

CARDIFF RSL CLUB LIMITED

ABN 39 001 065 425

Summary Financial Report
For the Year Ended
31 December 2023

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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 2023 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 2023

Your Directors present their report on Cardiff RSL Club Limited for the financial year ended 31 December 2023.

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	31
B. Coutman (CPA)	Vice President	Retired-Accountant/Academic	9
J. Wright	Vice President	Order Manager	8
W. Cook	Director	Sole Trader	10
S. Maloney	Director	Case Worker Manager	5
S. Clifford	Director (appointed 21 May 2023)	Retired	1
D. Petrisic	Director (appointed 21 May 2023)	Case Worker Manager	1
W. Dews	Vice President (retired 21 May 2023)		20
K. Eshman	Vice President (retired 21 May 2023)		27

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 6 years.

Principal activities

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

Operating results

The profit of the Club after providing for income tax amounted to \$ 243,790 (2022: a profit of \$ 60,090).

Review of operations

Gross profit from bar trading amounted to \$1,164,955 and gross profit percentage of 60% was obtained from sales of \$1,932,933.

Net gaming revenue amounted to \$3,962,279 and compares with \$4,044,252 in 2022.

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Directors' Report 31 December 2023

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	12	1	1
B. Coutman	13	11	3	3
J. Wright	13	12	4	4
W. Cook	13	13	3	3
S. Maloney	13	12	3	1
S. Clifford (appointed 21 May 2023)	9	9	-	-
D. Petrisic (appointed 21 May 2023)	9	7	2	2
W. Dews (retired 21 May 2023)	5	5	2	1
K. Eshman (retired 21 May 2023)	5	4	2	1

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 2023 the number of members was 16,947 (2022: 15,036).

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Club during the year other than as discussed in Note 1(b) of the financial statements.

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 2023

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 2023, 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 2023 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.

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Directors' Report
31 December 2023

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 26 February 2024

Cardiff RSL Club Limited

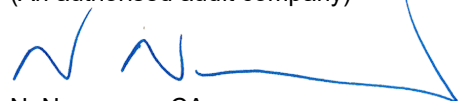
ABN 39 001 065 425

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 2023, 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 Limited
(An authorised audit company)



N. Nancarrow CA
Director

NEWCASTLE

19 February 2024

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 2023, 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 2023.

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 – AASB 1060: General Purpose Financial Statements – 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 27 February 2024.

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.

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 Limited
(An authorised audit company)

N. Nancarrow CA
Director

NEWCASTLE

27 February 2024

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Newcastle 130 Parry Street Newcastle West NSW 2302 T 02 4928 8500 F 02 4926 1971 E cnmail@cutcher.com.au M PO Box 694 Newcastle NSW 2300
Sydney Suite 1102, Level 11, 20 Berry Street (PO Box 281) North Sydney NSW 2059 T 02 9923 1817
Brisbane Suite 5, 36 Agnes Street (PO Box 91) Fortitude Valley QLD 4006 T 07 3268 4944
Liability Limited by a scheme approved under Professional Standards Legislation. Cutcher & Neale Assurance Pty Ltd ABN 37 126 556 330

Cardiff RSL Club Limited

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Directors' Declaration

In the Director's opinion, the summary financial statements of Cardiff RSL Club Limited for the financial year ended 31 December 2023, as set out in pages 8 to 15:

- 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 26 February 2024

Cardiff RSL Club Limited

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Summary Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2023

	2023	2022
	\$	\$
Bar sales	1,932,933	1,579,373
Less: Bar cost of goods sold	(767,978)	(651,964)
	<u>1,164,955</u>	<u>927,409</u>
Restaurant and cafe sales	730,570	316,342
Less: Restaurant and cafe cost of goods sold	(410,388)	(186,612)
	<u>320,182</u>	<u>129,730</u>
Function sales	210,091	133,316
Less: Function cost of goods sold	(186,002)	(112,655)
	<u>24,089</u>	<u>20,661</u>
Gross profit	1,509,226	1,077,800
Gaming machine clearances	3,962,279	4,044,252
Tab and keno commissions	93,846	92,519
Raffles and bingo revenue	662,900	547,637
Revaluation of investment properties	2 1,250,000	-
Other revenue from contracts with customers	2 76,528	61,775
Other revenue from ordinary activities	2 479,219	355,835
Borrowing cost expense	(189,781)	(72,564)
Bar trading expenses	(377,229)	(343,086)
Restaurant and cafe trading expenses	(611,044)	(300,700)
Function trading expenses	(7,422)	(9,114)
Gaming machine expenses	(1,186,417)	(1,181,263)
Tab and keno expenses	(220,988)	(209,484)
Raffle and bingo expenses	(773,000)	(611,252)
Occupancy expenses	(929,965)	(696,764)
Club promotion and entertainment expenses	(346,342)	(223,808)
Rental property expenses	(60,464)	(126,105)
Depreciation and amortisation expense	(870,817)	(823,829)
Administrative expenses	(1,828,167)	(1,480,090)
Other expenses from ordinary activities	(31,818)	(47,159)
Impairment of goodwill	(38,050)	-
Profit / (loss) before income tax	562,494	54,600
Income tax (expense) / benefit	(318,704)	5,490
Profit / (loss) after income tax	243,790	60,090
Other comprehensive income	-	-
Total other comprehensive income	-	-
Total comprehensive income / (loss)	243,790	60,090

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 2023

	2023	2022
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	667,360	1,190,278
Trade and other receivables	159,495	22,877
Inventories	57,534	65,769
Other assets	267,277	313,723
TOTAL CURRENT ASSETS	1,151,666	1,592,647
NON-CURRENT ASSETS		
Property, plant and equipment	16,354,808	13,839,899
Investment properties	3,000,000	1,750,000
Deferred tax assets	120,191	115,017
Intangible assets	864,517	902,567
TOTAL NON-CURRENT ASSETS	20,339,516	16,607,483
TOTAL ASSETS	21,491,182	18,200,130
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	1,127,973	988,121
Short-term borrowings	379,309	426,256
Short-term provisions	240,541	204,506
TOTAL CURRENT LIABILITIES	1,747,823	1,618,883
NON-CURRENT LIABILITIES		
Long-term borrowings	2,622,911	2,698,317
Deferred tax liabilities	483,682	159,991
Long-term provisions	22,600	33,264
TOTAL NON-CURRENT LIABILITIES	3,129,193	2,891,572
TOTAL LIABILITIES	4,877,016	4,510,455
NET ASSETS	16,614,166	13,689,675
EQUITY		
Asset revaluation reserve	6,356,030	3,675,329
Retained earnings	10,258,136	10,014,346
TOTAL EQUITY	16,614,166	13,689,675

The accompanying notes form part of these financial statements.

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Summary Statement of Changes in Equity For the Year Ended 31 December 2023

2023

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2023	10,014,346	3,675,329	13,689,675
Profit attributable to members	243,790	-	243,790
Revaluation increment / (decrement)	-	2,680,701	2,680,701
Balance at 31 December 2023	10,258,136	6,356,030	16,614,166

2022

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

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 2023

	2023	2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	8,806,235	7,826,890
Payments to suppliers and employees	(8,319,673)	(6,480,353)
Interest received	7,863	5,107
Borrowing costs	(189,781)	(72,564)
Income tax (paid)/refunded	(187)	12,612
Net cash provided by / (used in) operating activities	<u>304,457</u>	<u>1,291,692</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(705,025)	(2,862,607)
Purchase of restaurant 'Bluey's Smokehouse	-	(38,050)
Net cash provided by / (used in) investing activities	<u>(705,025)</u>	<u>(2,900,657)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	321,212	1,712,477
Repayment of borrowings	(443,562)	(398,053)
Net cash provided by / (used in) financing activities	<u>(122,350)</u>	<u>1,314,424</u>
Net increase (decrease) in cash and cash equivalents held	(522,918)	(294,541)
Cash and cash equivalents at beginning of year	<u>1,190,278</u>	<u>1,484,819</u>
Cash and cash equivalents at end of financial year	<u>667,360</u>	<u>1,190,278</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 2023

1 Material Accounting Policy Information

(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 2023. The audited report for the year ended 31 December 2023 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) Working capital deficit

At balance date, the Club reported negative working capital where current liabilities exceeded current assets by \$596,157 (2022: deficit of \$26,236). The Club's net asset position at 31 December 2023 was \$16,614,166 (2022: \$13,689,675).

Since the end of the financial year, the Board and management have undertaken a review of expenses, continue to review and refine the operations of Bluey's Restaurant and have installed a budget for 2024.

The statement of profit or loss and other comprehensive income for the year ending 31 December 2023 before revaluation of investment properties reports a deficit before income tax of \$687,506 (2022: deficit of \$54,600).

The Directors and Management recognise that an extended period of negative operating results is unsustainable. The Club remains in a strong net asset position at 31 December 2023.

Cardiff RSL Club Limited

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Notes to the Summary Financial Statements For the Year Ended 31 December 2023

2 Revenue

	2023	2022
	\$	\$
Revenue from contracts with customers		
- Trading revenue	7,592,619	6,713,439
Other revenue from contracts with customers		
- Membership subscriptions	76,528	61,775
Total revenue from contract with customers	7,669,147	6,775,214
Other revenue from ordinary activities		
- Interest received	7,863	5,107
- Rebate for GST on gaming machine duty	17,180	17,180
- Function income (room hire)	55,537	36,440
- Rent received	311,086	217,203
- Other income	87,553	79,905
Total other revenue from ordinary activities	479,219	355,835
Other revenue from non-ordinary activities		
- Revaluation of investment properties	1,250,000	-
	1,250,000	-
Total Revenue	9,398,366	7,131,049

Cardiff RSL Club Limited

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Discussion and Analysis of the Summary Financial Statements For the Year Ended 31 December 2023

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 2023 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 after income tax attributable to members for the year was \$243,790. The result has improved by \$183,700 compared to a profit of \$60,090 in 2022. The current year includes the revaluation on the investment properties with an increment of \$1,250,000. The loss for 2023 before income tax is \$687,506 adding back the revaluation on investment properties.

Revenue

Total revenue has increased by \$2,267,317 or 32% compared to 2022 which includes the revaluation increment of \$1,250,000. Trading revenue has increased \$879,180 or 13%.

Expenditure

Total expenditure, excluding income tax, has increased by \$1,759,423 or 25% compared to 2022. Increases in entertainment and promotion expenses \$123,851, increase in cleaning expenses \$94,204, increase in light and power \$75,835, and increase in security costs \$42,621. A full year of trade Bluey's restaurant in 2023 where in 2022, Bluey's was taken over in June 2022.

An important key performance indicator for Clubs is EBITDA as a percentage of revenue. This year the Club has reported a percentage of 4.29% compared to 13.26% in 2022.

Cardiff RSL Club Limited

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Discussion and Analysis of the Summary Financial Statements For Year Ended 31 December 2023

Summary Statement of Financial Position

The main changes in assets and liabilities included:

Assets

Total assets increased by \$3,291,052 to \$21,491,182 representing an increase of 18%. This increase is attributable to the revaluation of the Club and investment properties.

All other assets have remained relatively comparable to the previous year balances. Refer to impacts of cash assets decrease below.

Liabilities

Total liabilities increased by \$366,561 to \$4,877,016 representing an increase of 8%. Main impacts are increases to deferred tax liability and payables and accruals.

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 \$243,790 for the year and revaluation of Club land and buildings by \$2,680,701.

Summary Statement of Cash flows

The Club's cash position has decreased during the year by \$522,918. The main changes in cash flows included:

- Operating cash flows have decreased compared to the prior year due to the loss result (excluding the investment properties revaluation).
- Investing cash flows in 2023 are represented by capitalised costs with the finalisation of Bluey's restaurant renovation and gaming machines.
- Finance cash flows in 2023 are represented by new borrowings of \$321,212 and repayments of \$443,562. In 2022, new borrowings of \$1,712,477 and repayments of \$398,053.