



CARDIFF RSL CLUB LIMITED
ABN 39 001 065 425

Summary Financial Statements
For the Year Ended
31 December 2018

The financial statements and other specific disclosures have been derived from Cardiff RSL Club Limited's (the Club's) full financial statements for the financial year. Other information included in the Summary Financial Statements is consistent with the Club's full financial statements.

The Summary Financial Statements do not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Club as the full financial statements.

A copy of the Club's 2018 full financial statements, including the independent audit report, is available to all members and will be sent to members without charge upon request.

Contents

Directors' Report.....	1
Auditor's Independence Declaration.....	4
Independent Audit Report.....	5
Directors' Declaration.....	6
Summary Statement of Profit or Loss and Other Comprehensive Income.....	7
Summary Statement of Financial Position.....	8
Summary Statement of Changes in Equity.....	9
Summary Statement of Cash Flows.....	10
Notes to the Summary Financial Statements.....	11
Discussion and Analysis of the Summary Financial Statements.....	12

Cardiff RSL Club Limited

ABN 39 001 065 425

Directors' Report 31 December 2018

Your Directors present their report on Cardiff RSL Club Limited for the financial year ended 31 December 2018.

Directors

The names of the Directors in office at any time during, or since the end of, the year are:

Name	Position	Occupation	Years Service
G. McColl	President	Training Assessor	26
K. Eshman	Vice President	Retired	22
W. Dews	Vice President	Retired-Product Manager/Civil	15
P. Mendyk	Director	Retired-Community Services	6
W. Cook	Director	Sole Trader	5
B. Coutman	Director	Retired-Accountant/Academic	4
J Wright	Director	Order Manager	3

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

Club secretary

The following person held the position of Club secretary at the end of the financial year:

G. Malone who is also the secretary manager of the Club and has held the position of company secretary for 1 year.

Principal activities

The principal activity of Cardiff RSL Club Limited during the financial year was the conduct of a Licensed Club.

No significant changes in the nature of the Club's activity occurred during the financial year.

Operating results

The profit of the Club after providing for income tax amounted to \$ 64,191 (2017: a profit of \$ 7,443).

Review of operations

Gross profit from bar trading amounted to \$945,982 and gross profit percentage of 59% was obtained from sales of \$1,599,829.

Net gaming revenue amounted to \$4,017,031 and compares with \$3,861,932 in 2017.

Cardiff RSL Club Limited

ABN 39 001 065 425

Directors' Report

31 December 2018

Meetings of Directors

During the financial year, 14 meetings of Directors were held. Attendances by each Director during the year were as follows:

	Directors' Meetings		Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
G. McColl	14	13	2	2
K. Eshman	14	14	8	7
W. Dews	14	13	10	9
P. Mendyk	14	14	8	8
W. Cook	14	13	8	8
B. Coutman	14	13	2	2
J. Wright	14	14	2	2

Board Sub-Committees include the Citation Committee, the Remuneration & Nomination Committee and the Policy & Procedures Committee.

Members guarantee

Cardiff RSL Club Limited is a company limited by guarantee. If the Club is wound up, the Constitution states that each member is required to contribute a maximum of \$5 towards any outstanding obligations of the Club. At 31 December 2018 the number of members was 15,484 (2017: 15,025).

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Club during the year.

After balance date events

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

Environmental issues

The Club's operations are subject to environmental regulations under the laws of the Commonwealth and State of Australia. The Directors are not aware of any breaches of the legislation during the financial year which are material in nature.

Cardiff RSL Club Limited

ABN 39 001 065 425

Directors' Report

31 December 2018

Short and long term objectives

The Club has established short and long term objectives as outlined in the Club's business plan which is reviewed on an annual basis. These objectives are both financial and non financial and are aimed towards providing a comfortable and secure environment to its members that continues to meet their needs. These objectives are measured through both financial and non financial key performance indicators that have been determined relevant to the Club industry. No information is included on the likely developments in the operations of the Club and the expected results of those operations.

Disclosure of Core and Non-Core Property

Pursuant to Section 41J(2) of the Registered Clubs Act 1976 and for the financial year ended 31 December 2018, the Directors have determined that the property of the Club shall be classified as follows:

Address	Current Usage	Classification
45 Macquarie Road, CARDIFF NSW 2285	Club Building and Carpark	Core
1, 4, 6, 10, 14 & 16 Lachlan Road, CARDIFF NSW 2285	Investment Property	Non Core

Auditors independence declaration

The lead auditors independence declaration for the year ended 31 December 2018 has been received and can be found on page 4 of the financial report.

Indemnification and insurance of officers

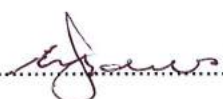
The Club has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Club, other than conduct involving a wilful breach of duty in relation to the Club.

Proceedings on behalf of the Club

No Director has applied for leave of court to bring proceedings on behalf of the Club or intervene in any proceedings to which the Club is a party for the purpose of taking responsibility on behalf of the Club for all or any part of those proceedings.

Signed in accordance with a resolution of the Board of Directors:

Director: 

Director: 

Dated 29 January 2019

Cardiff RSL Club Limited

ABN 39 001 065 425

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Cardiff RSL Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018, 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.

Cutcher & Neale Assurance Pty Ltd
(An authorised audit company)



N. Nancarrow CA
Director

NEWCASTLE

22 January 2019

Cardiff RSL Club Limited

ABN 39 001 065 425

Independent Audit Report to the members of Cardiff RSL Club Limited

Report on the Audit of the Financial Report

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2018, the summary statement of profit or loss and other comprehensive income, the summary statement of changes in equity, the summary statement of cash flows, discussion and analysis of the financial statements and the Directors Declaration for the year then ended, and related notes, are derived from the audited financial report of Cardiff RSL Club Limited for the year ended 31 December 2018.

In our opinion, the accompanying summary financial statements are consistent, in all material respects with the audited financial statements, on the basis described in Note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Australian Accounting Standards – Reduced Disclosure Requirements. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and auditor's report thereon.

The Audited Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial report in our report dated 30 January 2019.

Directors' Responsibility for the Summary Financial Statements

The Directors are responsible for the preparation of a summary of the audited financial statements on the basis described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial report based on our procedures, which are conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

Cutcher & Neale Assurance Pty Ltd
(An authorised audit company)



N. Nancarrow CA
Director

NEWCASTLE

30 January 2019

Cardiff RSL Club Limited

ABN 39 001 065 425

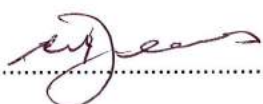
Directors' Declaration

The Directors of Cardiff RSL Club Limited declare that the summary financial statements of Cardiff RSL Club Limited for the financial year ended 31 December 2018, as set out in pages 7 to 13:

- a. comply with Australian Accounting Standards as described in Note 1; and
- b. have been derived from and are consistent with the full financial statements of Cardiff RSL Club Limited.

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

Director 

Director 

Dated 29 January 2019

Cardiff RSL Club Limited

ABN 39 001 065 425

Summary Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2018

	2018	2017
Note	\$	\$
Bar sales	1,599,829	1,589,219
Less: Bar cost of goods sold	(653,847)	(646,312)
	<u>945,982</u>	<u>942,907</u>
Cafe sales	132,600	122,936
Less: Cafe cost of goods sold	(66,064)	(58,545)
	<u>66,536</u>	<u>64,391</u>
Function sales	227,749	230,367
Less: Function cost of goods sold	(203,093)	(200,365)
	<u>24,656</u>	<u>30,002</u>
Gross profit	1,037,174	1,037,300
Gaming machine clearances	4,017,031	3,861,932
Gaming commissions	100,385	107,785
Raffles and bingo revenue	262,209	272,020
Other revenue from contracts with customers	2 69,277	71,141
Other revenue from ordinary activities	2 347,119	350,653
Borrowing cost expense	(91,596)	(103,516)
Bar trading expenses	(358,980)	(329,730)
Cafe trading expenses	(122,227)	(110,988)
Function trading expenses	(40,064)	(52,754)
Gaming machine expenses	(1,239,177)	(1,168,767)
Gaming commission expenses	(195,928)	(196,216)
Raffle and bingo expenses	(360,297)	(352,424)
Occupancy expenses	(571,669)	(610,512)
Club promotion and entertainment expenses	(427,458)	(467,816)
Rental property expenses	(59,627)	(70,977)
Depreciation and amortisation expense	(832,063)	(703,015)
Administrative expenses	(1,494,561)	(1,495,420)
Other operating expenses from ordinary activities	44,084	(31,333)
Profit / (loss) before income tax	83,632	7,363
Income tax expense	(19,441)	80
Profit / (loss) after income tax	64,191	7,443
Other comprehensive income		
Total other comprehensive income	-	-
Total comprehensive income / (loss)	64,191	7,443

The accompanying notes form part of these financial statements.

Cardiff RSL Club Limited

ABN 39 001 065 425

Summary Statement of Financial Position As at 31 December 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		950,460	650,834
Trade and other receivables		82,855	102,918
Inventories		57,767	65,111
Current tax receivable		-	2,967
Other current assets		157,630	157,296
TOTAL CURRENT ASSETS		1,248,712	979,126
NON-CURRENT ASSETS			
Property, plant and equipment		10,825,457	11,047,027
Investment properties		1,951,182	1,951,182
Deferred tax assets		30,638	36,802
Intangible assets		676,891	676,891
TOTAL NON-CURRENT ASSETS		13,484,168	13,711,902
TOTAL ASSETS		14,732,880	14,691,028
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		678,770	566,122
Short-term borrowings		370,921	497,340
Short-term provisions		149,797	141,592
Current tax payable		21,671	-
TOTAL CURRENT LIABILITIES		1,221,159	1,205,054
NON-CURRENT LIABILITIES			
Long-term borrowings		1,521,601	1,535,668
Deferred tax liabilities		34,214	51,098
Long-term provisions		54,130	61,623
TOTAL NON-CURRENT LIABILITIES		1,609,945	1,648,389
TOTAL LIABILITIES		2,831,104	2,853,443
NET ASSETS		11,901,776	11,837,585
EQUITY			
Asset revaluation reserve		1,480,213	1,480,213
Retained earnings		10,421,563	10,357,372
TOTAL EQUITY		11,901,776	11,837,585

The accompanying notes form part of these financial statements.

Cardiff RSL Club Limited

ABN 39 001 065 425

Summary Statement of Changes in Equity For the Year Ended 31 December 2018

2018

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2018	10,357,372	1,480,213	11,837,585
Profit / (loss) attributable to members	64,191	-	64,191
Balance at 31 December 2018	10,421,563	1,480,213	11,901,776

2017

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2017	10,349,929	1,480,213	11,830,142
Profit / (loss) attributable to members	7,443	-	7,443
Balance at 31 December 2017	10,357,372	1,480,213	11,837,585

The accompanying notes form part of these financial statements.

Cardiff RSL Club Limited

ABN 39 001 065 425

Summary Statement of Cash Flows For the Year Ended 31 December 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	7,387,450	7,222,489
Payments to suppliers and employees	(6,327,155)	(6,323,667)
Interest received	2,760	2,863
Borrowing costs	(91,596)	(103,516)
Income tax (paid)/refunded	(5,523)	(12,381)
Net cash provided by / (used in) operating activities	<u>965,936</u>	<u>785,788</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	87,224	48,460
Purchase of property, plant and equipment	(613,048)	(793,777)
Net cash provided by / (used in) investing activities	<u>(525,824)</u>	<u>(745,317)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	390,128	580,970
Repayment of borrowings	(530,614)	(788,146)
Net cash provided by / (used in) financing activities	<u>(140,486)</u>	<u>(207,176)</u>
Net increase (decrease) in cash and cash equivalents held	299,626	(166,705)
Cash and cash equivalents at beginning of year	650,834	817,539
Cash and cash equivalents at end of financial year	<u>950,460</u>	<u>650,834</u>

The accompanying notes form part of these financial statements.

Cardiff RSL Club Limited

ABN 39 001 065 425

Notes to the Summary Financial Statements For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The summary financial statements have been prepared from the audited financial statements of Cardiff RSL Club Limited for the year ended 31 December 2018. The audited report for the year ended 31 December 2018 is available at request from Cardiff RSL Club Limited.

The financial statements, specific disclosures and the other information included in the summary financial statements are derived from and are consistent with the full financial statements of Cardiff RSL Club Limited. The summary financial statements cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Cardiff RSL Club Limited as the full financial statements.

The accounting policies have been consistently applied to Cardiff RSL Club Limited and are consistent with those of the financial year in the entirety.

The presentation currency used in the financial statements is Australian dollars.

There have been no changes to the accounting policies of the Club from last year.

2 Revenue

	2018	2017
	\$	\$
Operating activities		
- Revenue - trading	6,339,803	6,184,259
Other Revenue from contracts with customers		
- Membership subscriptions	69,277	71,141
Other Revenue from Ordinary Activities		
- Interest received	2,760	2,863
- Rebate for GST on gaming machine duty	17,180	17,180
- Function income (room hire)	63,376	67,582
- Insurance recovery	1,788	95
- Rent received	168,120	162,682
- Other income	93,895	100,251
	<u>347,119</u>	<u>350,653</u>
Total Revenue	<u>6,756,199</u>	<u>6,606,053</u>

Cardiff RSL Club Limited

ABN 39 001 065 425

Discussion and Analysis of the Summary Financial Statements For the Year Ended 31 December 2018

Information on Cardiff RSL Club Limited Summary Financial Statements

The financial statements, disclosures and discussion and analysis in the summary financial statements have been derived from the 31 December 2018 financial statements of Cardiff RSL Club Limited.

A copy of the full financial statements and auditors report will be sent to any member, free of charge, upon request. The summary financial statements cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial statements.

The discussion and analysis is provided to assist members in understanding the summary financial statements.

Summary Statement of Profit or Loss and Other Comprehensive Income

The profit from ordinary activities after income tax attributable to members for the year was \$64,191. The result has improved by \$56,748 compared to a profit of \$7,443 in 2017.

Revenue

Total revenue has increased by \$150,146 or 2.3% compared to 2017. Some notable comparisons include:

- Gaming machine net clearances have increased \$155,099.

Expenditure

Total expenditure, excluding income tax, has increased by \$73,877 or 1.1% compared to 2017. Some notable comparisons include:

- Gaming Machine expenses have increased \$70,410, mainly due to increase in gaming machine duty and Club grants expenses, which were affected by the increase in trading revenue.
- Club promotion and entertainment expenses have decreased \$40,358, due to decreases in entertainment and members draw expenses.
- Depreciation expense has increased \$129,048.

An important key performance indicator for Clubs is EBITDA as a percentage of revenue. This year the Club has reported a percentage of 13.6% compared to 12.1% in 2017.

Cardiff RSL Club Limited

ABN 39 001 065 425

Discussion and Analysis of the Summary Financial Statements For the Year Ended 31 December 2018

Summary Statement of Financial Position

The main changes in assets and liabilities included:

Assets

Total assets increased by \$41,852 to \$14.73M representing an increase of 0.28%. This increase is mainly attributable to the increase in the cash position of the Club of \$299,626 and the decrease in property, plant and equipment of \$221,570 with limited capitalisation and increase in depreciation expense of \$129,049.

All other assets have remained relatively comparable to the previous year balances.

Liabilities

Total liabilities decreased by \$22,339 to \$2.83M representing a decrease of 0.78%. This decrease is attributable to the Club's borrowings (both current and non-current) decreasing by \$140,486. This is due to the Club paying down existing equipment finance as well as the loan in relation to the gaming room extensions. New borrowings related to the changeover of gaming machines and financing the 2019 insurance premiums.

Trade and other payables have increased \$112,648, due to plant and equipment purchases not yet paid for.

All other liabilities have remained relatively comparable to the previous year balances.

Summary Statement of Changes in Equity

The equity of the Club has increased entirely by the reported profit result of \$64,191 for the year.

Summary Statement of Cash flows

The Club's cash position has increased during the year by \$299,626. The main changes in cash flows included:

- Operating cash inflows have increased compared with the prior year due to an increase in revenue and a decrease in income tax paid and borrowing costs.
- Investing cash outflows have decreased due to additional capital expenditure in 2017, mostly relating to the finalisation of capital works (alfresco gaming machine area, children's play area and flooring works).
- Financing cash flows in 2018 are represented by new borrowings of \$390,128 and repayments of \$530,614. In 2017, new borrowings totalled \$580,970 and repayments were \$788,146.