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KATOOMBA RSL ALL SERVICES CLUB LIMITED  
ABN 36 000 957 773

Summary Financial Report  
For the Year Ended  
30 June 2020

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 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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# Katoomba RSL All Services Club Limited

ABN 36 000 957 773

## Directors' Report

30 June 2020

Your Directors present their report on Katoomba RSL All Services Club Limited for the financial year ended 30 June 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
Brian Turner	President	Retired	9
Owen Wood	Vice President	Retired	12
Stephen Barratt	Director	Retired	12
Geoffrey Bates	Director	Retired	9
Paul Edmunds	Director	Bus Driver	9
Eric Tasker	Director	Postal Officer	1
Chris Van der Kley	Director	Retired	1
Wayne Berthon	-	-	Dec'd 10/05/2020

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 2020 the collective liability of members was \$45,480 (2019 \$27,550).

### Operating results

The overall loss of the Club amounted to \$ 1,765,266 (2019 profit of: \$ 609,071).

# Katoomba RSL All Services Club Limited

ABN 36 000 957 773

## Directors' Report

30 June 2020

### Review of operations

Gross profit from bar trading amounted to \$623,526 and a gross profit percentage of 56% was obtained from sales of \$1,117,435.

Gross profit from bistro trading amounted to \$106,577 and a gross profit percentage of 50% was obtained from sales of \$211,440.

Net gaming revenue amounted to \$2,363,702 and compares with \$867,288 in 2019.

### 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	
	Number eligible to attend	Number attended
Brian Turner	13	13
Owen Wood	13	12
Stephen Barratt	13	12
Geoffrey Bates	13	11
Paul Edmunds	13	11
Eric Tasker	13	13
Chris Van der Kley	13	13
Wayne Berthon (Dec'd 10/05/2020)	11	8

### Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Club during the year except for the following:

On 22 March 2020 as a response to the management of the COVID-19 pandemic, the Club was directed to close. Katoomba RSL re-opened on 23 June 2020 subject to social distancing. Wentworth Falls Bowling Club has not re-opened. The decision not to re-open Wentworth Falls Bowling Club was made by the Directors based on COVID-19 and substantial financial losses incurred in 2020 and previous financial years. 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.

# Katoomba RSL All Services Club Limited

ABN 36 000 957 773

## Directors' Report

30 June 2020

### 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 a 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 had annual gaming machine profits of greater than \$1 million, the Regulation prescribes that all Directors must have completed their mandatory training within 12 months of appointment unless otherwise exempt.

All Directors appointed prior to the 2019 financial year have completed the mandatory training requirements. Directors appointed in the 2019 financial year are scheduled to complete mandatory training in late September 2020. The courses were delayed due to the COVID-19 pandemic.

### Auditors independence declaration

The auditor's independence declaration in accordance with section 307C of the Corporations Act 2001 for the year ended 30 June 2020 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 2020:

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

# Katoomba RSL All Services Club Limited

ABN 36 000 957 773

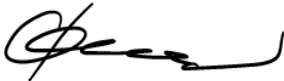
## Directors' Report

30 June 2020

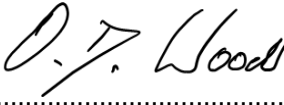
### Indemnification and insurance of officers

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 29 September 2020

# 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 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 Limited  
(An authorised audit company)



N. Nancarrow CA  
Director

NEWCASTLE

22 September 2020

# 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 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 Katoomba RSL All Services Club Limited for the year ended 30 June 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.

#### *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 29 September 2020.

#### *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

30 September 2020



# Katoomba RSL All Services Club Limited

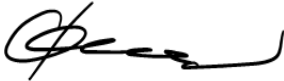
ABN 36 000 957 773

## 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 2020, as set out on 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 Katoomba RSL All Services Club Limited.

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



Director .....



Director .....

Dated 29 September 2020

# 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 2020

	2020	2019
Note	\$	\$
Bar sales	1,117,435	442,800
Less: Bar cost of goods sold	<u>(493,909)</u>	<u>(209,666)</u>
	<u>623,526</u>	<u>233,134</u>
Bistro sales	211,440	452,637
Less: Bistro cost of goods sold	<u>(104,863)</u>	<u>(237,960)</u>
	<u>106,577</u>	<u>214,677</u>
Gross profit	730,103	447,811
Gaming machine net clearances	2,363,702	867,288
Tab and Keno commissions	74,396	45,784
Other revenue from contracts with customers	2 310,950	62,409
Other revenue from ordinary activities	2 65,760	94,668
Other revenue from non-ordinary activities	2 299,107	1,428,096
Borrowing cost expenses	(262,849)	(38,203)
Gaming machine expenses	(288,009)	(29,908)
Tab and Keno expenses	(58,366)	(29,671)
Occupancy expenses	(740,793)	(311,375)
Club promotion and entertainment expenses	(437,511)	(245,081)
Depreciation of property, plant & equipment	(1,030,612)	(124,081)
Administrative expenses	(403,279)	(347,645)
Salaries and wages	(1,972,148)	(1,373,409)
Other expenses from non-ordinary activities	3 (2,423)	(43,242)
<b>Profit / (loss) before income tax</b>	<b>(1,351,972)</b>	<b>403,441</b>
Income tax (expense) / benefit	<u>(413,294)</u>	<u>205,630</u>
<b>Profit / (loss) after income tax</b>	<b>(1,765,266)</b>	<b>609,071</b>
Other comprehensive income	<u>-</u>	<u>-</u>
<b>Total comprehensive income / (loss)</b>	<b>(1,765,266)</b>	<b>609,071</b>

The accompanying notes form part of these financial statements.

# Katoomba RSL All Services Club Limited

ABN 36 000 957 773

## Summary Statement of Financial Position

As At 30 June 2020

	2020	2019
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	1,182,940	4,393,147
Trade and other receivables	115,398	16,775
Inventories	56,443	14,424
Other assets	108,435	54,372
<b>TOTAL CURRENT ASSETS</b>	<b>1,463,216</b>	<b>4,478,718</b>
<b>NON-CURRENT ASSETS</b>		
Deferred tax assets	72,806	53,447
Property, plant and equipment	21,782,214	16,742,996
Intangible assets	129,388	129,388
<b>TOTAL NON-CURRENT ASSETS</b>	<b>21,984,408</b>	<b>16,925,831</b>
<b>TOTAL ASSETS</b>	<b>23,447,624</b>	<b>21,404,549</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	440,970	242,053
Short-term borrowings	-	987,610
Short-term provisions	236,722	258,523
<b>TOTAL CURRENT LIABILITIES</b>	<b>677,692</b>	<b>1,488,186</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	6,460,891	2,252,919
Deferred tax liabilities	402,786	324
Long-term provisions	46,440	38,039
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>6,910,117</b>	<b>2,291,282</b>
<b>TOTAL LIABILITIES</b>	<b>7,587,809</b>	<b>3,779,468</b>
<b>NET ASSETS</b>	<b>15,859,815</b>	<b>17,625,081</b>
<b>EQUITY</b>		
Reserves	2,743,148	2,743,148
Retained earnings	13,116,667	14,881,933
<b>TOTAL EQUITY</b>	<b>15,859,815</b>	<b>17,625,081</b>

The accompanying notes form part of these financial statements.

# Katoomba RSL All Services Club Limited

ABN 36 000 957 773

## Summary Statement of Changes in Equity For the Year Ended 30 June 2020

2020

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
<b>Balance at 1 July 2019</b>	14,881,933	2,743,148	17,625,081
Profit / (loss) attributable to members	(1,765,266)	-	(1,765,266)
<b>Balance at 30 June 2020</b>	<u>13,116,667</u>	<u>2,743,148</u>	<u>15,859,815</u>

2019

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

The accompanying notes form part of these financial statements.

# Katoomba RSL All Services Club Limited

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## Summary Statement of Cash Flows

For the Year Ended 30 June 2020

	2020	2019
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	4,745,775	2,957,363
Payments to suppliers and employees	(4,815,568)	(3,102,187)
Interest received	2,092	64,912
Interest paid	(262,849)	(53,916)
Insurance proceeds received	-	1,428,096
Income tax paid	(30,191)	-
Net cash provided by / (used in) operating activities	<u>(360,741)</u>	<u>1,294,268</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	<u>(6,069,828)</u>	<u>(9,860,993)</u>
Net cash used by investing activities	<u>(6,069,828)</u>	<u>(9,860,993)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	<u>3,220,362</u>	<u>2,740,529</u>
Net cash provided by / (used by) financing activities	<u>3,220,362</u>	<u>2,740,529</u>
Net increase / (decrease) in cash and cash equivalents held	<b>(3,210,207)</b>	(5,826,196)
Cash and cash equivalents at beginning of year	<u>4,393,147</u>	<u>10,219,343</u>
Cash and cash equivalents at end of financial year	<u><b>1,182,940</b></u>	<u>4,393,147</u>

The accompanying notes form part of these financial statements.

# Katoomba RSL All Services Club Limited

ABN 36 000 957 773

## Notes to the Summary Financial Statements

For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies

#### (a) Basis of preparation

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 2020. The audited report for the year ended 30 June 2020 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.

#### (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 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 Board and Management also recognises that the situation associated with the management of COVID-19 continues to evolve on a daily basis. Katoomba RSL re-opened on 23 June 2020 subject to social distancing and Wentworth Falls Bowling Club has not re-opened due to the financial losses incurred by this Club in 2020 and previous years.

# Katoomba RSL All Services Club Limited

ABN 36 000 957 773

## Notes to the Summary Financial Statements For the Year Ended 30 June 2020

### 2 Revenue

	2020	2019
	\$	\$
Revenue from contracts with customers		
- Trading revenue	<u>3,766,973</u>	1,808,509
Other revenue from contracts with customers		
- Membership subscriptions	29,942	16,991
- Other income	<u>281,008</u>	45,418
Total other revenue from contracts with customers	<u>310,950</u>	62,409
Total revenue from contracts with customers	<u>4,077,923</u>	1,870,918
Other revenue from ordinary activities		
- Interest received	2,092	64,912
- Rebate for GST on gaming machine duty	48,697	15,697
- Other income	<u>14,971</u>	14,059
Total other revenue from ordinary activities	<u>65,760</u>	94,668
Other revenue from non-ordinary activities		
- Insurance proceeds - fire damage	-	1,428,096
- Federal Government JobKeeper income	249,107	-
- Federal Government Cashflow Boost	<u>50,000</u>	-
Total other revenue from non-ordinary activities	<u>299,107</u>	1,428,096
Total Revenue	<u>4,442,790</u>	3,393,682

### 3 Result for the Year

#### (a) Significant items

Other revenue from non-ordinary activities:

- Insurance proceeds - fire damage - business interruption	-	1,428,096
	<u>-</u>	<u>1,428,096</u>

Other expenses from non-ordinary activities:

- Insurance claim preparation costs and additional costs of working - fire damage	2,423	43,242
	<u>2,423</u>	<u>43,242</u>

Low-value lease expense	<u>6,588</u>	-
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The low-value lease expense relates to monthly payments for the photocopier machine which has been classified as a low-value lease in accordance with AASB 16: Leases.

# 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 2020

### 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 2020 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

<b>Earnings before interest, taxation, depreciation and amortisation (EBITDA)</b>	<b>Change \$</b>	<b>2020 \$</b>	<b>2019 \$</b>
Reported operating profit/(loss) after tax	(2,374,337)	(1,765,266)	609,071
Add: depreciation	906,531	1,030,612	124,081
Add: interest paid	224,646	262,849	38,203
Less: interest received	62,850	(2,062)	(64,912)
Less: income tax (benefit) / expense	618,924	413,294	(205,630)
<b>EBITDA</b>	<b>(561,386)</b>	<b>(60,573)</b>	<b>500,813</b>
Less: insurance proceeds – fire	1,428,096	-	(1,428,096)
Add: insurance claim preparation costs and additional costs of operating - fire	(40,819)	2,423	43,242
<b>Adjusted EBITDA for abnormal items – fire</b>	<b>825,891</b>	<b>(58,150)</b>	<b>(884,041)</b>
Total Revenue (excluding insurance proceeds)	2,477,204	4,442,790	1,965,586
<b>Adjusted EBITDA % of Revenue</b>	<b>43.67%</b>	<b>(1.31%)</b>	<b>(44.98%)</b>

The Club has reported an operating loss after tax of \$1,765,266 compared to a profit after tax of \$609,071 in 2019.

In 2019, insurance proceeds received was \$1.428M and Katoomba RSL was not open for trade.

In 2020, Katoomba RSL opened on 14 August 2019. Also impacting on this year's result is COVID-19 with both Clubs being forced to close on 22 March 2020 (social distancing was enforced from 16 March 2020).

Katoomba RSL re-opened on 23 June 2020 subject to social distancing whilst the Board determined that Wentworth Falls Bowling Club would not re-open due to COVID-19 and substantial loss results that this Club has incurred in 2020 and prior years.

The Club has received the following subsidies due to COVID-19 up to 30 June 2020:

- Federal Govt. JobKeeper income of \$249k
- Federal Govt. Cashflow boost of \$50k

With Katoomba RSL opening in this financial year, the Club has seen significant increases in most trading areas when compared to 2019.



# Katoomba RSL All Services Club Limited

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## Discussion and Analysis of the Summary Financial Statements For the Year Ended 30 June 2020

The Club has also seen significant increases in borrowing costs and a decrease in interest received due to the completion of the building and the Club using its own funds and also the loan facility to fund the building project.

Depreciation expense has increased \$907k with the new building, gaming machines and plant and equipment commencing depreciation from Katoomba RSL opening date.

The Club has reported an EBITDA % of revenue of negative 1.31% for this year compared to negative 44.98% last year.

### **Summary Statement of Financial Position**

The main changes in assets and liabilities include:

- Cash and cash equivalents decreased \$3.210M, mostly due to payments for new building and equipment and funding of operational expenses. Building costs have been funded via cash and bank loan facility this year (similar to last year).
- Trade and other receivables increased by \$99k mainly due to JobKeeper income owed at year end and received in July 2020.
- Property, plant and equipment increased by \$5.039M which is the net difference between additions of \$6.070M and depreciation expense of \$1.031k.
- Both short term and long-term borrowings increased \$3.220M due to partial construction costs being financed.

### **Summary Statement of Changes in Equity**

The equity of the Club has decreased this year due to the reported loss result of \$1,765,266.

### **Summary Statement of Cash Flows**

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

- Operating cash flows have decreased compared to 2019 due to the increase in expenditure greater than the increase in revenue. Borrowing costs have increased with a full year of the building loan and interest received has decreased as cash has been used to fund the building and plant and equipment.
- Investing cash flows have decreased due to net asset purchases of \$6.070M this year (\$9.861M last year) due to the construction of new Club and associated plant and equipment purchases to 30 June 2020.
- Financing cash flows relate to the use of the bank loan facility to fund construction of the new Club.