

Singleton Returned Servicemen's Club Limited
ABN 39 001 037 949

Financial Report

30 June 2022

Singleton Returned Servicemen's Club Limited
Financial Report – 30 June 2022

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Directors' Report

Your directors present their report on Singleton Returned Servicemen's Club Limited for the year ended 30 June 2022.

Directors

The following persons were directors of Singleton Returned Servicemen's Club Limited during the financial year and up to the date of this report:

N Gallagher
M Madden
S Bates
M Lancaster
R Rogers
A Lynch
D Kramer (appointed on 21 November 2021)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The Company's principal continuing activities during the year consisted of operating as a registered club and providing amenities to members and their guests.

The entity's short-term objectives are to:

- Exceed members and guests needs and expectations on the provision of facilities, products and services.
- Support a safe and friendly environment for staff and customers that encourages the principles of the Responsible Service of Alcohol and the Responsible Conduct of Gaming.

The entity's long-term objectives are to:

- Provide the community a continual level of high quality services and facilities in a safe and friendly environment.
- Generate profits that will be reinvested into improved services and facilities for members and community support.

To achieve these objectives, the entity has adopted the following strategies:

- The board of directors, management and staff together are committed to achieving the best practice principles which are measurable by the continual support of community partnerships whilst exceeding financial benchmarks.
- Meeting and surpassing our strategic goals is achieved through constant review and evaluation of business practices using the opinions of members and their guests, staff and professional alliances.

No significant changes in the nature of the Company's activities occurred during the year.

Review of operations

	2022	2021
	\$	\$
Net profit/(loss)	<u>1,607,348</u>	<u>1,726,182</u>

Information on Directors

Director	Experience	Special Responsibilities	Expertise
N Gallagher	Director for 4 years	Chairman	Retired
M Madden	Director for 3 years	Vice Chairman	Electrician
S Bates	Director for 12 years	Director	Open Cut Miner
M Lancaster	Director for 2 years	Director	Retired
R Rogers	Director for 2 years	Director	Former Local Councillor
A Lynch	Director for 2 years	Director	Army Officer
D Kramer	Director for 7 months	Director	Sales Manager

Directors' Report

(continued)

Meetings of Directors

The number of meetings of the Company's directors held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Directors' Board meetings		Directors' Special meetings	
	Number attended	Number eligible to attend	Number attended	Number eligible to attend
N Gallagher	12	12	5	5
M Madden	12	12	5	5
S Bates	12	12	5	5
M Lancaster	11	12	5	5
R Rogers	11	12	4	5
A Lynch	10	12	3	5
D Kramer	7	8	5	5

Retirement, election and continuation in office of directors

D Kramer was appointed director on 21 November 2021.

Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding obligations of the entity. At 30 June 2022, the total amount that members of the Company are liable to contribute if the Company is wound up is \$41,540 (2021: \$39,785).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2022 has been received and included on page 24.

This report is signed in accordance with a resolution of the Board of Directors.



N Gallagher
Chairman



M Madden
Vice Chairman

Singleton
27 September 2022

Club Property Declarations

Pursuant to Section 41J(2) of the Registered Clubs Act the Directors declare that, for the financial year ended 30 June 2022, the classifications of the property held are as follows:

Core Property:

Property Address

York Street, Singleton NSW 2330

8 Dorsman Drive, Singleton Heights NSW 2330

105 Blaxland Avenue, Singleton Heights NSW 2330

Current Usage

Clubhouse and carpark

Clubhouse and carpark

Clubhouse

Non-core Property:

Property Address

47 Castlereagh Street, Singleton NSW 2330

61 Castlereagh Street, Singleton NSW 2330

Current Usage

Investment property

Investment property

Notes to Members

1. Section 41J(2) of the Registered Clubs Act requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.
2. Core property is any real property owned or occupied by the Club that comprises:
 - a) The defined premises of the Club; or
 - b) Any facility provided by the Club for use by its members and their guests; or
 - c) Any other property declared by a resolution passed by a majority of the members present at a general meeting of ordinary members of the Club to be core property of the Club.
3. Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.
4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
 - a) The property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and
 - b) The disposal has been approved at a general meeting of the ordinary members of the Club at which the majority of the votes cast support the approval; and
 - c) Any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.
5. These disposal provisions and what constitutes a disposal for the purposes of section 41J are to some extent modified by regulations made under the Registered Clubs Act and by Section 41J itself. For example, the requirements in paragraph 4 above do not apply to:
 - a) Core property that is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation by a registered valuer;
 - b) Core property that is leased or licensed to a telecommunications provider for the purposes of a telecommunication tower.

Income Statement

For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Revenue from continuing operations	3	9,325,393	9,829,317
Expenses			
Borrowing costs		-	185
Cost of goods sold	4	718,287	745,760
Employee benefits expense		1,881,183	2,093,490
Depreciation and amortisation expenses	4	1,392,143	1,394,686
Other expenses from continuing operations		3,684,598	3,845,855
		<u>7,676,211</u>	<u>8,079,976</u>
Profit/(loss) from continuing operations before income tax		1,649,182	1,749,341
Income tax (revenue)/expense	5	<u>41,834</u>	<u>23,159</u>
Profit/(loss) after related income tax expense		1,607,348	1,726,182
Total changes in equity		1,607,348	1,726,182

The above income statement should be read in conjunction with the accompanying notes.

Balance Sheet

As at 30 June 2022

	Notes	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	6,21	6,998,966	5,352,296
Receivables	7,21	114,978	60,293
Inventories	8	79,652	73,657
Income tax receivable	9	7,314	-
Other	10	293,404	179,873
Total current assets		<u>7,494,314</u>	<u>5,666,119</u>
Non-current assets			
Property, plant and equipment	11	17,782,291	18,110,328
Deferred tax assets	12	19,252	17,610
Intangible assets	13	1,612,802	1,612,802
Total non-current assets		<u>19,414,345</u>	<u>19,740,740</u>
Total assets		<u>26,908,659</u>	<u>25,406,859</u>
Current liabilities			
Payables	14,21	1,033,042	1,196,608
Provisions	15	515,730	478,445
Other	16	35,268	34,252
Total current liabilities		<u>1,584,040</u>	<u>1,709,305</u>
Non-current liabilities			
Deferred tax liabilities	17	82,672	42,748
Provisions	18	13,911	33,427
Other	19	16,950	17,641
Total non-current liabilities		<u>113,533</u>	<u>93,816</u>
Total liabilities		<u>1,697,573</u>	<u>1,803,121</u>
Net assets		<u>25,211,086</u>	<u>23,603,738</u>
Equity			
Retained profits	20	25,211,086	23,603,738
Total equity		<u>25,211,086</u>	<u>23,603,738</u>

The above balance sheet should be read in conjunction with the accompanying notes.

Cash Flow Statement

For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		10,163,527	10,847,804
Payments to suppliers and employees (inclusive of goods and services tax)		(7,005,346)	(7,754,343)
		<u>3,158,181</u>	<u>3,093,461</u>
Interest received		14,902	29,115
Borrowing costs paid		-	(185)
Income tax paid		(6,848)	-
Net cash inflow (outflow) from operating activities	24	<u>3,166,235</u>	<u>3,122,391</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(1,519,565)	(1,834,799)
Net cash inflow (outflow) from investing activities		<u>(1,519,565)</u>	<u>(1,834,799)</u>
Cash flows from financing activities			
Proceeds from Borrowings		-	267,157
Repayment of Borrowings		-	(267,157)
Net cash inflow (outflow) from financing activities		<u>-</u>	<u>-</u>
Net increase (decrease) in cash held		1,646,670	1,287,592
Cash at the beginning of the financial year		<u>5,352,296</u>	<u>4,064,704</u>
Cash at the end of the financial year	6	<u>6,998,966</u>	<u>5,352,296</u>
Commitments for expenditure	22		

The above cash flow statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Total equity at the beginning of the financial year		23,603,738	21,877,556
Total recognised income and expense for the year	20	1,607,348	1,726,182
Total equity at the end of the financial year		<u>25,211,086</u>	<u>23,603,738</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

30 June 2022

Note 1. Summary of significant accounting policies

The financial statements are for Singleton Returned Servicemen's Club Limited as an individual entity, incorporated and domiciled in Australia. Singleton Returned Servicemen's Club Limited is a company limited by guarantee.

Basis of Preparation

Singleton Returned Servicemen's Club Limited applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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.

Accounting Policies

(a) Income tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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. Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to 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.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it 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: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate 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.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned to individual items of stock on the basis of weighted average costs.

Notes to the Financial Statements

30 June 2022 (continued)

Note 1. Summary of significant accounting policies (continued)

(c) Property, plant and equipment

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

Property

Freehold land and buildings are measured on the cost basis. The carrying amount of freehold land and buildings is reviewed to ensure it is not in excess of the recoverable amount based on valuations by external independent valuers, less subsequent depreciation for buildings, undertaken every 3 to 5 years.

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

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

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

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

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The expected useful lives are as follows:

Buildings	40 years
Plant and equipment	1-20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement in the period in which they arise. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Notes to the Financial Statements

30 June 2022 (continued)

Note 1. Summary of significant accounting policies (continued)

(e) Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value (refer to Note 1(p)), amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale financial assets

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Notes to the Financial Statements

30 June 2022 (continued)

Note 1. Summary of significant accounting policies (continued)

(e) Financial Instruments (continued)

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(f) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. 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 of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in *AASB 116: Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(g) Intangibles

Poker machine Entitlements

Entitlements are recognised at cost of acquisition. Entitlements have an infinite life. Entitlements are tested annually for impairment and carried at cost less accumulated impairment losses.

(h) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

Notes to the Financial Statements

30 June 2022 (continued)

Note 1. Summary of significant accounting policies (continued)

(j) Employee benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the balance sheet.

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's balance sheet.

(k) Revenue and other income

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Singleton Returned Servicemen's Club Limited receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Revenue is recognised for the major business activities as follows:

(i) *Poker Machines*

Revenue is recognised as the net amount cleared from all machines.

(ii) *Other*

A sale is recorded when the goods or services have been provided to the customer.

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

Notes to the Financial Statements

30 June 2022 (continued)

Note 1. Summary of significant accounting policies (continued)

(l) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Goods and Service Tax (GST)

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).

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 as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement 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.

(n) Comparative figures

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

(o) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates

Impairment

The freehold land and buildings were independently valued on 30 June 2019 by TEW Property Valuations. The valuation was based on fair value in accordance with *AASB 116: Property, Plant and Equipment*. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties.

At 30 June 2022, the directors have performed a directors' valuation on the freehold land and buildings. The directors have reviewed the key assumptions adopted by the valuers during the 2019 year and do not believe there has been a significant change in the assumptions at 30 June 2022. The directors therefore believe the carrying value of the land correctly reflects the fair value less costs to sell at 30 June 2022.

(p) Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or a non-recurring basis, depending on the requirements of the applicable Accounting Standard.

'Fair value' is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Notes to the Financial Statements

30 June 2022 (continued)

Note 2. Segment information

The entity operates predominantly in 1 industry. The entity operates predominantly in 1 geographical area, being Singleton, New South Wales.

Note 3. Revenue

	2022 \$	2021 \$
Revenue from operations		
Sale of goods	1,790,405	1,802,288
Services	7,391,778	7,646,280
	<u>9,182,183</u>	<u>9,448,568</u>
Other Revenue		
Government assistance – Cash Flow Boost	-	37,500
Government assistance – JobKeeper Subsidy	-	271,500
Government assistance – JobSaver Payment	92,180	-
Insurance recoveries	-	11,161
Interest	14,902	29,115
Rental income	36,128	31,473
	<u>143,210</u>	<u>380,749</u>
Revenue from continuing operations	<u>9,325,393</u>	<u>9,829,317</u>

Note 4. Profit/(loss) from continuing operations

	2022 \$	2021 \$
Net gains and expenses		
Profit/(loss) from continuing operations before income tax expense includes the following specific net gains and expenses:		
Expenses		
Cost of sales of goods		
Bar	667,129	655,723
Kitchen	51,158	90,037
Total cost of goods sold	<u>718,287</u>	<u>745,760</u>
Depreciation		
Buildings	421,854	390,599
Plant and equipment	970,289	1,004,087
Total depreciation	<u>1,392,143</u>	<u>1,394,686</u>
Net loss on disposal of property, plant and equipment	<u>90,548</u>	<u>114,040</u>
Rental expense relating to operating leases		
Minimum lease payments	<u>5,035</u>	<u>4,315</u>

Notes to the Financial Statements

30 June 2022 (continued)

Note 5. Income tax

	2022 \$	2021 \$
(a) Income tax expense		
Current income tax (revenue) expense	3,552	-
Deferred income tax (revenue) expense	38,282	23,159
	<u>41,834</u>	<u>23,159</u>
Deferred income tax (revenue) expense included in income tax expense comprises:		
Decrease (Increase) in deferred tax assets (note 12)	(1,642)	23,890
(Decrease) Increase in deferred tax liabilities (note 17)	39,924	(731)
	<u>38,282</u>	<u>23,159</u>
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Pre-tax profit/(loss)	1,649,182	1,749,341
Tax at Australian tax rate of 25.0% (2021 – 26.0%)	412,295	454,829
Tax effect of amounts which are not deductible (assessable) in calculating taxable income:		
Non-Deductible Items	422,928	451,963
Other Assessable Income	408	26,248
Tax Depreciation and capital works	(440,708)	(361,179)
Non-Assessable Income	(23,497)	(424)
Non-Deductible Exempt Expense	7,995	8,469
Other Deductible Expenses	(62,436)	(107,552)
Effect of Mutuality	(306,380)	(449,678)
Tax losses accumulated (used)	(7,053)	(22,676)
Total current income tax expense	<u>3,552</u>	<u>-</u>

Note 6. Current assets – Cash and cash equivalents

	2022 \$	2021 \$
Unrestricted cash and cash equivalents:		
Cash on hand	243,900	212,400
Operating accounts	3,671,327	2,049,103
Term Deposits	3,000,976	3,000,000
	<u>6,916,203</u>	<u>5,261,503</u>
Restricted cash and cash equivalents:		
Category 3 Funding	82,763	90,793
Total cash and cash equivalents	<u>6,998,966</u>	<u>5,352,296</u>

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:

Balances as above	6,998,966	5,352,296
Balances per cash flow statement	<u>6,998,966</u>	<u>5,352,296</u>

Note 7. Current assets – Receivables

	2022 \$	2021 \$
Trade debtors	91,763	30,562
Accrued interest	1,806	1,630
Poker machine duty subsidy	2,863	2,863
Other debtors	18,546	25,238
	<u>114,978</u>	<u>60,293</u>

Notes to the Financial Statements

30 June 2022 (continued)

Note 8. Current assets – Inventories

	2022 \$	2021 \$
Retail stock – at cost	79,652	73,657

Note 9. Current assets – Income tax receivable

	2022 \$	2021 \$
Income tax receivable	7,314	-

Note 10. Current assets – Other

	2022 \$	2021 \$
Prepayments	293,404	179,873

Note 11. Non-current assets – Property, plant and equipment

	2022 \$	2021 \$
Land and buildings		
Freehold land at cost	1,168,809	1,168,809
Buildings at cost	18,599,024	18,185,922
Less: Accumulated depreciation	(5,837,226)	(5,415,371)
	12,761,798	12,770,551
Total land and buildings	13,930,607	13,939,360
Bowling Greens		
Bowling greens at cost	157,948	147,098
Less: Accumulated depreciation	(147,899)	(146,662)
	10,049	436
Plant and equipment		
At cost	10,247,745	9,976,607
Less: Accumulated depreciation	(6,406,110)	(5,806,075)
	3,841,635	4,170,532
Total plant and equipment	3,851,684	4,170,968
Total property, plant and equipment	17,782,291	18,110,328

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are as set out below:

	Freehold land \$	Buildings \$	Bowling greens \$	Plant and equipment \$	Total \$
Carrying amount at 1 July 2021	1,168,809	12,770,551	436	4,170,532	18,110,328
Additions	-	413,102	10,850	729,981	1,153,933
Disposals	-	-	-	(89,827)	(89,827)
Depreciation expense	-	(421,855)	(1,237)	(969,051)	(1,392,143)
Carrying amount at 30 June 2022	1,168,809	12,761,798	10,049	3,841,635	17,782,291

Notes to the Financial Statements

30 June 2022 (continued)

Note 12. Non-current assets – Deferred tax assets

	2022 \$	2021 \$
The balance comprises temporary differences attributable to:		
Employee benefits	15,027	6,905
Payables	956	620
Prepayments	2,522	360
Other provisions	747	2,390
Tax losses	-	7,335
Net deferred tax asset	19,252	17,610
Less: deferred tax assets at 30 June 2021	17,610	41,500
Decrease (Increase) in deferred tax included in income tax expense (note 5)	(1,642)	23,890

Note 13. Non-current assets – Intangible assets

	2022 \$	2021 \$
Poker machine entitlements	1,612,802	1,612,802

Note 14. Current liabilities – Payables

	2022 \$	2021 \$
Trade creditors	567,932	427,707
Accrued expenses	49,181	42,025
Poker Machine Duty payable	114,071	97,392
Net BAS liability	76,755	54,879
Other creditors	225,103	574,605
	1,033,042	1,196,608

Note 15. Current liabilities – Provisions

	2022 \$	2021 \$
Employee entitlements	468,124	323,046
IGT Rewards points	23,674	32,040
Vouchers not redeemed	1,144	93,627
Other	22,788	27,232
Community Chest	-	2,500
	515,730	478,445

Note 16. Current liabilities – Other

	2022 \$	2021 \$
Subscriptions in advance	25,874	25,844
Other	9,394	8,408
	35,268	34,252

Notes to the Financial Statements

30 June 2022 (continued)

Note 17. Non-current liabilities – Deferred tax liabilities

	2022	2021
	\$	\$
The balance comprises of temporary differences attributable to:		
Depreciation	82,616	42,716
Receivables	56	32
Net deferred tax liability	82,672	42,748
Less: deferred tax liabilities at 30 June 2020	42,748	43,479
(Decrease) Increase in deferred tax liabilities included in income tax expense (note 5)	39,924	(731)

Note 18. Non-current liabilities – Provisions

	2022	2021
	\$	\$
Employee entitlements	13,911	33,427

Note 19. Non-current liabilities – Other

	2022	2021
	\$	\$
Subscription in advance	16,950	17,641

Note 20. Retained profits

	2022	2021
	\$	\$
Retained profits		
Retained profits at the beginning of the financial year	23,603,738	21,877,556
Net profit/(loss)	1,607,348	1,726,182
Retained profits at the end of the financial year	25,211,086	23,603,738

Note 21. Financial instruments**(a) Interest rate risk exposures**

The entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table. For interest rates applicable to each class of asset or liability, refer to individual notes to the financial statements.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the entity intends to hold fixed rate assets and liabilities to maturity.

2022		Fixed interest maturing in:				Non-Interest Bearing	Total
	Notes	Floating interest rate \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$	\$	\$
Financial assets							
Cash and deposits	6	3,321,913	3,233,153	-	-	443,900	6,998,966
Receivables	7	-	-	-	-	114,978	114,978
		3,321,913	3,233,153	-	-	558,878	7,113,944
Weighted average interest rate		0.01%	0.49%				
Financial liabilities							
Trade and other creditors	14	-	-	-	-	1,033,042	1,033,042
		-	-	-	-	1,033,042	1,033,042
Weighted average interest rate							
Net financial assets (liabilities)		3,321,913	3,233,153	-	-	(474,164)	6,080,902

Notes to the Financial Statements

30 June 2022 (continued)

Note 21. Financial instruments (continued)

2021		Fixed interest maturing in:					
	Notes	Floating interest rate \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$	Non- Interest Bearing \$	Total \$
Financial assets							
Cash and deposits	6	1,763,231	3,231,665	-	-	357,400	5,352,296
Receivables	7	-	-	-	-	60,293	60,293
		1,763,231	3,231,665	-	-	417,693	5,412,589
Weighted average interest rate		0.01%	0.49%				
Financial liabilities							
Trade and other creditors	14	-	-	-	-	1,196,608	1,196,608
		-	-	-	-	1,196,608	1,196,608
Weighted average interest rate							
Net financial assets (liabilities)		1,763,231	3,231,665	-	-	(778,915)	4,215,981

(b) Net fair value of financial assets and liabilities*On-balance sheet*

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the entity approximates their carrying amounts.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

Note 22. Commitments for expenditure

	2022 \$	2021 \$
Lease commitments		
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:		
Within 1 year	9,540	9,540
Later than 1 year but not later than 5 years	7,155	16,695
	<u>16,695</u>	<u>26,235</u>
Representing:		
<i>Non-Cancellable Operating leases</i>		
Commitments for minimum lease payment in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	9,540	9,540
Later than 1 year but not later than 5 years	7,155	16,695
Commitments not recognised in the financial report	<u>16,695</u>	<u>26,235</u>

Notes to the Financial Statements

30 June 2022 (continued)

Note 23. Remuneration of directors

The number of directors whose total income from the Company was within the specified bands are as follows:

\$	\$	2022	2021
0	- 10,000	7	9

Note 24. Reconciliation of profit/(loss) after income tax to net cash inflow (outflow) from operating activities

	2022	2021
	\$	\$
Operating profit/(loss) after income tax	1,607,348	1,726,182
Depreciation and amortisation	1,392,143	1,394,686
Loss on disposal of property, plant and equipment	90,548	114,040
Change in operating assets and liabilities		
(Increase) Decrease in trade debtors	(54,685)	90,774
(Increase) Decrease in prepayments	(113,531)	(30,804)
(Increase) Decrease in inventories	(5,995)	(4,196)
(Increase) Decrease in income tax receivable	(7,314)	5,670
(Increase) Decrease in deferred tax assets	(1,642)	23,890
Increase (Decrease) in trade creditors	201,345	(124,859)
Increase (Decrease) in other operating liabilities	325	17,976
Increase (Decrease) in deferred tax liabilities	39,924	(731)
Increase (Decrease) in other provisions	17,769	(90,237)
Net cash inflow (outflow) from operating activities	3,166,235	3,122,391

Note 25. Impact of COVID-19

Covid-19 and ensuing Government regulations have significantly influenced the Club's operations, both during the financial year and post year end. The Club was forced to close on 5 August 2021 due to a new COVID outbreak and reopened 17 September 2021. However, with the assistance of Government relief and favourable trading conditions during the 2022 financial year, together with a strong asset base, the directors maintain that it is appropriate to prepare the financial statements on a going concern basis. This assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The factors considered to assist in mitigating the identified risk, include but are not limited to:

- Significant cash reserves.
- Cash flow forecasts which indicate that debts can be met when they fall due.
- The Club was eligible for and had enacted relevant Government assistance, the most relevant being:
 - COVID Disaster payment which provided weekly assistance to individuals
 - JobSaver payments which provided weekly assistance to the Club

These payments greatly assisted the Club and its staff to meet ongoing financial obligations during times of greatly reduced turnover, and indeed closure of the Club's sites.

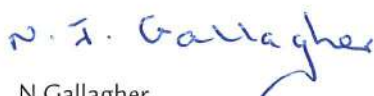
- The Club has low levels of debt.
- The Club has previously demonstrated its ability to continue to operate through COVID-19 restrictions.
- The continuation of the nationwide vaccination and booster programs.

Directors' Declaration

In accordance with a resolution if the directors of Singleton Returned Servicemen's Club Limited (the Company), the directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 20, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position of the company as at 30 June 2022 and of its performance for the year ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



N Gallagher
Chairman



M Madden
Vice Chairman

Singleton
27 September 2022

Independent Audit Report to the Members of Singleton Returned Servicemen's Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Singleton Returned Servicemen's Club Limited (the Company) as set out pages 4 to 21, which comprises the balance sheet as at 30 June 2022, the income statement, statement of changes in equity and cash flow statement for the year then ended, noted comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report

Report on the Financial Report

We have audited the accompanying financial report of Singleton Returned Servicemen's Club Limited is in accordance with the Corporations Act 2001, including:

- (i) 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
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Singleton Returned Servicemen's Club Limited, 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 audit opinion.

Emphasis of Matter – COVID-19

Without modifying my opinion, I draw attention to note 25 of the financial report, which describes the impact of the COVID-19 virus.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual 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 – Reduced Disclosure Requirements 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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Independent Audit Report to the Members of Singleton Returned Servicemen's Club Limited (continued)

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Ben McEwan
Registered Company Auditor

Newcastle
27 September 2022

McEwan and Partners Pty Limited
Chartered Accountants

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Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Singleton Returned Servicemen's Club Limited for the year ended 30 June 2022.

Ben McEwan
Registered Company Auditor

Newcastle
27 September 2022

McEwan and Partners Pty Limited
Chartered Accountants

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**Disclaimer of Opinion on Additional Financial Data
of Singleton Returned Servicemen's Club Limited**

The additional financial data on page 26 is in accordance with the books and records of Singleton Returned Servicemen's Club Limited (the Company) which have been subject to the auditing procedures applied in our statutory audit of the Company for the year ended 30 June 2022.

It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the Company) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

Ben McEwan
Registered Company Auditor

Newcastle
27 September 2022

McEwan and Partners Pty Limited
Chartered Accountants