

CARDIFF RSL CLUB LIMITED

ABN 39 001 065 425

Summary Financial Report
For the Year Ended
31 December 2022

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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 2022 full financial statements, including the independent audit report, is available to all members and will be sent to members without charge upon request.

Cardiff RSL Club Limited

ABN 39 001 065 425

Directors' Report 31 December 2022

Your Directors present their report on Cardiff RSL Club Limited for the financial year ended 31 December 2022.

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	30
K. Eshman	Vice President	Retired	26
W. Dews	Vice President	Retired-Product Manager/Civil	19
W. Cook	Director	Sole Trader	9
B. Coutman (CPA)	Director	Retired-Accountant/Academic	8
J. Wright	Director	Order Manager	7
S. Maloney	Director	Case Worker Manager	4

The 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 5 years.

Principal activities

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

The Club purchased the restaurant 'Bluey's Smokehouse' in June 2022.

Operating results

The profit of the Club after providing for income tax amounted to \$ 60,090 (2021: a loss of \$ 291,105).

Review of operations

Gross profit from bar trading amounted to \$927,409 and gross profit percentage of 59% was obtained from sales of \$1,579,373.

Net gaming revenue amounted to \$4,044,252 and compares with \$2,599,333 in 2021.

The Club's operations were impacted in 2021 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 2022

Meetings of Directors

During the financial year, 13 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	13	13	1	1
K. Eshman	13	7	6	5
W. Dews	13	11	7	6
W. Cook	13	12	6	6
B. Coutman	13	12	2	2
J. Wright	13	12	1	1
S. Maloney	13	10	6	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 2022 the number of members was 15,036 (2021: 12,541).

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

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Directors' Report

31 December 2022

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 2022, 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

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 31 December 2022 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 2022

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 27 February 2023

Cardiff RSL Club Limited

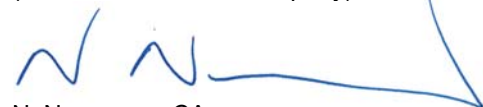
ABN 39 001 065 425

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 2022, there have been:

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

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



N. Nancarrow CA
Director

NEWCASTLE

20 February 2023

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 2022, 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 2022.

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. 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 – Simplified Disclosures. 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 28 February 2023.

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

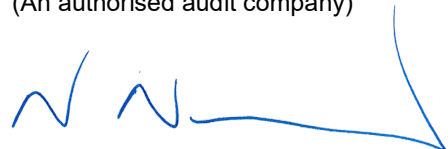
ABN 39 001 065 425

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

28 February 2023

Cardiff RSL Club Limited


ABN 39 001 065 425


Directors' Declaration

In the Director's opinion, the summary financial statements of Cardiff RSL Club Limited for the financial year ended 31 December 2022, as set out in pages 9 to 16:

- a. comply with Accounting policies 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 27 February 2023

Cardiff RSL Club Limited

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Summary Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2022

		2022	2021
	Note	\$	\$
Bar sales		1,579,373	941,615
Less: Bar cost of goods sold		(651,964)	(376,034)
		927,409	565,581
Restaurant and cafe sales		316,342	74,088
Less: Restaurant and cafe cost of goods sold		(186,612)	(34,295)
		129,730	39,793
Function sales		133,316	56,706
Less: Function cost of goods sold		(112,655)	(57,029)
		20,661	(323)
Gross profit		1,077,800	605,051
Gaming machine clearances		4,044,252	2,599,333
Tab and keno commissions		92,519	70,083
Raffles and bingo revenue		547,637	422,046
Other revenue from contracts with customers	2	61,775	63,171
Other revenue from ordinary activities	2	355,835	262,039
Other revenue from non-ordinary activities	2	-	183,049
Borrowing cost expense		(72,564)	(65,788)
Bar trading expenses		(343,086)	(228,615)
Cafe trading expenses		(300,700)	(83,022)
Function trading expenses		(9,114)	(5,507)
Gaming machine expenses		(1,181,263)	(749,608)
Tab and keno expenses		(209,484)	(136,377)
Raffle and bingo expenses		(611,252)	(457,393)
Occupancy expenses		(696,764)	(542,003)
Club promotion and entertainment expenses		(223,808)	(132,989)
Rental property expenses		(126,105)	(60,254)
Depreciation and amortisation expense		(823,829)	(842,611)
Administrative expenses		(1,480,090)	(1,202,422)
Other expenses from ordinary activities		(47,159)	(30,733)
Profit / (loss) before income tax		54,600	(332,550)
Income tax (expense) / benefit		5,490	41,445
Profit / (loss) after income tax		60,090	(291,105)
Other comprehensive income			
Total other comprehensive income		-	-
Total comprehensive income / (loss)		60,090	(291,105)

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 2022

	2022	2021
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	1,190,278	1,484,819
Trade and other receivables	22,877	85,707
Inventories	65,769	59,098
Current tax receivable	-	12,870
Other assets	313,723	288,450
TOTAL CURRENT ASSETS	1,592,647	1,930,944
NON-CURRENT ASSETS		
Property, plant and equipment	13,839,899	11,801,121
Investment properties	1,750,000	1,750,000
Deferred tax assets	115,017	44,858
Intangible assets	902,567	864,517
TOTAL NON-CURRENT ASSETS	16,607,483	14,460,496
TOTAL ASSETS	18,200,130	16,391,440
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	988,121	650,382
Short-term borrowings	426,256	377,109
Short-term provisions	204,506	155,628
TOTAL CURRENT LIABILITIES	1,618,883	1,183,119
NON-CURRENT LIABILITIES		
Long-term borrowings	2,698,317	1,433,040
Deferred tax liabilities	159,991	95,580
Long-term provisions	33,264	50,116
TOTAL NON-CURRENT LIABILITIES	2,891,572	1,578,736
TOTAL LIABILITIES	4,510,455	2,761,855
NET ASSETS	13,689,675	13,629,585
EQUITY		
Asset revaluation reserve	3,675,329	3,675,329
Retained earnings	10,014,346	9,954,256
TOTAL EQUITY	13,689,675	13,629,585

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 2022

2022

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2022	9,954,256	3,675,329	13,629,585
Profit / (loss) attributable to members	60,090	-	60,090
Revaluation increment / (decrement)	-	-	-
Balance at 31 December 2022	10,014,346	3,675,329	13,689,675

2021

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2021	10,245,361	3,675,329	13,920,690
Profit / (loss) attributable to members	(291,105)	-	(291,105)
Revaluation increment / (decrement)	-	-	-
Balance at 31 December 2021	9,954,256	3,675,329	13,629,585

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 2022

	2022	2021
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	7,826,890	4,878,266
Payments to suppliers and employees	(6,480,353)	(4,446,440)
Interest received	5,107	533
Borrowing costs	(72,564)	(65,788)
Income tax (paid)/refunded	12,612	30,208
State Government - JobSaver	-	183,049
Net cash provided by / (used in) operating activities	<u>1,291,692</u>	<u>579,828</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(2,862,607)	(378,081)
Purchase of intangible gaming machine licences	-	(60,822)
Purchase of restaurant 'Bluey's Smokehouse	(38,050)	-
Net cash provided by / (used in) investing activities	<u>(2,900,657)</u>	<u>(438,903)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	1,712,477	236,639
Repayment of borrowings	(398,053)	(502,529)
Net cash provided by / (used in) financing activities	<u>1,314,424</u>	<u>(265,890)</u>
Net increase (decrease) in cash and cash equivalents held	(294,541)	(124,965)
Cash and cash equivalents at beginning of year	<u>1,484,819</u>	<u>1,609,784</u>
Cash and cash equivalents at end of financial year	<u><u>1,190,278</u></u>	<u><u>1,484,819</u></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 2022

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 2022. The audited report for the year ended 31 December 2022 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

Since the World Health Organisation ("WHO") declared COVID-19 as a pandemic in March 2020, the Club has experienced periods of closure and restricted trade due to directives from government and health authorities.

In the prior year the Club was forced to close from 5pm on 5 August 2021 by the NSW Government due to the escalating transmission of COVID-19 within NSW regional areas. The closure was imposed in a state wide lockdown to restrict the spread of the virus. The Club was not able to trade during this closure period. The Club re-opened on 15 October 2021 (closure period was 70 days). The Club has complied with COVID-19 safety and social distancing measures outlined by authorities since re-opening.

To minimise the impacts on cashflows during this closure period, management of the Club have adopted various short-term measures including:

- Monitoring stock expiry dates and taking appropriate action to reduce the financial impacts of stock losses.
- Sourced funding offered by the NSW Government (COVID grants and / or JobSaver) where applicable.
- Staff were stood down to reduce wage costs. Permanent and part-time staff had access to unused leave balances.
- Contacting suppliers and taking up revised payment terms if available.
- Incentives offered through other taxes or duties payable have also been considered.

Cardiff RSL Club Limited

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Notes to the Summary Financial Statements For the Year Ended 31 December 2022

1 Summary of Significant Accounting Policies

(b) Significant changes in the current report period

Adherence with social distancing rules, including implementing a COVID-19 safety plan, rostering of hygiene marshals, restricting the number of patrons in the Club, wearing of face masks and utilising Service NSW electronic check-in for patrons are now considered the normal course of business.

The Club continues to monitor and adhere to NSW Government guidelines and review cashflows during the latest Omicron variant spread from mid December 2021. At the date of signing the 2022 financial report, no further closures of the Club have occurred since 15 October 2021.

2 Revenue

	2022	2021
	\$	\$
Revenue from contracts with customers		
- Trading revenue	6,713,439	4,163,871
Other revenue from contracts with customers		
- Membership subscriptions	61,775	63,171
Total revenue from contract with customers	6,775,214	4,227,042
Other revenue from ordinary activities		
- Interest received	5,107	533
- Rebate for GST on gaming machine duty	17,180	17,180
- Function income (room hire)	36,440	19,001
- Rent received	217,203	176,292
- Other income	79,905	49,033
Total other revenue from ordinary activities	355,835	262,039
Other revenue from non-ordinary activities		
- State Government JobSaver	-	183,049
Total Revenue	7,131,049	4,672,130

Cardiff RSL Club Limited

ABN 39 001 065 425

Discussion and Analysis of the Summary Financial Statements For the Year Ended 31 December 2022

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 2022 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 Club 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 \$60,090. The result has improved by \$351,195 compared to a loss of \$291,105 in 2021.

The Club was impacted by COVID-19 over the course of the prior year with the Club closing the doors on 5 August 2021. The Club re-opened 15 October 2021.

Revenue

Total revenue has increased by \$2,458,919 or 53% compared to 2021. The prior year result included the COVID-19 closure period, so it does make it difficult to compare to prior year results.

The prior year result included \$183,049 from the State Government for JobSaver.

Expenditure

Total expenditure, excluding income tax, has increased by \$2,071,769 or 41% compared to 2021. Again the prior year result included the COVID-19 closure period, so it does make it difficult to compare to prior year results.

An important key performance indicator for Clubs is EBITDA as a percentage of revenue. This year the Club has reported a percentage of 13.26% compared to 12.32% in 2021.

Cardiff RSL Club Limited

ABN 39 001 065 425

Discussion and Analysis of the Summary Financial Statements For the Year Ended 31 December 2022

Summary Statement of Financial Position

The main changes in assets and liabilities included:

Assets

Total assets increased by \$1,808,690 to \$18,200,130 representing an increase of 11%. This increase is attributable to the restaurant renovation and change over in gaming machines.

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

Liabilities

Total liabilities increased by \$1,748,600 to \$4,510,455 representing an increase of 63%. This increase is attributable to the Club's borrowings increasing by \$1,314,424 in relation to the financing of the restaurant renovation. Trade and other payables have also increased \$337,739 relating to vendor extended payment terms for the new gaming machines.

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 by the reported profit result of \$60,090 for the year.

Summary Statement of Cash flows

The Club's cash position has decreased during the year by \$294,541. The main changes in cash flows included:

- Operating cash flows have increased \$711,864 compared with the prior year due to an improved operating result.
- Investing cash outflows in 2022 are represented by purchases of plant and equipment of \$2,862,607 mainly relating to the restaurant renovations and purchase of the Bluey's smokehouse business \$38,050.
- Finance cash flows in 2022 are represented by new borrowings of \$1,712,477 and repayments of \$398,053. In 2021, new borrowings totalled \$236,639 and repayments were \$502,529.