



CARDIFF RSL CLUB LIMITED
ABN 39 001 065 425

Summary Financial Statements
For the Year Ended
31 December 2020

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 2020 full financial statements, including the independent audit report, is available to all members and will be sent to members without charge upon request.

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Cardiff RSL Club Limited

ABN 39 001 065 425

Directors' Report

31 December 2020

Your Directors present their report on Cardiff RSL Club Limited for the financial year ended 31 December 2020.

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	28
K. Eshman	Vice President	Retired	24
W. Dews	Vice President	Retired-Product Manager/Civil	17
W. Cook	Director	Sole Trader	7
B. Coutman (CPA)	Director	Retired-Accountant/Academic	6
J. Wright	Director	Order Manager	5
S. Maloney	Director	Case Worker Manager	2

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 (ACCM, BBus) who is also the secretary manager of the Club and has held the position of Club Secretary for 3 years.

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 loss of the Club after providing for income tax amounted to \$ 66,640 (2019: a loss of \$ 109,562).

Review of operations

Gross profit from bar trading amounted to \$484,531 and gross profit percentage of 56% was obtained from sales of \$865,855.

Net gaming revenue amounted to \$2,767,236 and compares with \$3,922,341 in 2019.

The Club's operations were also impacted in 2020 by the COVID-19 pandemic. Refer to Note 1(b) for further details.

Cardiff RSL Club Limited

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Directors' Report

31 December 2020

Meetings of Directors

During the financial year, 15 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	15	15	-	-
K. Eshman	15	13	6	5
W. Dews	15	12	6	6
W. Cook	15	14	5	5
B. Coutman	15	13	1	1
J. Wright	15	15	-	-
S. Maloney	15	13	5	5

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 2020 the number of members was 16,000 (2019: 14,850).

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Club during the year apart from:

On 23 March 2020 as a response to the management of the COVID-19 pandemic, the Club was directed to close. The Club re-opened on 17 June 2020 subject to social distancing. Refer to Note 1(b) in the financial statements for further information regarding the impacts of the closure.

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

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Directors' Report

31 December 2020

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 2020, 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
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 2020 has been received and can be found on page 5 of the financial report.

Mandatory Director Training

Under the Registered Clubs Amendment (Disclosures) Regulation 2019, the Club is required to disclose to its members certain information relating to mandatory training requirements undertaken by Directors. As the Club has annual gaming machine profits of more than \$1 million, the Regulation prescribes that all Directors must complete their mandatory training within 12 months of appointment unless otherwise exempt.

All Directors with greater than 12 months' tenure on the Board have completed the mandatory training requirements.

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.

Cardiff RSL Club Limited

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Directors' Report

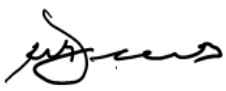
31 December 2020

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 22 February 2021

Cardiff RSL Club Limited

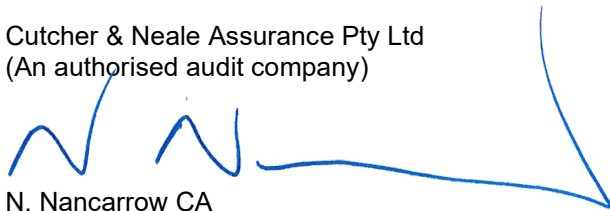
ABN 39 001 065 425

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 2020, 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

15 February 2021

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 2020, 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 2020.

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.

Emphasis of Matter

We draw attention to Note 1(b) in the financial statements, which discusses the impact of COVID-19 on the Club's operations and finances and acknowledges the closure of the Club on 23 March 2020 to 17 June 2020. Our opinion is not modified in respect of this matter.

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 23 February 2021.

Directors' Responsibility for the Summary Financial Statements

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

Cardiff RSL Club Limited

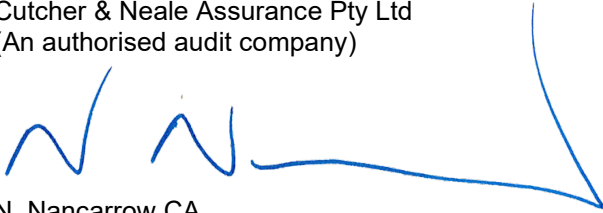
ABN 39 001 065 425

Independent Audit Report to the members of Cardiff RSL Club Limited

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

23 February 2021

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 2020, as set out in pages 9 to 17:

- 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 22 February 2021

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 2020

	2020	2019
Note	\$	\$
Bar sales	865,855	1,513,135
Less: Bar cost of goods sold	<u>(381,324)</u>	<u>(664,108)</u>
	484,531	849,027
Cafe sales	62,256	137,700
Less: Cafe cost of goods sold	<u>(35,158)</u>	<u>(75,899)</u>
	27,098	61,801
Function sales	61,986	208,086
Less: Function cost of goods sold	<u>(47,149)</u>	<u>(181,962)</u>
	14,837	26,124
Gross profit	526,466	936,952
Gaming machine clearances	2,767,236	3,922,341
Tab and keno commissions	64,617	103,812
Raffles and bingo revenue	196,573	314,274
Other revenue from contracts with customers	2 71,107	68,702
Other revenue from ordinary activities	2 325,696	370,218
Other revenue from non-ordinary activities	2 628,737	143,818
Borrowing cost expense	(78,724)	(82,721)
Bar trading expenses	(238,223)	(336,856)
Cafe trading expenses	(70,541)	(115,733)
Function trading expenses	(8,098)	(32,306)
Gaming machine expenses	(757,822)	(1,258,052)
Tab and keno expenses	(120,679)	(211,444)
Raffle and bingo expenses	(239,015)	(427,568)
Occupancy expenses	(606,353)	(626,651)
Club promotion and entertainment expenses	(134,869)	(447,813)
Rental property expenses	(83,425)	(60,678)
Depreciation and amortisation expense	(930,142)	(885,346)
Administrative expenses	(1,333,137)	(1,482,081)
Other operating expenses from ordinary activities	<u>(29,924)</u>	<u>38,153</u>
Profit / (loss) before income tax	(50,520)	(68,979)
Income tax expense	<u>(16,120)</u>	<u>(40,583)</u>
Profit / (loss) after income tax	<u>(66,640)</u>	<u>(109,562)</u>
Other comprehensive income		
Total other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income / (loss)	<u>(66,640)</u>	<u>(109,562)</u>

The accompanying notes form part of these financial statements.

Cardiff RSL Club Limited

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Summary Statement of Financial Position As at 31 December 2020

	2020	2019
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	1,609,784	541,791
Trade and other receivables	77,238	104,658
Inventories	49,443	84,067
Current tax receivable	25,733	14,439
Other current assets	267,082	169,195
TOTAL CURRENT ASSETS	2,029,280	914,150
NON-CURRENT ASSETS		
Property, plant and equipment	12,266,167	12,852,830
Investment properties	1,750,000	2,095,000
Deferred tax assets	17,433	25,498
Intangible assets	803,695	803,695
TOTAL NON-CURRENT ASSETS	14,837,295	15,777,023
TOTAL ASSETS	16,866,575	16,691,173
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	584,054	816,520
Short-term borrowings	429,511	279,962
Short-term provisions	142,913	148,025
TOTAL CURRENT LIABILITIES	1,156,478	1,244,507
NON-CURRENT LIABILITIES		
Long-term borrowings	1,646,528	1,342,581
Deferred tax liabilities	92,255	66,934
Long-term provisions	50,624	49,821
TOTAL NON-CURRENT LIABILITIES	1,789,407	1,459,336
TOTAL LIABILITIES	2,945,885	2,703,843
NET ASSETS	13,920,690	13,987,330
EQUITY		
Asset revaluation reserve	3,675,329	3,675,329
Retained earnings	10,245,361	10,312,001
TOTAL EQUITY	13,920,690	13,987,330

The accompanying notes form part of these financial statements.

Cardiff RSL Club Limited

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Summary Statement of Changes in Equity For the Year Ended 31 December 2020

2020

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2020	10,312,001	3,675,329	13,987,330
Profit / (loss) attributable to members	(66,640)	-	(66,640)
Revaluation increment / (decrement)	-	-	-
Balance at 31 December 2020	10,245,361	3,675,329	13,920,690

2019

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2019	10,421,563	1,480,213	11,901,776
Profit / (loss) attributable to members	(109,562)	-	(109,562)
Revaluation increment (decrement)	-	2,195,116	2,195,116
Balance at 31 December 2019	10,312,001	3,675,329	13,987,330

The accompanying notes form part of these financial statements.

Cardiff RSL Club Limited

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Summary Statement of Cash Flows For the Year Ended 31 December 2020

	2020	2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	4,884,902	7,217,934
Payments to suppliers and employees	(4,827,373)	(6,451,573)
Interest received	922	1,842
Borrowing costs	(78,724)	(82,721)
Income tax (paid)/refunded	5,972	(38,833)
Federal Government – JobKeeper	497,827	-
Federal Government – Cashflow Boost	100,000	-
Net cash provided by / (used in) operating activities	<u>583,526</u>	<u>646,649</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	59,627
Proceeds from sale of investment property	375,910	-
Purchase of property, plant and equipment	(344,939)	(718,162)
Purchase of intangible gaming machine licences	-	(126,804)
Net cash provided by / (used in) investing activities	<u>30,971</u>	<u>(785,339)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	678,025	110,119
Repayment of borrowings	(224,529)	(380,098)
Net cash provided by / (used in) financing activities	<u>453,496</u>	<u>(269,979)</u>
Net increase (decrease) in cash and cash equivalents held	1,067,993	(408,669)
Cash and cash equivalents at beginning of year	541,791	950,460
Cash and cash equivalents at end of financial year	<u>1,609,784</u>	<u>541,791</u>

The accompanying notes form part of these financial statements.

Cardiff RSL Club Limited

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Notes to the Summary Financial Statements For the Year Ended 31 December 2020

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 2020. The audited report for the year ended 31 December 2020 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.

(b) Significant changes in the current report period

Impact of COVID-19 on Club Operations

On 11 March 2020, the World Health Organisation (“WHO”) declared the Coronavirus disease 2019 (“COVID-19”) a pandemic. The pandemic has adversely affected the global economy, including an increase in unemployment, decrease in consumer demand, interruptions in supply chains, and tight liquidity and credit conditions. Consequently, governments around the world have announced monetary and fiscal stimulus packages to minimise the adverse economic impact. However, the COVID-19 situation is still evolving, and its full economic impact remains uncertain.

During the week beginning 16 March 2020, the Australian Government together with State and Territory Premiers announced a series of measures aimed at preventing the spread of COVID-19, which had the effect of impacting the state of the Australian economy (i.e. impact on supply chain, customers, availability of finance, consumer confidence, etc.).

Subsequent to these measures on 22 March 2020 it was announced that all registered clubs were to cease operating from midday the following day. The Club followed this directive and management stood down the vast majority of staff. The Club re-opened on 17 June 2020 subject to social distancing measures.

Cardiff RSL Club Limited

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Notes to the Summary Financial Statements For the Year Ended 31 December 2020

The Board and Management have implemented a range of operational and financial strategies in order to minimise the impact of this enforced closure including, but not limited to:

- Accessing available NSW and federal government stimulus measures to assist the Club's cashflow.
- Employing government initiatives, in particular with respect to ensuring that our employees can remain employed at the Club via JobKeeper payments.
- Cashflow tightening measures to ensure ongoing adequate cash reserves to trade through the impact, including reduction of operational expenditure and stalling of discretionary major projects at this time. Management have suspended and / or reduced contracts and supplier payments where possible.
- The Club has complied with social distancing measures on re-opening, including implementing a COVID-19 safety plan, hygiene marshalls rostered and Service NSW electronic check-in for patrons.

Cardiff RSL Club Limited

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Notes to the Summary Financial Statements For the Year Ended 31 December 2020

2 Revenue

	2020	2019
	\$	\$
Operating activities		
- Revenue - trading	4,018,523	6,199,348
Other Revenue from contracts with customers		
- Membership subscriptions	71,107	68,702
Total revenue from contract with customers	4,089,630	6,268,050
Other revenue from ordinary activities		
- Interest received	922	1,842
- Rebate for GST on gaming machine duty	17,180	17,180
- Function income (room hire)	24,566	53,387
- Insurance recovery	71,968	315
- Rent received	155,500	203,854
- Other income	55,560	93,640
Total other revenue from ordinary activities	325,696	370,218
Other revenue from non-ordinary activities		
- Federal Government JobKeeper Income	497,827	-
- Federal Government Cashflow Boost	100,000	-
- Revaluation of investment properties	-	143,818
- Gain on sale of 1 Lachlan Road, Cardiff	30,910	-
Total other revenue from non-ordinary activities	628,737	143,818
Total Revenue	5,044,063	6,782,086

Cardiff RSL Club Limited

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Discussion and Analysis of the Summary Financial Statements For the Year Ended 31 December 2020

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 2020 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 loss from ordinary activities after income tax attributable to members for the year was \$66,640. The result has improved by \$42,922 compared to a loss of \$109,562 in 2019.

The Club was impacted by COVID-19 over the course of the year with the Club closing the doors on 23 March 2020. The Club re-opened 17 June 2020. The Club continues to recover from the closure and social distancing measures remain in place.

Revenue

Total revenue has decreased by \$1,738,023 or 26% compared to 2019. The current year results include the COVID-19 period, so it does make it difficult to compare to prior year results.

The current year result includes \$100,000 for Cashflow Boost and \$497,827 for JobKeeper.

Expenditure

Total expenditure, excluding income tax, has decreased by \$1,756,482 or 26% compared to 2019. The most notable comparison relates to repairs and maintenance increasing by \$39,323, with carpet repairs of \$71,248 for storm damage in February 2020.

An important key performance indicator for Clubs is EBITDA as a percentage of revenue. This year the Club has reported a percentage of 18.40% compared to 10.24% in 2019.

Cardiff RSL Club Limited

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Discussion and Analysis of the Summary Financial Statements For the Year Ended 31 December 2020

Summary Statement of Financial Position

The main changes in assets and liabilities included:

Assets

Total assets increased by \$175,402 to \$16.87M representing an increase of 1%. This is attributable to a \$345k decrease due to the sale of the Lachlan Road property and general decreases in receivables and inventory balances due to COVID-19 being offset by an increase in the Club's cash position and an increased prepayment for general insurance.

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

Liabilities

Total liabilities increased by \$242,042 to \$2.95M representing an increase of 9%. This increase is attributable to the Club's borrowings increasing by \$453,496 due to the purchase of the Courtesy Bus, the new catering area, and the Club incurring higher insurance premiums.

This increase was offset by trade and other payables decreasing by \$232,466 compared to 2019. The prior year included plant and equipment purchases that had not yet been 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 decreased by the reported loss result of \$66,640 for the year.

Summary Statement of Cash flows

The Club's cash position has increased during the year by \$1,067,993. The main changes in cash flows included:

- Operating cash flows have decreased \$63,123 compared with the prior year due to a decline in the operating result.
- Investing cash outflows in 2020 are represented by purchases of plant and equipment of \$344,939 mainly relating to Bluey's Smokehouse area offset by the net proceeds received from the sale of 1 Lachlan Road, Cardiff of \$375,910.
- Finance cash flows in 2020 are represented by new borrowings of \$678,025 and repayments of \$224,529. In 2019, new borrowings totalled \$110,119 and repayments were \$224,529.