

Narrabri RSL Memorial & Citizens Club Ltd

ANNUAL REPORT 2022



Narrabri RSL Memorial & Citizens Club Ltd.

Trading as: Club Narrabri.

A.C.N 001-030-593

A.B.N 41-001-030-593

Notice of Annual General Meeting 2022

Notice is hereby given that the Annual General Meeting of the Club will be held at 6.pm on Tuesday, 18th October, 2022 at Narrabri RSL Club.

BUSINESS:

- (a) To confirm the minutes of the previous Annual General Meeting.
- (b) To received and consider the Financial Statements, Directors Report and Auditors Report for the year ended 30th June 2022.
- (c) To receive the result of the biennial election of the Board of Directors for the period 2022 to 2024.
- (d) To deal with any notice of motion.
- (e) To deal with any other business that the meeting may approve of, and of which due notice has not been given.

All business and notices of motion to be dealt with at the Annual General Meeting shall be handed to the Company Secretary at least 30 days prior to the date of such meeting.

CONDUCT OF BALLOT

Should more than seven (7) nominations for the position of Director be received, then a ballot to be held in the RSL club will be conducted as follows:

VOTING TIMES: Between 11am & 7pm Saturday, 15th October, 2022.
VOTING PLACE: Narrabri RSL Club, Main Entry Foyer.

All ballot papers will be clearly marked in the polling booth positioned in the club. The election will be conducted by the Returning Officer Mr Ian Duffey.



CLUB NARRABRI

President's Report 2022

Members,

The past 12 months has been a whirlwind, with the Covid hangover, another amalgamation and renovations consuming our year.

Following a record financial year in 2021, we followed up with a profit after tax of \$476,334 for 2022. This is an outstanding achievement for our club considering we suffered a forced Covid 19 shutdown for 30 days in August last year. Our recovery was slow at the back end of 2021, but we finished strongly over the first 6 months of 2022 to record a very successful year financially.

The big news of course is, our amalgamation with the Narrabri Bowling Club was officially effected on August 29 this year. We began negotiations with the Bowling Club Board and their Administrator late last year and commenced interim management of the Bowlo on December 15, 2021 as the amalgamation process began. We believe the amalgamation is a financially sound proposition for Club Narrabri, following the sale of the Club Motor Inn, and the clearing of all debts by the Bowling Club Board. The value of the Real Estate alone protects us from any financial risk. Having said that, your Board and Management Team are committed to improving the business, amenities, and customer experience at the Bowlo, and to promote and encourage the game of bowls. We believe that the Bowlo offers an excellent facility for our town and we are excited about the long term opportunity that the venue presents. I welcome all Bowling Club members to Club Narrabri.

Over the course of the past 12 months, we have been renovating the RSL Club, including a modern disabled bathroom facility, a new mens bathroom, refurbishment of the TAB lounge, and a brand new eye-catching foyer to welcome our members and guests to the club. We created a new function room, "The Stanford Room" named in honour of our long standing past president, the late Barry Stanford. At present we are renovating the main bar and lounge areas for the comfort of our members and to modernise our facilities. We anticipate the refurbishment will be completed by early November.

I am very proud to report that Club Narrabri was awarded the prestigious "Best Business of the Year Award" at the recent Narrabri Chamber of Commerce/Whitehaven Business Awards. This achievement is a glowing endorsement of your Board, Management, Staff Team and Caterers. We also received the "Hospitality Award" and our caterer Will Brooks was recognised with the "Young Entrepreneur of the Year" award. My congratulations to all for their strong work ethic, dedication, and commitment to our club.

We continued to foster many local and regional sporting and community organisations this year. Our Club Grants funding provides much needed and ongoing revenue for the many worthy causes. Through sponsorship and in-kind support via complimentary use of club facilities we add significantly to the fabric of our society.

The future couldn't be brighter for our great club. I ask that you continue to support us as we work towards creating a club that Narrabri is truly proud of. Your membership allows you to call all three venues "Home" and I encourage you to patronize them all. We boast fantastic dining outlets across the group, "The Outback Shack", "Birdies Bistro" and the new "Gallo Yakoo Bistro" at the Bowlo. Make your next night out a memorable one, and support our accomplished chefs.

The success of our great club is a team effort, and I wish to thank your Board, Paul and Sharon, the Management and Staff team for their efforts during the year. Special thanks also to our Match Committee, Volunteers and Contractors for helping to grow and improve our 2 fantastic venues. Our Golf Professional Graeme Trew and his partner Nicole are doing a fantastic job promoting and fostering Golf in Narrabri. My thanks also to Will Brooks and his team for their commitment across all three venues. Will stepped in last year to provide catering services to the Bowling Club prior to the amalgamation, stretching his staff resources during an already stressful time. He has done an admirable job for us, and we are very appreciative.

Finally, I thank our members for their continued support as we look forward to a prosperous future.

We truly are "One Town, One Club" and a recent decision by your Board to waive social membership fees enables all residents to join and become part of our fantastic club.

Bruce O'Hara

Chairman of the Board.

NARRABRI RSL MEMORIAL & CITIZENS CLUB LIMITED
ABN 41 001 030 593

FINANCIAL STATEMENTS
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 Registered Club. The principal objective of the club is to provide members with amenities within the combined entity.

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 continue to lobby the government to ensure a fair go for the registered club industry.
- To promote the registered club industry.
- To meet financial viability and accountability requirements.
- To provide workplaces that are compliant with industry standards and the Fair Work Act.
- To continue to improve the members facilities including refurbishment of the clubs buildings in line with the Club's business plan.

The company has adopted the following strategies for achievement of 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's performance against the budget by management and directors.
- The review of the company compliance with work health and safety and compliance with employment law including the Fair Work Act.
- Completion of a business plan and development of a master plan.

Long Term Objectives of the Company

The company has identified the following long term objectives:

- To ensure a sustainable industry in the local community with the provision of facilities and amenities at the RSL Club and Golfie.
- To diversify the club operations.
- To continue to be financially secure.
- To grow the company operations in accordance with members interests.
- To implement the business plan and master plan.

The company has adopted the following strategies for achievement of these long term objectives:

- The preparation of a business and strategic plan to identify the opportunities and strengths of the company and 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.

NARRABRI RSL MEMORIAL & CITIZENS CLUB LIMITED
ABN 41 001 030 593

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Performance Measurement

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

- Profit, after income tax expense for the financial year was \$476,334 (2021: \$1,106,179).
- Cash flow provided from operating activities for the financial year was \$873,551 (2021: \$1,605,477).
- Membership for the financial year was 5,165 (2021: 5,107).
- EBITDARD (Earnings Before Interest Tax Depreciation Amortisation Rent and Donations) was 19.44% (2021: 30.72%)
- The company has complied with all Work Health and Safety, Employment and Environmental reviews conducted by external regulatory bodies.

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
Bruce O'Hara	President	16 years	Licensed Stock and Station Real Estate Agent, Business Owner.
Raymond Kebby	Director	27 years	Welder by trade.
Gary Mason	Director	16 years	20 years as R.A.N engineer, 30 years safety inspector for Work Cover NSW, Justice of the Peace, Past Secretary/Treasurer and current President of Narrabri RSL sub branch.
John Watling	Director	18 years	Retired, Registrar of the Court/Chamber Magistrate/Coroner.
Sally Phelps	Director	6 years	Bookkeeping provider for 29 years, ANZ Bank 7 years, Justice of the Peace. Treasurer of Narrabri RSL sub branch.
Brett Nolan	Director	2 years	Builder
James Thomas	Director	1 Year Appointed 28 June 2022	Real Estate Agent and Registered Valuer
Stephen Johnson	Vice President	17 Years Resigned 28 June 2022	41 years self employed, registered electrician and plumber.

Company Secretary

Paul Gordon was appointed the company secretary on 5 December 1988. Paul has over 30 years experience in the registered clubs industry.

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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
Bruce O'Hara	13	13
Raymond Kebby	13	11
Gary Mason	13	11
John Watling	13	9
Sally Phelps	13	13
Brett Nolan	13	10
James Thomas	1	1
Stephen Johnson	9	6

Membership Details


The company is incorporated as a company limited by guarantee that requires the members of the company to contribute \$2 per member towards the company liabilities on the winding up of the company. These membership numbers are at 30 June 2022.

Membership Class	Number of Members	Individual Members Contribution on winding up of Company	Total Members Contribution on winding up of Company
Life members	8	\$ 2	\$ 16
Ordinary members	4,690	\$ 2	\$ 9,380
Golf members	462	\$ 2	\$ 924
Junior	5	\$ 2	\$ 10
Total	5,165	\$ 2	\$ 10,330

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


 Bruce O'Hara
 Director

Dated: 29 August 2022


 Gary Mason
 Director



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**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
NARRABRI RSL MEMORIAL & CITIZENS CLUB LIMITED**

ABN 41 001 030 593

I declare that, to the best of my knowledge and belief, during the financial year to 30 June 2022 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)
90 Rusden St
ARMIDALE NSW 2350

Dated: 29 August 2022

INDEPENDENT AUDITORS' REPORT

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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NARRABRI RSL MEMORIAL & CITIZENS CLUB LIMITED
ABN 41 001 030 593

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

	Note	2022 \$	2021 \$
Revenue	2	4,519,086	4,893,064
Other income	3	146,855	236,396
Interest revenue calculated using the effective interest method		3,093	4,510
Administration expenses		(271,938)	(228,468)
Advertising expenses		(61,873)	(55,380)
Cost of goods sold	4	(511,369)	(556,708)
Depreciation, amortisation and impairments	4	(453,713)	(449,784)
Employee benefits expenses		(1,510,850)	(1,466,130)
Gaming expenses		(556,234)	(571,667)
Occupancy expenses		(651,628)	(540,999)
Other expenses		(223,498)	(166,313)
Profit before income tax expense		427,931	1,098,521
Income tax revenue	1(b), 5	48,403	7,657
Profit after income tax expense		476,334	1,106,179
<u>Other comprehensive income</u>			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		476,334	1,106,179
Total comprehensive income attributable to members of the entity		476,334	1,106,179

NARRABRI RSL MEMORIAL & CITIZENS CLUB LIMITED
ABN 41 001 030 593

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	4,472,299	4,618,932
Trade and other receivables	7	51,495	2,619
Inventories	8	97,448	81,710
Assets held for sale	9	72,738	72,738
TOTAL CURRENT ASSETS		4,693,980	4,775,999
NON CURRENT ASSETS			
Property, plant and equipment	10	5,792,033	5,225,566
Deferred tax asset	11	253,951	205,548
Intangible assets	12	1,099,775	1,099,775
TOTAL NON CURRENT ASSETS		7,145,759	6,530,889
TOTAL ASSETS		11,839,739	11,306,888
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	321,597	343,274
Contract liabilities	14	129,190	104,933
Other liabilities	15	-	5,747
Provisions	16	774,063	745,954
TOTAL CURRENT LIABILITIES		1,224,850	1,199,908
NON CURRENT LIABILITIES			
Contract liabilities	14	24,772	11,804
Provisions	16	18,607	-
TOTAL NON CURRENT LIABILITIES		43,379	11,804
TOTAL LIABILITIES		1,268,229	1,211,712
NET ASSETS		10,571,510	10,095,176
EQUITY			
Retained earnings		10,571,510	10,095,176
TOTAL EQUITY		10,571,510	10,095,176

NARRABRI RSL MEMORIAL & CITIZENS CLUB LIMITED
ABN 41 001 030 593

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

	Retained Earnings \$	Total \$
Balance at 1 July 2020	8,988,997	8,988,997
Profit after income tax expense	1,106,179	1,106,179
Total other comprehensive income for the year	-	-
Balance at 30 June 2021	<u>10,095,176</u>	<u>10,095,176</u>
Profit after income tax expense	476,334	476,334
Total comprehensive income for the year	-	-
Balance at 30 June 2022	<u>10,571,510</u>	<u>10,571,510</u>

NARRABRI RSL MEMORIAL & CITIZENS CLUB LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		5,103,266	5,673,901
Payments to suppliers and employees		(4,232,808)	(4,072,934)
Interest received		3,093	4,510
Income tax paid		-	-
Net cash provided by operating activities		873,551	1,605,477
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	21,000
Purchase of property, plant and equipment		(1,020,184)	(344,275)
Net cash used in investing activities		(1,020,184)	(323,275)
Net (decrease)/increase in cash held		(146,633)	1,282,202
Cash at the beginning of the financial year		4,618,932	3,336,730
Cash at the end of the financial year	6	4,472,299	4,618,932

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements cover Narrabri RSL Memorial & Citizens Club Limited as an individual entity. Narrabri RSL Memorial & Citizens Club Limited 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 29 August 2022 by the directors of the company.

Accounting Policies

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

(a) Revenue

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.

Rent

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

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

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.

(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

Note 1: Statement of Significant Accounting Policies

(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 and equipment	13 - 40%
Furniture, fixtures and fittings	7.5 - 33%
Carpet and curtains	20 - 30%
Restaurant and kitchen equipment	15 - 33%
Poker machines	20 - 50%

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) 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 potentially 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.

Water Licences

The water licences held by the club are recorded at cost. The water licences are subject to annual impairment testing to the higher of fair value less related costs to sell and value in use.

(g) 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.

Note 1: Statement of Significant Accounting Policies

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.

(h) Impairment of 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.

(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) Contract Liabilities

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

(k) 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.

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

Note 1: Statement of Significant Accounting Policies

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.

(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) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) Critical Accounting Estimates and Judgements

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.

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

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

Note 1: Statement of Significant Accounting Policies

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.

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

New of 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 association 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

	Note	2022 \$	2021 \$
Note 2: Revenue			
Revenue from contracts with customers			
Bar sales		1,261,089	1,342,344
Equipment and other sales		-	17,832
Raffles		87,522	78,915
Commissions		9,994	18,250
Green fees		155,770	167,721
Membership subscriptions		92,012	86,267
Poker machine revenue		2,621,186	3,003,826
Sponsorships		25,227	3,682
TAB and Keno commission		99,048	98,959
Equipment hire		39,381	46,634
Members promotional revenue		23,159	9,458
Sundry revenue		56,609	-
Total revenue from contracts with customers		<u>4,470,997</u>	<u>4,873,888</u>
Other revenue			
Donations		23,586	-
Sundry revenue		24,503	19,176
Total other revenue		<u>48,089</u>	<u>19,176</u>
Total revenue		<u>4,519,086</u>	<u>4,893,064</u>
Disaggregation of revenue			
Timing of revenue recognition			
Goods transferred at a point in time		4,102,335	4,586,321
Service transferred over time		368,662	287,567
		<u>4,470,997</u>	<u>4,873,888</u>
Note 3: Other Income			
Jobkeeper and other government subsidies		122,000	195,000
Rental income		24,855	23,940
Profit on disposal of fixed assets		-	17,456
Total other income		<u>146,855</u>	<u>236,396</u>
Note 4: Expenses			
Profit before income tax includes the following specific expenses:			
Cost of sales		469,337	537,415
Depreciation		453,713	449,784
Electricity		130,769	144,888
Poker machine duty		405,279	461,779
Repairs and maintenance		240,068	205,921
Salaries and wages		1,294,944	1,247,921
Superannuation		153,182	130,280

NARRABRI RSL MEMORIAL & CITIZENS CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Note 5: Income Tax Revenue/Expense			
(a) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Prime facie tax payable on profit from ordinary activities before income tax at 25% (2021: 27.5%)		117,681	302,093
Less tax effect of:			
- Non-deductible and non-assessable items		<u>(166,084)</u>	<u>(309,751)</u>
		<u>(48,403)</u>	<u>(7,657)</u>
Note 6: Cash and Cash Equivalents			
Cash on hand		233,055	232,850
Cash at bank		1,860,078	2,209,823
Deposits at call		<u>2,379,166</u>	<u>2,176,259</u>
		<u>4,472,299</u>	<u>4,618,932</u>
Note 7: Trade and Other Receivables			
CURRENT			
Trade receivables		<u>51,495</u>	2,619
		<u>51,495</u>	<u>2,619</u>
Note 8: Inventories			
CURRENT			
Stock on hand		<u>97,448</u>	81,710
		<u>97,448</u>	<u>81,710</u>
Note 9: Assets held for sale			
CURRENT			
Assets held for sale		<u>72,738</u>	72,738
		<u>72,738</u>	<u>72,738</u>

The Directors authorised the listing of the vacant land at Old Gunnedah Rd Narrabri for sale. This asset represents a non core asset of the Club, and as a result of the sales listing, this asset was transferred from Property, Plant & Equipment to Assets Held for Sale. This asset is carried at cost, being the lower of cost and estimated fair value less costs to sell.

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

	Note	2022 \$	2021 \$
Note 10: Property, Plant & Equipment			
Land and Buildings (at cost)			
Freehold land		<u>977,000</u>	<u>977,000</u>
Buildings		<u>4,940,579</u>	4,528,925
Less: Accumulated depreciation		<u>(1,363,381)</u>	<u>(1,212,231)</u>
		<u>3,577,198</u>	<u>3,316,694</u>
Capital works in progress		<u>196,989</u>	<u>26,015</u>
Total Land and Buildings		<u>4,751,187</u>	<u>4,319,709</u>
Plant, Equipment & Fittings (at cost)			
Plant and equipment		<u>1,154,140</u>	931,794
Less: Accumulated depreciation		<u>(737,020)</u>	<u>(738,319)</u>
		<u>417,120</u>	<u>193,475</u>
Furniture, fixture and fittings		<u>199,593</u>	268,440
Less: Accumulated depreciation		<u>(190,822)</u>	<u>(262,152)</u>
		<u>8,771</u>	<u>6,288</u>
Carpet and curtains		<u>85,365</u>	110,285
Less: Accumulated depreciation		<u>(74,020)</u>	<u>(96,151)</u>
		<u>11,345</u>	<u>14,134</u>
Restaurant and kitchen equipment		<u>857,302</u>	853,994
Less: Accumulated depreciation		<u>(656,344)</u>	<u>(645,539)</u>
		<u>200,958</u>	<u>208,455</u>
Motor Vehicles		<u>167,906</u>	167,906
Less: Accumulated depreciation		<u>(113,343)</u>	<u>(92,586)</u>
		<u>54,563</u>	<u>75,320</u>
Poker machines		<u>1,836,650</u>	1,817,500
Less: Accumulated depreciation		<u>(1,488,561)</u>	<u>(1,409,315)</u>
		<u>348,089</u>	<u>408,185</u>
Total Plant, Equipment and Fittings		<u>1,040,846</u>	<u>905,857</u>
Total Property, Plant & Equipment		<u>5,792,033</u>	<u>5,225,566</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	4,319,709	905,857	5,225,566
Additions	426,801	422,962	849,763
Capital work in progress	170,417	-	170,417
Disposals	-	-	-
Transfers	-	-	-
Depreciation expense	(165,740)	(287,973)	(453,713)
Carrying amount at the end of the year	<u>4,751,187</u>	<u>1,040,846</u>	<u>5,792,033</u>

Note 11: Tax Assets

NON CURRENT

Deferred tax asset - opening balance	205,548	197,890
Charge to statement of profit or loss and other comprehensive income	48,403	7,657
	<u>253,951</u>	<u>205,548</u>

Note 12: Intangible Assets

Poker machine entitlements (at cost)	678,415	678,415
Water licences	421,360	421,360
	<u>1,099,775</u>	<u>1,099,775</u>

(a) Movements in carrying amounts

	Poker Machine Entitlements \$	Water Licences \$	Total \$
Balance at the beginning of the year	678,415	421,360	1,099,775
Additions	-	-	-
Additions via business combination	-	-	-
Disposals	-	-	-
Impairment losses	-	-	-
Carrying amount at the end of the year	<u>678,415</u>	<u>421,360</u>	<u>1,099,775</u>

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

	Note	2022	2021
		\$	\$

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.

Water Licences

The water licence is assessed as having an indefinite useful life. The measurement and recognition criteria is outlined in Note 1 to the financial statements

The directors believe that the carrying amount of the water licence is not impaired and annual impairment testing will be conducted at each reporting date.

Note 13: Trade and Other Payables

CURRENT

Unsecured liabilities;		
Trade payables	276,660	222,153
Sundry payables and accrued expenses	44,937	121,121
	321,597	343,274

Note 14: Contract Liabilities

CURRENT

Cart shed rental in advance	7,859	6,223
Members bonus points	26,099	25,593
Poker machine jackpot liability	79,988	65,892
Sponsorships in advance	15,244	-
Subscriptions in advance	-	7,225
	129,190	104,933

NON-CURRENT

Subscriptions in advance	24,772	11,804
	24,772	11,804

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

	Note	2022 \$	2021 \$
Note 15: Other liabilities			
Machinery fund		-	5,747
		<u>-</u>	<u>5,747</u>
Note 16: Employee Benefits			
CURRENT			
Provision for employee benefits		<u>774,063</u>	<u>745,954</u>
NON-CURRENT			
Provision for employee benefits		<u>18,607</u>	<u>-</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 17: Capital Commitments

As at 30 June 2022 and 30 June 2021, the company had not engaged in any capital commitments.

Note 18: Events After the End of the Reporting Period

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

On 29 August 2022 Liquor & Gaming NSW transferred the licence of the Narrabri Bowling Club Limited to Narrabri RSL Memorial & Citizens Club Limited as part of the amalgamation process. Narrabri RSL Memorial Club Limited at this date acquired the net assets of the Narrabri Bowling Club Limited for nil consideration.

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 19: Related Party Transactions

Key Management Personnel

The totals of remuneration paid to key management personnel (KMP) during the year are as follows:

Key management personnel compensation	<u>640,122</u>	<u>582,954</u>
No. of key management personnel	<u>5</u>	<u>5</u>

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:

Stephen Johnson - during the year the Club operated a charge back agreement between the Southern Cross Motel. Stephen Johnson is a director of the company. Net transactions for the year totalled \$4,963 (2021: \$7,490).

Brett Nolan - during the year the Club purchased services from Nolan Building Co. Brett Nolan is a director of the company. Net Transactions for the year totalled \$286,172 (2021: \$17,710).

Paul Gordon - during the year Paul rented a house in Maitland Street owned by the Club.

Note 20: 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	<u>28,000</u>	28,000
Other allowable services	<u>2,000</u>	2,000
	<u>30,000</u>	<u>30,000</u>

Note 21: Sub Committees

The economic entity which the Narrabri RSL Memorial & Citizens Club Limited comprises the activities of the Club and the RSL Sporting Body. The directors are of the opinion that it is impractical to consolidate the activities of the RSL Sporting Club with those of the Narrabri RSL Memorial & Citizens Club Limited on the basis of materiality. At 30 June 2022, the sub committee has net assets \$43,121 (2021: \$37,311) and surplus of \$5,810 (2021: \$2,925).

Note 22: 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:

Narrabri RSL Memorial & Citizens Club Ltd
 7-11 Maitland Street
 NARRABRI NSW 2390

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.

NARRABRI RSL MEMORIAL & CITIZENS CLUB LIMITED
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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 by:



Bruce O'Hara
Director

Dated: 29 August 2022



Gary Mason
Director

**TO THE MEMBERS OF
NARRABRI RSL MEMORIAL & CITIZENS CLUB LIMITED**

ABN 41 001 030 593

Opinion

We have audited the financial report of Narrabri RSL Memorial & Citizens Club Limited (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
NARRABRI RSL MEMORIAL & CITIZENS CLUB LIMITED**

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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
NARRABRI RSL MEMORIAL & CITIZENS CLUB LIMITED**

ABN 41 001 030 593

- 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)
90 Rusden St
ARMIDALE NSW 2350

Dated: 30 August 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
NARRABRI RSL MEMORIAL & CITIZENS CLUB LIMITED**

ABN 41 001 030 593

The additional financial data presented on pages 27 - 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 Narrabri RSL Memorial & Citizens Club Limited) 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)
90 Rusden St
ARMIDALE NSW 2350

Dated: 30 August 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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NARRABRI RSL MEMORIAL & CITIZENS CLUB LIMITED
ABN 41 001 030 593

DETAILED TRADING STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

RSL CLUB	2022	2021
	\$	\$
Bar Trading		
Bar sales	709,307	819,954
Less: cost of goods sold	<u>(245,253)</u>	<u>(305,566)</u>
Gross profit	464,054	514,388
Less: wages	(121,435)	(143,822)
Less: bar - other expenses	<u>(19,337)</u>	<u>(9,652)</u>
Net profit from bar trading	323,282	360,914
Gross profit percentage to sales	<u>65.42%</u>	<u>62.73%</u>
Poker Machines		
Poker machine revenue	2,564,916	2,925,374
Less: poker machine wages	(98,478)	(107,696)
Less: poker machine expenses	<u>(518,175)</u>	<u>(548,384)</u>
Net profit	1,948,263	2,269,294
Promotions		
Goods sold	84,107	68,773
Less: cost of goods sold	<u>(131,294)</u>	<u>(126,289)</u>
Net loss	(47,187)	(57,516)
Keno		
Keno Income	79,646	79,739
Less: Keno wages	(74,750)	(79,000)
Less: Keno expenses	<u>(5,481)</u>	<u>(11,452)</u>
Net profit/(loss)	(585)	(10,713)
TAB		
TAB income	6,767	9,438
Less: TAB wages	(21,500)	(31,500)
Less: TAB expenses	<u>(38,699)</u>	<u>(9,441)</u>
Net loss	(53,432)	(31,503)

NARRABRI RSL MEMORIAL & CITIZENS CLUB LIMITED
ABN 41 001 030 593

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

RSL CLUB	2022 \$	2021 \$
Income		
Net profit/(loss) from trading:		
Bar	323,282	360,914
Poker Machine	1,948,263	2,269,294
Promotions	(47,187)	(57,516)
Keno	(585)	(10,713)
TAB	(53,432)	(31,503)
Commissions received	38,784	12,884
Government subsidies	101,000	157,000
Interest income	3,093	4,510
Members subscriptions	14,982	14,352
Property income	9,918	10,118
Sundry income	45,210	20,469
Total Income	2,383,328	2,749,809
Expenditure		
<u>Administration Expenses</u>		
Bank charges	9,536	5,734
Cash shortages	793	508
Computer support	75,675	75,856
Directors' expenses	6,542	5,229
Licenses	2,485	8,261
Postage	5,194	6,007
Printing	3,745	2,629
Professional fees	54,347	28,075
Stationery	5,644	7,791
Staff amenities	26,640	24,550
Staff amenities (GST free)	4,431	3,917
Staff training	9,049	1,098
Uniform	4,531	613
Telephone	4,090	7,441
Trade subscriptions	9,840	10,800
Vehicle expenses	18,412	13,647
	240,954	202,156
<u>Advertising & Marketing Expenses</u>		
Advertising	19,152	16,986
Donations	28,064	25,332
Entertainment	7,937	4,649
Floral tributes	182	309
	55,335	47,276

NARRABRI RSL MEMORIAL & CITIZENS CLUB LIMITED
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DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

RSL CLUB	2022	2021
	\$	\$
<u>Employee Benefits Expenses</u>		
Payroll tax	8,958	5,314
Provision expense - annual leave	28,944	38,983
Provision expense - long service leave	17,787	18,568
Provision expense - TOIL	(2,308)	2,954
Superannuation	122,414	102,839
Wages	618,749	554,532
	794,544	723,190
<u>Occupancy Expenses</u>		
Cleaning materials	11,601	11,891
Electricity and heating	103,650	112,981
Insurance	148,486	94,326
Rates	17,377	15,350
Repairs and maintenance	111,707	90,319
Security	5,253	4,930
Trade waste	9,816	7,610
	407,890	337,407
<u>Other Expenses</u>		
Freight	141	544
Property expenses	44,375	14,428
Sundry expenses	23,204	50
	67,720	15,022
Loss on sale of assets	-	(17,456)
Total Expenditure	1,566,443	1,307,595
Net Operating Profit before Income Tax Expense and Depreciation	816,885	1,442,214
Less: Depreciation	386,248	390,667
Net Operating Profit before Income Tax Expense	430,637	1,051,547

NARRABRI RSL MEMORIAL & CITIZENS CLUB LIMITED
ABN 41 001 030 593

DETAILED TRADING STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

GOLF CLUB	2022	2021
	\$	\$
Bar Trading		
Bar sales	551,782	522,390
Less: cost of goods sold	<u>(224,084)</u>	<u>(231,849)</u>
Gross profit	<u>327,698</u>	<u>290,541</u>
Less: wages	(97,552)	(94,217)
Less: bar - other expenses	<u>(22,695)</u>	<u>(9,641)</u>
Net profit from bar trading	<u>207,451</u>	<u>186,683</u>
Gross profit percentage to sales	<u>59.39%</u>	<u>55.62%</u>
Poker Machines		
Poker machine revenue	70,366	81,465
Less: poker machine expenses	<u>(3,542)</u>	<u>(4,004)</u>
Net profit	<u>66,824</u>	<u>77,461</u>
Promotions		
Goods sold	26,574	19,601
Less: cost of goods sold	<u>(3,803)</u>	<u>(729)</u>
Net (loss)/profit	<u>22,771</u>	<u>18,872</u>
Keno		
Keno Income	10,151	9,782
Less: Keno wages	(7,050)	(10,050)
Less: Keno expenses	<u>(1,247)</u>	<u>(1,399)</u>
Net profit/(loss)	<u>1,854</u>	<u>(1,667)</u>
TAB		
TAB income	2,485	-
Less: TAB expenses	<u>(3,186)</u>	<u>-</u>
Net loss	<u>\$ (701)</u>	<u>\$ -</u>

NARRABRI RSL MEMORIAL & CITIZENS CLUB LIMITED
ABN 41 001 030 593

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

GOLF CLUB	2022	2021
	\$	\$
Income		
Net profit/(loss) from trading:		
Bar	207,451	186,683
Poker Machine	66,824	77,461
Promotions	22,771	18,872
Keno	1,854	(1,667)
TAB	(701)	-
Commissions received	1,819	5,366
Donations and sponsorship	48,813	3,682
Golf income	193,951	208,444
Golf club food sales	-	17,832
Government subsidies	21,000	38,000
Members subscriptions	77,030	71,915
Sundry income	21,431	18,440
Total Income	662,243	645,028
Expenditure		
<u>Administration Expenses</u>		
Slice membership fees	3,200	2,611
Cash shortages	513	441
Computer support	3,639	2,963
Licenses	-	505
Printing	1,120	2,429
Stationery	390	476
Staff amenities	8,845	6,663
Staff training	400	-
Uniform	64	131
Trade subscriptions	11,740	9,203
Vehicle expenses	1,073	890
	30,984	26,312
<u>Advertising & Marketing Expenses</u>		
Advertising	3,740	3,174
Donations	650	3,295
Entertainment	2,148	1,635
	6,538	8,104

NARRABRI RSL MEMORIAL & CITIZENS CLUB LIMITED
ABN 41 001 030 593

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

GOLF CLUB	2022	2021
	\$	\$
<u>Employee Benefits Expenses</u>		
Provision expense - annual leave	(4,884)	6,125
Provision expense - long service leave	9,665	2,493
Provision expense - TOIL	(2,488)	3,442
Superannuation	30,768	27,441
Wages	<u>262,480</u>	<u>237,154</u>
	<u>295,541</u>	<u>276,655</u>
<u>Occupancy Expenses</u>		
Cleaning materials	885	1,881
Electricity and heating	27,119	31,907
Insurance	61,200	35,700
Rates	16,487	13,066
Repairs and maintenance	128,361	115,602
Security	7,036	1,390
Trade waste	<u>2,650</u>	<u>4,046</u>
	<u>243,738</u>	<u>203,592</u>
<u>Other Expenses</u>		
Trophies and vouchers	19,519	12,772
Sundry expenses	<u>1,124</u>	<u>11,501</u>
	<u>20,681</u>	<u>24,273</u>
Total Expenditure	<u>597,482</u>	<u>538,936</u>
Net Operating Profit before Income Tax Expense and Depreciation	<u>64,761</u>	<u>106,092</u>
Less: Depreciation	<u>67,465</u>	<u>59,117</u>
Net Operating (Loss)/Profit before Income Tax Expense	<u>(2,704)</u>	<u>46,975</u>