



KATOOMBA RSL ALL SERVICES CLUB LIMITED
ABN 36 000 957 773

Summary Financial Report
For the Year Ended
30 June 2019

The financial statements and other specific disclosures have been derived from Katoomba RSL All Services 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 2019 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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Katoomba RSL All Services Club Limited

ABN 36 000 957 773

Directors' Report

30 June 2019

Your Directors present their report on Katoomba RSL All Services Club Limited for the financial year ended 30 June 2019.

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
Brian Turner	President	Retired	8
Owen Wood	Senior Vice President	Retired	11
Wayne Berthon	Junior Vice President	Truck Driver	8
Stephen Barratt	Director	Retired	11
Geoffrey Bates	Director	Retired	8
Paul Edmunds	Director	Bus Driver	8
Eric Tasker	Director	Postal Officer	Appointed 29/01/2019
Chris Van der Kley	Director	Retired	Appointed 03/02/2019
Michael Turner	-	-	Dec'd 29/03/2019
Angela Field	-	-	Resigned 03/02/2019
David White	-	-	Resigned 11/12/2018

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

Club Secretary

Mr Nicholas Darias, who is also CEO of the Club has been the Club Secretary since 2009.

Principal activities

The principal activities of Katoomba RSL All Services Club Limited during the financial year was the conduct of a Licensed Club.

No significant change in the nature of these activities occurred during the year.

Members guarantee

Katoomba RSL All Services Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the Club, the amount capable of being called up from each member and any person or association who ceased to be a member in the prior year to the winding up, is limited to \$5 for all members, subject to the provisions of the Club's constitution.

At 30 June 2019 the collective liability of members was \$27,550 (2018: \$24,915).

Operating results

The overall profit of the Club amounted to \$609,071 (2018 profit of: \$11,171,079).

Katoomba RSL All Services Club Limited

ABN 36 000 957 773

Directors' Report

30 June 2019

Review of operations

Gross profit from bar trading amounts to \$232,903 and a gross profit percentage of 53% was obtained from sales of \$442,569.

Gross profit from bistro trading amounts to \$214,677 and a gross profit percentage of 47% was obtained from sales of \$452,637.

Net gaming revenue amounted to \$869,137 and compares with \$1,028,492 in 2018.

Meetings of Directors

During the financial year, 18 meetings (13 monthly meetings and 5 special meetings) of Directors were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Brian Turner	18	17
Owen Wood	18	18
Wayne Berthon	18	12
Stephen Barratt	18	13
Geoffrey Bates	14	13
Paul Edmunds	18	15
Eric Tasker (Appointed 29/01/2019)	8	8
Chris Van der Kley (Appointed 03/02/2019)	7	7
Michael Turner (Dec'd 29/03/2019)	13	6
Angela Field (Resigned 03/02/2019)	10	9
David White (Resigned 11/12/2018)	10	8

Katoomba RSL All Services Club Limited

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Directors' Report

30 June 2019

Significant changes in state of affairs

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

Events after the reporting date

Since the end of the financial year, the Club's premises at 86 Lurline Street opened for trading following a two and a half year closure due to the previous Club being destroyed by fire. The first day of trade for the new premises was 14 August 2019.

No other significant 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.

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 aimed towards providing a comfortable and secure environment to its members that continues to meet their needs. These objectives are measured through appropriate key performance indicators that have been determined relevant to the club industry and may include EBITDA as percentage of revenue, gross profit percentages as examples. No information is included on the likely developments in the operations of the club and the expected results of those operations.

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 less than \$1 million, the Regulation prescribes that at least two Directors must have completed their mandatory training within 12 months of appointment unless otherwise exempt.

All Directors appointed prior to this financial year have completed the mandatory training requirements. Director's appointed in the current financial year are yet to complete mandatory training.

Katoomba RSL All Services Club Limited

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Directors' Report
30 June 2019

Auditors independence declaration

The lead auditors independence declaration for the year ended 30 June 2019 has been received and can be found on page 5 of the Financial Report.

Disclosure of Core and Non Core Property

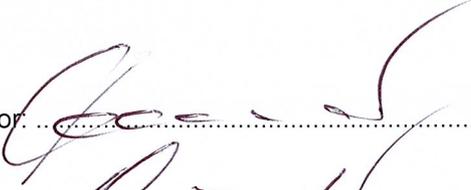
Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 30 June 2019:

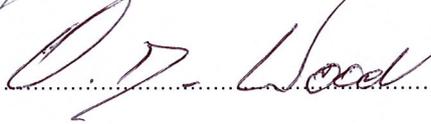
Address	Current Usage	Classification
86 Lurline Street Katoomba NSW 2780	Katoomba Club	Core
4 Merriwa Street Katoomba NSW 2780	Katoomba Club	Core
2 Falls Road Wentworth Falls NSW 2782	Wentworth Falls Club	Non-core

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.

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

Director: 

Director: 

Dated 24 September 2019

Katoomba RSL All Services Club Limited

ABN 36 000 957 773

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Katoomba RSL All Services Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, 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

17 September 2019

Katoomba RSL All Services Club Limited

ABN 36 000 957 773

Independent Audit Report to the members of Katoomba RSL All Services 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 30 June 2019, 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 Katoomba RSL All Services Club Limited for the year ended 30 June 2019.

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 24 September 2019.

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 were 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

25 September 2019

Katoomba RSL All Services Club Limited

ABN 36 000 957 773

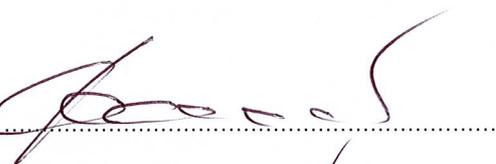
Directors' Declaration

The Directors of Katoomba RSL All Services Club Limited declare that the summary financial statements of Katoomba RSL All Services Club Limited for the financial year ended 30 June 2019, as set out on pages 9 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 Katoomba RSL All Services Club Limited.

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

Director



Director



Dated 24 September 2019

Katoomba RSL All Services Club Limited

ABN 36 000 957 773

Summary Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
Bar sales	442,569	559,265
Less: Bar cost of goods sold	<u>(209,666)</u>	<u>(261,083)</u>
	232,903	298,182
Bistro sales	452,637	463,670
Less: Bistro cost of goods sold	<u>(237,960)</u>	<u>(288,369)</u>
	214,677	175,301
Gross profit	447,580	473,483
Gaming machine net clearances	869,137	1,028,492
Tab and Keno commissions	46,023	50,267
Other revenue from contracts with customers	2 62,409	48,690
Other revenue from ordinary activities	2 94,668	213,596
Other revenue from non-ordinary activities	2 1,428,096	12,279,032
Borrowing cost expenses	(53,916)	(39,737)
Gaming machine expenses	(29,908)	(26,429)
Tab and Keno expenses	(11,200)	(12,115)
Catering trading expenses	(945)	(374)
Occupancy expenses	(311,375)	(330,291)
Club promotion and entertainment expenses	(227,328)	(273,600)
Depreciation, amortisation and impairments	(124,081)	(149,669)
Administrative expenses	(338,972)	(319,888)
Salaries and wages	(1,403,505)	(1,545,047)
Other expenses from non-ordinary activities	3 (43,242)	(196,013)
Profit / (loss) before income tax	403,441	11,200,397
Income tax (expense)/benefit	<u>205,630</u>	<u>(29,318)</u>
Profit / (loss) after income tax	609,071	11,171,079
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Revaluation decrement	-	<u>(675,000)</u>
Total other comprehensive income / (loss)	-	<u>(675,000)</u>
Total comprehensive income / (loss)	609,071	10,496,079

The accompanying notes form part of these summary financial statements.

Katoomba RSL All Services Club Limited

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Summary Statement of Financial Position

As At 30 June 2019

	2019	2018
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	4,393,147	10,219,343
Trade and other receivables	16,775	768,823
Inventories	14,424	20,978
Other assets	54,372	146,963
TOTAL CURRENT ASSETS	4,478,718	11,156,107
NON-CURRENT ASSETS		
Property, plant and equipment	16,742,996	7,006,084
Deferred tax assets	53,447	50,534
Intangible assets	129,388	129,388
TOTAL NON-CURRENT ASSETS	16,925,831	7,186,006
TOTAL ASSETS	21,404,549	18,342,113
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	242,053	332,407
Short-term borrowings	987,610	500,000
Short-term provisions	258,523	239,920
TOTAL CURRENT LIABILITIES	1,488,186	1,072,327
NON-CURRENT LIABILITIES		
Long-term borrowings	2,252,919	-
Deferred tax liabilities	324	203,041
Long-term provisions	38,039	50,735
TOTAL NON-CURRENT LIABILITIES	2,291,282	253,776
TOTAL LIABILITIES	3,779,468	1,326,103
NET ASSETS	17,625,081	17,016,010
EQUITY		
Reserves	2,743,148	2,743,148
Retained earnings	14,881,933	14,272,862
TOTAL EQUITY	17,625,081	17,016,010

The accompanying notes form part of these summary financial statements.

Katoomba RSL All Services Club Limited

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Summary Statement of Changes in Equity For the Year Ended 30 June 2019

2019

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2018	14,272,862	2,743,148	17,016,010
Profit / (loss) attributable to members	609,071	-	609,071
Balance at 30 June 2019	14,881,933	2,743,148	17,625,081

2018

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2017	3,101,783	3,418,148	6,519,931
Profit / (loss) attributable to members	11,171,079	-	11,171,079
Revaluation increment / (decrement)	-	(675,000)	(675,000)
Balance at 30 June 2018	14,272,862	2,743,148	17,016,010

The accompanying notes form part of these summary financial statements.

Katoomba RSL All Services Club Limited

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Summary Statement of Cash Flows For the Year Ended 30 June 2019

	2019	2018
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,957,363	4,220,215
Payments to suppliers and employees	(3,102,187)	(4,992,748)
Interest received	64,912	83,229
Interest paid	(53,916)	(39,737)
Insurance proceeds received	1,428,096	11,540,701
Net cash provided by / (used in) operating activities	<u>1,294,268</u>	<u>10,811,660</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(9,860,993)</u>	<u>(1,473,291)</u>
Net cash used by investing activities	<u>(9,860,993)</u>	<u>(1,473,291)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	2,740,529	500,000
Repayment of borrowings	-	(37,765)
Net cash provided by / (used by) financing activities	<u>2,740,529</u>	<u>462,235</u>
Net increase / (decrease) in cash and cash equivalents held	<u>(5,826,196)</u>	9,800,604
Cash and cash equivalents at beginning of year	<u>10,219,343</u>	418,739
Cash and cash equivalents at end of financial year	<u>4,393,147</u>	<u>10,219,343</u>

The accompanying notes form part of these summary financial statements.

Katoomba RSL All Services Club Limited

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Notes to the Summary Financial Statements For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

The Summary financial statements have been prepared from the audited financial report of Katoomba RSL All Services Club Limited for the year ended 30 June 2019. The audited report for the year ended 30 June 2019 is available at request from Katoomba RSL All Services 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 Katoomba RSL All Services 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 Katoomba RSL All Services Club Limited as the full financial statements.

The accounting policies have been consistently applied to Katoomba RSL All Services Club Limited and are consistent with those of the previous financial year in their entirety.

2 Revenue

	2019	2018
	\$	\$
Revenue from contracts with customers		
- Trading revenue	1,810,366	2,101,694
Other revenue from contracts with customers		
- Membership subscriptions	16,991	19,824
- Other income	45,418	28,866
Total other revenue from contracts with customers	62,409	48,690
Total revenue from contracts with customers	1,872,775	2,150,384
Other revenue from ordinary activities		
- Interest received	64,912	83,229
- Rent received	-	300
- Rebate for GST on gaming machine duty	15,697	21,475
- Other income	14,059	108,592
Total other revenue from ordinary activities	94,668	213,596
Other Revenue from Non-Ordinary Activities		
- Insurance proceeds - fire damage	1,428,096	12,279,032
Total Revenue	3,395,539	14,643,012

Katoomba RSL All Services Club Limited

ABN 36 000 957 773

Discussion and Analysis of the Summary Financial Statements For the Year Ended 30 June 2019

3 Result for the Year

(a) Significant items

	2019	2018
	\$	\$
Other revenue from non-ordinary activities:		
- Insurance proceeds – fire damage – business interruption	1,428,096	1,147,969
- Insurance proceeds – fire damage – replacement of plant and equipment and stock	-	11,131,063
	<u>1,428,096</u>	<u>12,279,032</u>
Other expenses from non-ordinary activities:		
- Insurance claim preparation costs and additional costs of working – fire damage	<u>43,242</u>	<u>196,013</u>

The Club's premises at 86 Lurline Street, Katoomba were destroyed due to a fire on 24 February 2017.

The insurance proceeds relating to the replacement of the building and its contents and loss of gross profit and additional increased costs of operating (business interruption), have been included in the statement of profit or loss and other comprehensive income as noted above.

Final insurance proceeds were received on 28 September 2018. Total insurance proceeds received from 2017 to 2019 was \$15,427,341.

Katoomba RSL All Services Club Limited

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Discussion and Analysis of the Summary Financial Statements For the Year Ended 30 June 2019

Information on Katoomba RSL All Services Club Limited Summary Financial Statements

The financial statements, disclosures and discussion and analysis in the summary financial statements have been derived from the 2019 financial statements of Katoomba RSL All Services 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 and Loss and Other Comprehensive Income

Earnings before interest, taxation, depreciation and amortisation (EBITDA)	Change \$	2019 \$	2018 \$
Reported operating profit/(loss) after tax	(10,562,008)	609,071	11,171,079
Add: depreciation	(25,588)	124,081	149,669
Add: interest paid	14,179	53,916	39,737
Less: interest received	18,317	(64,912)	(83,229)
Less: income tax (benefit) / expense	(234,948)	(205,630)	29,318
EBITDA	(10,790,048)	516,526	11,306,574
Less: insurance proceeds – fire	10,850,936	(1,428,096)	(12,279,032)
Add: insurance claim preparation costs and additional costs of operating - fire	(152,771)	43,242	196,013
Adjusted EBITDA for abnormal items – fire	(91,883)	(868,328)	(776,445)
Total Revenue from ordinary activities	(396,537)	1,967,443	2,363,980
Adjusted EBITDA % of Revenue	(11.29%)	(44.13%)	(32.84%)

The Club has reported an operating profit after tax of \$609,071 compared to \$11,171,079 in 2018. The main contributing factor that impacted on this result was the insurance proceeds relating to the fire on 24 February 2017. In 2019, the following has occurred in relation to the fire:

- Insurance proceeds received (\$1.428M) relating to business interruption;
- Insurance claim preparation costs and additional costs of operating (\$43k).

Some of the other factors impacting on this years' operating result include:

- Decrease in bar gross profit from trading (\$65k);
- Increase in bistro gross profit from trading (\$40k)
- Decrease in gaming machine revenue (\$159k);
- Decrease in other revenue (\$119k)
- Decrease in club promotion and entertainment expenses (\$46k);
- Decrease in depreciation and amortisation expenses (\$26k);
- Decrease in salaries and wages (\$142k);

Katoomba RSL All Services Club Limited

ABN 36 000 957 773

Discussion and Analysis of the Summary Financial Statements For the Year Ended 30 June 2019

Summary Statement of Financial Position

The main changes in assets and liabilities include:

- Cash and cash equivalents decreased \$5.826M, mostly due to payments for new building and equipment and funding of operational expenses. Building costs have been funded via cash and bank loan.
- Trade and other receivables decreased by \$752k due to no insurance claims receivable at year end;
- Property, plant and equipment increased by \$9.737M which is the net difference between additions of \$9.861M and depreciation expense of \$124k.
- Trade and other payables decreased by \$91k mostly due to the GST refund increasing from 30 June this year compared to 30 June last year (\$44k compared to \$170k).
- Both short term and long term borrowings increased \$2.741M due to partial construction costs being financed. The Club has been provided a \$6.5m loan facility.
- Deferred tax liabilities have reduced \$202k with application of correct treatment of tax applicable to the fire destroyed assets.

Summary Statement of Changes in Equity

The equity of the Club has increased this year due to the reported profit result of \$609,071.

Summary Statement of Cash Flows

The main changes within this statement when compared to last year are:

- Operating cash flows have decreased compared to 2018 due to the reduction in receipt of insurance claims.
- Investing cash flows have increased due to net asset purchases of \$9.861M this year due to the construction of new club and associated plant and equipment purchases to 30 June 2019.
- Financing cash flows relate to the use of the financing facility to fund construction of the new club.