LTD
ABN 40 000 830 535

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Retained Earnings \$	Total \$
Balance at 1 July 2021	15,171,936	15,171,936
Total comprehensive income for the year	<u>865,328</u>	<u>865,328</u>
Balance at 30 June 2022	<u>16,037,264</u>	<u>16,037,264</u>
Total comprehensive income for the year	<u>755,604</u>	<u>755,604</u>
Balance at 30 June 2023	<u>16,792,868</u>	<u>16,792,868</u>

THE INVERELL RETURNED SERVICEMEN'S MEMORIAL CLUB LTD
ABN 40 000 830 535

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		12,237,102	9,803,561
Payments to suppliers and employees		(10,512,394)	(8,039,618)
Interest received		203,466	36,549
Finance costs		(23,428)	(29,996)
Income tax paid	1(b)	5,944	(9,951)
Net cash provided by operating activities		1,910,690	1,760,545
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		81,632	82,049
Purchase of property, plant and equipment and investment property		(1,323,670)	(1,084,163)
Payments for investments		(2,232,348)	(204,964)
Net cash used in investing activities		(3,474,386)	(1,207,078)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of leases		(165,446)	(165,446)
Net cash used in financing activities		(165,446)	(165,446)
Net increase in cash held		(1,729,142)	388,021
Cash at the beginning of the financial year		4,033,770	3,645,749
Cash at the end of the financial year	6	2,304,628	4,033,770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements cover Inverell Returned Servicemen's Memorial Club Ltd as an individual entity. Inverell Returned Servicemen's Memorial 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 25 September 2023 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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 1: Statement of Significant Accounting Policies

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.

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

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 1: Statement of Significant Accounting Policies

(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) 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	2.5%
Plant & Equipment, Furniture & Fittings	5 - 40%

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) Right-of-use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(g) Investment Property

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.

Investment properties are depreciated on a straight line basis with an expected life of 40 years.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss in the period in which the property is derecognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 1: Statement of Significant Accounting Policies

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 1: Statement of Significant Accounting Policies

(k) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option or extension option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of an extension or purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(l) 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.

Defined contribution superannuation expense

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

(m) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 1: Statement of Significant Accounting Policies

(n) 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.

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.

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.

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.

Lease Term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental Borrowing Rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Note 1: Statement of Significant Accounting Policies

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.

(o) 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 INVERELL RETURNED SERVICEMEN'S MEMORIAL CLUB LTD
ABN 40 000 830 535

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
Note 2: Revenue		
Revenue from contracts with customers		
Bar and bottleshop sales	1,732,690	1,335,438
Food and function sales	2,557,495	1,777,492
Bingo and raffles	65,336	55,821
Commissions - KENO and TAB	83,903	120,135
Sub clubs revenue	261,175	170,129
Membership subscriptions	27,725	24,236
Poker machine revenue	4,873,239	4,067,829
Motel accommodation and sales	1,103,792	833,232
Club Promotions	207,018	165,710
Sundry revenue	90,094	65,966
Total revenue from contracts with customers	11,002,467	8,615,988
Total Revenue	11,002,467	8,615,988
Disaggregation of revenue		
Timing of revenue recognition		
Goods and services transferred at a point in time	9,813,044	7,661,281
Goods and services transferred over time	1,189,423	954,707
	11,002,467	8,615,988
Note 3: Other income		
Jobkeeper and other government subsidies	-	264,272
Rental income	112,061	64,026
Total other income	112,061	328,298
Note 4: Expenses		
Profit before income tax includes the following specific expenses:		
Bar cost of sales	806,797	632,352
Bar expenses	727,591	651,427
Restaurant and coffee shop cost of sales	1,251,381	891,268
Restaurant - other expenses	1,337,057	1,117,864
Motel expenses	873,121	810,958
Light and power	170,593	164,164
Repairs and replacements	306,298	185,470
Wages	873,458	648,866
Promotional expenses	491,970	479,983

THE INVERELL RETURNED SERVICEMEN'S MEMORIAL CLUB LTD
ABN 40 000 830 535

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Note 5: Income Tax expense		
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax payable on profit before income tax at 25% (2022: 25%)	282,532	163,428
Add tax effect of:		
- non-deductible and non-assessable items	(121,793)	(163,428)
Deferred tax liability/asset movement	213,784	(211,615)
	374,523	(211,615)
Note 6: Cash and Cash Equivalents		
Cash on hand	209,350	145,790
Cash at bank	2,095,278	3,887,980
	2,304,628	4,033,770
Note 7: Trade and Other Receivables		
CURRENT		
Trade receivables	17,425	31,236
Other receivables	9,656	9,852
	27,081	41,088
Note 8: Inventories		
CURRENT		
Stock on hand		
Bar stock	78,375	69,683
Kitchen stock	43,737	31,161
Other inventories for sale	1,487	1,487
Promotional stock	5,901	6,042
	129,500	108,373
Note 9: Financial Assets		
Term deposits - at amortised cost	6,508,840	4,276,493
	6,508,840	4,276,493
Note 10: Other Assets		
CURRENT		
Prepayments	301,589	261,234
	301,589	261,234

THE INVERELL RETURNED SERVICEMEN'S MEMORIAL CLUB LTD
ABN 40 000 830 535

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Note 11: Property, Plant & Equipment		
Land and Buildings (at cost)		
5 - 7 Oliver Street	209,828	209,828
Lawrence Street	235,464	235,464
Less: Accumulated depreciation	(73,809)	(72,881)
	<u>371,483</u>	<u>372,411</u>
Motel Land and Buildings (at cost)	3,356,331	3,356,331
Less: Accumulated depreciation	(1,214,675)	(1,131,391)
	<u>2,141,656</u>	<u>2,224,940</u>
Capital works in progress	695,057	-
Total Land and Buildings	<u>3,208,196</u>	<u>2,597,351</u>
Plant and Equipment (at cost)		
Plant and equipment	2,402,118	2,318,482
Less: Accumulated depreciation	(2,034,049)	(1,984,204)
	<u>368,069</u>	<u>334,278</u>
Furniture, fixtures and fittings	1,690,508	1,681,288
Less: Accumulated depreciation	(1,502,399)	(1,452,818)
	<u>188,109</u>	<u>228,470</u>
Motor vehicles	140,352	117,015
Less: Accumulated depreciation	(69,462)	(82,475)
	<u>70,890</u>	<u>34,540</u>
Poker machines	2,648,615	2,588,837
Less: Accumulated depreciation	(1,892,513)	(1,753,707)
	<u>756,102</u>	<u>835,130</u>
Sports equipment	230,311	230,311
Less: Accumulated depreciation	(221,824)	(219,608)
	<u>8,487</u>	<u>10,703</u>
Improvements	5,435,266	5,340,152
Less: Accumulated depreciation	(2,923,237)	(2,803,520)
	<u>2,512,029</u>	<u>2,536,632</u>
Motel - furniture and fittings	561,766	528,705
Less: Accumulated depreciation	(471,422)	(437,046)
	<u>90,344</u>	<u>91,659</u>

THE INVERELL RETURNED SERVICEMEN'S MEMORIAL CLUB LTD
ABN 40 000 830 535

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Motel - plant and equipment	543,472	543,472
Less: Accumulated depreciation	(359,908)	(326,725)
	183,564	216,747
Glassware, crockery and utensils	41,886	41,886
Total Plant, Equipment and Fittings	4,219,480	4,330,045
Total Property Plant and Equipment	7,427,676	6,927,396

(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	2,597,351	4,330,045	6,927,396
Additions	891,787	512,164	1,403,951
Disposals	-	(66,758)	(66,758)
Transfers/adjustments	(196,730)	98,513	(98,217)
Depreciation expense	(84,212)	(654,484)	(738,696)
Carrying amount at the end of the year	3,208,196	4,219,480	7,427,676

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

Note 12: Investment Property

19 George Street - at cost	1,107,304	1,102,604
Less: accumulated depreciation	(69,117)	(41,112)
	1,038,187	1,061,492
15 Lewin Street - at cost	112,735	112,735
Less: accumulated depreciation	(81,410)	(80,991)
	31,325	31,744
15 Oliver Street - at cost	552,866	552,866
Less: accumulated depreciation	(91,308)	(73,068)
	461,558	479,798
Granville Street - at cost	157,546	157,546
Total Investment Property	1,688,615	1,730,579

THE INVERELL RETURNED SERVICEMEN'S MEMORIAL CLUB LTD
ABN 40 000 830 535

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Note 13: Right of use assets		
Land and buildings	818,760	818,760
Less: Accumulated depreciation	(654,561)	(490,809)
	164,199	327,951

(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:

	\$	Total
		\$
Balance at the beginning of the year	327,951	327,951
Additions	-	-
Disposals	-	-
Depreciation expense	(163,752)	(163,752)
Carrying amount at the end of the year	164,199	164,199

Note 14: Intangible Assets

Poker machine entitlements (at cost)	263,266	263,266
	263,266	263,266

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 with annual impairment testing conducted at 30 June 2023.

Note 15: Trade and Other Payables

Trade payables	173,454	246,425
Sundry payables and accrued expenses	88,526	233,143
GST payables	158,136	167,369
Other payables	111,843	27,649
	531,959	674,586

Note 16: Contract liabilities

CURRENT

Poker machine jackpot liability	79,610	63,758
Membership points bonus liability	37,603	35,402
Membership subscriptions received in advance	35,098	22,350
Other contract liabilities	960	5,805
	153,271	127,315

NON-CURRENT

Membership subscriptions received in advance	30,309	34,943
	30,309	34,943

THE INVERELL RETURNED SERVICEMEN'S MEMORIAL CLUB LTD
ABN 40 000 830 535

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
Note 17: Provisions		
CURRENT		
Annual leave provision	295,054	320,400
Long service leave provision	187,882	192,689
	<u>482,936</u>	<u>513,089</u>
NON-CURRENT		
Long service leave provision	28,607	-
	<u>28,607</u>	<u>-</u>
Total Provisions	<u>511,543</u>	<u>513,089</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 18: Tax assets and liabilities		
(a) Liabilities		
CURRENT		
Income tax	<u>156,732</u>	<u>-</u>
NON CURRENT		
Deferred tax liability	<u>451,673</u>	<u>237,889</u>
(b) Assets		
CURRENT		
Income tax	<u>-</u>	<u>9,951</u>
Note 19: Lease Liabilities		
CURRENT		
Lease liabilities	<u>187,039</u>	<u>163,166</u>
NON-CURRENT		
Lease liabilities	<u>-</u>	<u>191,849</u>
Future lease payments are due as follows		
Within one year	190,000	190,000
One to five years	-	190,000
More than five years	-	-
	<u>190,000</u>	<u>380,000</u>
Note 20: Capital Commitments		
The amounts committed at each year end are as follows;		
52 Mather St	<u>180,000</u>	<u>-</u>
	<u>180,000</u>	<u>-</u>

THE INVERELL RETURNED SERVICEMEN'S MEMORIAL CLUB LTD
ABN 40 000 830 535

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$

On 1 June 2023 the Club entered a contract of sale for the purchase of 52 Mather St. The remaining amount of the commitment payable is noted above. The property purchase settled on 24 July 2023.

As at 30 June 2023, the company had not engaged in any other capital commitments.

Note 21: Events After the End of the Reporting Period

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

Note 22: 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:

T Marshall conducted repair work at the Club. Director Marshall is a related party of this entity

68,239	46,920
---------------	--------

P Pay was the Treasurer of the Inverell Saints Football Club until December 2022, who is the recipient of a sponsorship agreement with the Club. Director Pay abstains from all discussions pertaining to the agreement

16,500	14,500
---------------	--------

Income paid or payable to all key management personnel of the company by the company and any related parties

775,132	618,345
----------------	---------

Number of key management personnel

15	15
-----------	----

During the year Katlin Boney was employed within the Club as a casual employee. Katlin is the daughter of Tim Palmer, who is a key management personnel of the Club. She is paid under normal award rates and conditions.

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
Other allowable services

26,000	23,800
---------------	--------

2,000	2,000
--------------	-------

28,000	25,800
---------------	--------

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:

The Inverell Returned Servicemen's Memorial Club Ltd
64-76 Evans Street
INVERELL NSW 2360

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 INVERELL RETURNED SERVICEMEN'S MEMORIAL CLUB LTD
ABN 40 000 830 535

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2023

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 2023 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.



J A Ross
President



P Pay
Director

Dated: 25 September 2023

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
THE INVERELL RETURNED SERVICEMAN'S MEMORIAL CLUB LTD
ABN 40 000 830 535**

Opinion

We have audited the financial report of The Inverell Returned Serviceman's Memorial Club Ltd (the Company), which comprises the statement of financial position as at 30 June 2023, 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 2023 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 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.
© 2019 Findex (Aust) Pty Ltd

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
THE INVERELL RETURNED SERVICEMAN'S MEMORIAL CLUB LTD
ABN 40 000 830 535**

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 2023, 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.

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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
THE INVERELL RETURNED SERVICEMAN'S MEMORIAL CLUB LTD
ABN 40 000 830 535**

- 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)

149 Otho St

INVERELL NSW 2360

Dated: 5 October 2023

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.

© 2019 Findex (Aust) Pty Ltd

**DISCLAIMER
TO THE MEMBERS OF
THE INVERELL RETURNED SERVICEMAN'S MEMORIAL CLUB LTD
ABN 40 000 830 535**

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 2023. 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 The Inverell Returned Serviceman's Memorial Club Ltd) in respect of such data, including any errors of omissions therein however caused.

CROWE CENTRAL NORTH

**Kylie Ellis****Partner**

Registered Company Auditor (ASIC RAN 483424)

149 Otho St

INVERELL NSW 2360

Dated: 5 October 2023

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.

© 2019 Findex (Aust) Pty Ltd

INVERELL RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 40 000 830 535

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
BAR		
Sales	1,715,860	1,320,687
Less: Cost of goods sold	<u>(806,797)</u>	<u>(632,352)</u>
	909,063	688,335
Gross Profit Percentage	53.0%	52.1%
<u>EXPENSES</u>		
Depreciation	4,941	3,529
Expendables	3,467	1,558
Glassware expenses	7,340	4,948
Payroll tax	21,319	5,787
Repairs and maintenance	6,634	16,090
Sundry expenses	1,760	623
Superannuation	60,571	44,902
Wages	609,395	564,207
Workers compensation	9,861	8,405
Uniforms	<u>2,303</u>	<u>1,380</u>
	727,591	651,429
Net Profit	<u>181,472</u>	<u>36,906</u>
Net Profit Percentage	10.6%	2.8%
RESTAURANT AND COFFEE SHOP		
Sales	2,557,495	1,777,492
Less: Cost of goods sold	<u>(1,251,381)</u>	<u>(891,268)</u>
	1,306,114	886,224
Gross Profit Percentage	51.1%	49.9%
<u>EXPENSES</u>		
Crockery and utensils	20,682	3,449
Depreciation	33,217	30,143
Expendables	59,331	52,031
Laundry	14,259	5,623
Payroll tax	32,923	9,660
Repairs and maintenance	16,099	10,403
Sundry expenses	38,534	43,414
Superannuation	100,814	80,925
Uniforms	5,097	4,007
Wages	1,000,052	864,745
Workers compensation	<u>16,048</u>	<u>13,463</u>
	1,337,056	1,117,863
Net Profit	<u>(30,942)</u>	<u>(231,639)</u>
Net Profit Percentage	(1.2%)	(13.0%)

INVERELL RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 40 000 830 535

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
MOTEL		
Sales	<u>1,103,792</u>	<u>833,232</u>
	<u>1,103,792</u>	<u>833,232</u>
<u>EXPENSES</u>		
Advertising	3,996	3,834
Bank fees	2,754	7,760
Catering expenses	24,333	19,248
Crockery and utensils	86	109
Computer costs	14,770	11,128
Depreciation	150,843	180,592
Expendables	16,571	9,310
Laundry expenses	40,915	29,170
Light and power	21,505	14,826
Insurance	55,252	44,973
Rates	13,630	14,549
Repairs and maintenance	42,231	34,879
Stationery	956	1,999
Subscriptions	10,743	10,546
Sundry expenses	9,011	11,397
Telephone	13,053	12,988
Administration Wages	147,802	134,847
Wages	<u>304,668</u>	<u>268,852</u>
	<u>873,119</u>	<u>811,007</u>
Net Profit	<u>230,673</u>	<u>22,225</u>
Net Profit Percentage	20.9%	2.7%
POKER MACHINES		
Poker machine clearances	31,618,999	25,274,440
Less: Payouts	<u>(26,745,760)</u>	<u>(21,206,611)</u>
	<u>4,873,239</u>	<u>4,067,829</u>
Gross Profit Percentage	15.4%	16.1%
<u>EXPENSES</u>		
Data monitoring	41,701	34,807
Depreciation	317,624	270,378
Payroll tax	3,786	1,011
Poker machine tax	856,415	679,335
(Profit)/ Loss on sale of poker machines	2,197	(68,445)
Promotions	-	11,701
Repairs and maintenance	66,551	47,406
Sundry expenses	50,068	28,667
Superannuation	8,273	5,663
Wages	104,230	87,295
Workers compensation	<u>1,406</u>	<u>1,317</u>
	<u>1,452,251</u>	<u>1,099,135</u>
Net Profit	<u>3,420,988</u>	<u>2,968,694</u>
Net Profit Percentage	10.8%	11.7%

INVERELL RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 40 000 830 535

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
INCOME		
Net profit bar	181,472	36,906
Net profit catering	(30,942)	(231,639)
Net profit motel	230,673	22,225
Subscriptions and entrance fees	27,725	24,236
Poker machine net profit	3,420,988	2,968,694
Interest received	180,329	56,025
Rent received	112,061	64,026
Keno commissions	53,809	39,949
Sundry income	172,261	136,538
TAB commission	(10,352)	(16,868)
Contributions - Sub clubs	94,040	37,647
Government subsidies	-	264,272
Club Promotional Income	207,014	165,762
Total Income	4,639,078	3,567,773
EXPENDITURE		
<u>General Operating Expenses</u>		
Cleaning and laundry	39,450	32,492
Computer costs	94,001	61,293
Director's expenses	2,799	2,730
Director's honorariums	44,152	37,587
Excess water rates	1,800	1,677
Freight and cartage	68	-
Garbage removal expenses	4,050	1,630
Light and power	170,593	164,164
(Profit)/ Loss on sale of assets	(9,329)	67
Motor vehicle expenses	24,135	14,116
Payroll tax	39,759	10,354
Provisions for annual leave and long service leave	123,373	93,847
Repairs and replacements	306,298	185,470
Security expenses	70,429	51,535
Staff uniforms	2,123	3,435
Superannuation	101,468	90,758
Sundry expenses	20,406	16,958
Training and travelling	18,499	20,757
Wages	873,458	648,866
Workers compensation	16,557	11,335
	1,944,089	1,449,071

INVERELL RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 40 000 830 535

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
<u>Finance Administration and Occupancy Expenses</u>		
Audit fees	29,196	26,998
Accountancy fees	3,600	4,575
Bank charges	39,276	22,033
Depreciation	281,698	276,142
Insurance	174,972	153,637
Legal expenses	15,688	1,100
Land tax	-	395
Rent and rates	248,049	248,709
Stationery and postage	32,121	25,009
Subscriptions	63,138	46,923
Telephone	11,973	15,516
	899,711	821,037
<u>Members Amenities and Social Expenses</u>		
Advertising	7,175	12,829
Bingo expenses	32,174	28,625
Donations	40,655	77,237
Entertainment	50,555	43,244
Promotional and members entertainment	491,970	479,983
Sponsorship - musicians and sundry	42,622	2,034
	665,151	643,952
Total Expenses	3,508,951	2,914,060
Profit from Ordinary Activities before income tax	1,130,127	653,713