

# **Katoomba RSL All Services Club Limited**

**ABN 36 000 957 773**

## **Summary Financial Statements**

**For the Year Ended 30 June 2023**

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

# Katoomba RSL All Services Club Limited

ABN 36 000 957 773

## Contents

For the Year Ended 30 June 2023

	Page
<b>Summary Financial Statements</b>	
Directors' Report	1
Auditor's Independence Declaration	5
Independent Audit Report	6
Directors' Declaration	8
Summary Statement of Profit or Loss and Other Comprehensive Income	9
Summary Statement of Financial Position	10
Summary Statement of Changes in Equity	12
Summary Statement of Cash Flows	13
Notes to the Summary Financial Statements	14
Discussion and Analysis of the Summary Financial Statements	16

# Katoomba RSL All Services Club Limited

ABN 36 000 957 773

## Directors' Report

30 June 2023

Your Directors present their report on Katoomba RSL All Services Club Limited for the financial year ended 30 June 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
Brian Turner	President	Retired	12
Owen Wood	Vice President	Retired	15
Stephen Barratt	Director	Retired	15
Paul Edmunds	Director	Bus Driver	12
Eric Tasker	Director	Postal Officer	4
Chris Van der Kley	Director	Retired	4
Lorraine Corrigan	Director	Business Owner	1

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 2023 the collective liability of members was \$41,240 (2022: \$41,595).

### Operating results

The total comprehensive loss of the Club amounted to \$544,049 (2022: loss of \$945,498).

# Katoomba RSL All Services Club Limited

ABN 36 000 957 773

## Directors' Report

30 June 2023

### Review of operations

Gross profit from bar trading amounted to \$861,194 and a gross profit percentage of 60% was obtained from sales of \$1,423,791.

Gross profit from brasserie & cafe trading amounted to \$1,741,116 and a gross profit percentage of 59% was obtained from sales of \$2,975,972.

Net gaming revenue amounted to \$4,403,843 and compares with \$2,822,112 in 2022.

The following table outlines the Club's profit after the add back of depreciation and also shows the Club's EBITDA performance as a percentage of revenue.

	2023 \$	2022 \$
Reported operating profit / (loss) after tax	(544,049)	(945,498)
Add: depreciation	1,294,218	1,192,967
Add: interest paid	157,227	138,208
Less: interest received	(4,490)	(1,824)
Add: income tax expense / (benefit)	18,307	254,443
<b>EBITDA</b>	<b>921,213</b>	<b>638,296</b>
<b>Total Revenue</b>	<b>9,173,432</b>	<b>4,537,435</b>
<b>EBITDA % of Revenue</b>	<b>10.04%</b>	<b>14.07%</b>

### 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	13
Paul Edmunds	13	11
Eric Tasker	13	13
Chris Van der Kley	13	13
Lorraine Corrigan	13	12

# Katoomba RSL All Services Club Limited

ABN 36 000 957 773

## Directors' Report

30 June 2023

### 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.

### 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 have completed their mandatory training.

### Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2023 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 2023:

Address	Current Usage	Classification
86 Lurline Street Katoomba NSW 2780	Katoomba Club	Core

# Katoomba RSL All Services Club Limited

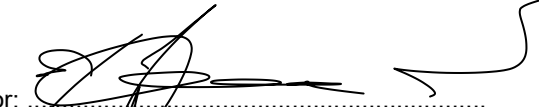
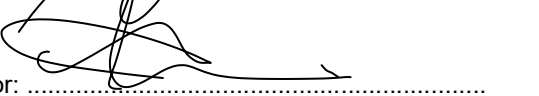
ABN 36 000 957 773

**Directors' Report**  
**30 June 2023**

## 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: 26 September 2023

# Katoomba RSL All Services Club Limited

ABN 36 000 957 773

## Auditor's 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 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 September 2023

# 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 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 summary 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 2023.

In our opinion, the accompanying summary financial statements are consistent, in all material aspects 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 27 September 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.



# Katoomba RSL All Services Club Limited

ABN 36 000 957 773

## Independent Audit Report to the members of Katoomba RSL All Services 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 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

27 September 2023

# Katoomba RSL All Services Club Limited

ABN 36 000 957 773

## Directors' Declaration

In the Directors' opinion, the summary financial statements of Katoomba RSL All Services Club Limited for the financial year ended 30 June 2023, as set out on pages 9 to 17:

- 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: 26 September 2023

# 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 2023

	Note	2023 \$	2022 \$
Bar sales		1,423,791	820,382
Less: Bar cost of goods sold		<u>(562,597)</u>	<u>(349,124)</u>
		861,194	471,258
Brasserie & cafe sales		2,975,972	236,686
Less: Brasserie & cafe cost of goods sold		<u>(1,234,856)</u>	<u>(109,433)</u>
		1,741,116	127,253
Gross profit		2,602,310	598,511
Gaming machine net clearances		4,403,843	2,822,112
Tab and Keno commissions		95,270	53,920
Raffles & bingo income		64,986	37,618
Other revenue from contracts with customers	2	115,755	233,638
Other revenue from ordinary activities	2	93,815	150,834
Other revenue from non-ordinary activities	2	-	182,245
Borrowing cost expenses		(157,227)	(138,208)
Gaming machine expenses		(804,956)	(478,943)
Tab and Keno expenses		(53,490)	(31,341)
Raffles & bingo expenses		(118,236)	(70,860)
Occupancy expenses		(1,011,937)	(693,095)
Club promotion and entertainment expenses		(685,109)	(367,100)
Depreciation and amortisation expenses		(1,294,218)	(1,192,967)
Administrative expenses		(576,034)	(496,508)
Salaries and wages		<u>(3,200,514)</u>	<u>(1,300,911)</u>
<b>Profit / (loss) before income tax</b>		<b>(525,742)</b>	<b>(691,055)</b>
Income tax (expense) / benefit		<u>(18,307)</u>	<u>(254,443)</u>
<b>Profit / (loss) after income tax</b>		<b>(544,049)</b>	<b>(945,498)</b>
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income / (loss)</b>		<b>(544,049)</b>	<b>(945,498)</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 2023

	2023	2022
	\$	\$
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	739,359	1,226,945
Trade and other receivables	13,972	4,751
Inventories	83,451	89,529
Other assets	192,512	166,411
TOTAL CURRENT ASSETS	<u>1,029,294</u>	<u>1,487,636</u>
NON-CURRENT ASSETS		
Deferred tax assets	56,392	130,641
Property, plant and equipment	17,508,123	18,388,169
Intangible assets	129,388	129,388
Right-of-use assets	13,199	17,819
TOTAL NON-CURRENT ASSETS	<u>17,707,102</u>	<u>18,666,017</u>
TOTAL ASSETS	<u>18,736,396</u>	<u>20,153,653</u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Trade and other payables	775,379	631,717
Short-term borrowings	269,294	210,057
Short-term provisions	334,408	299,636
Current tax liabilities	(82,846)	(59,654)
Lease liabilities	4,635	5,019
Other liabilities	41,458	23,948
TOTAL CURRENT LIABILITIES	<u>1,342,328</u>	<u>1,110,723</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	1,730,574	2,788,284
Deferred tax liabilities	669,800	718,946
Long-term provisions	22,653	18,332
Lease liabilities	9,035	13,101
Other liabilities	48,045	46,257
TOTAL NON-CURRENT LIABILITIES	<u>2,480,107</u>	<u>3,584,920</u>
TOTAL LIABILITIES	<u>3,822,435</u>	<u>4,695,643</u>
NET ASSETS	<u>14,913,961</u>	<u>15,458,010</u>

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 2023

	2023	2022
	\$	\$
<b>EQUITY</b>		
Reserves	1,624,815	1,624,815
Retained earnings	13,289,146	13,833,195
<b>TOTAL EQUITY</b>	<b><u>14,913,961</u></b>	<b><u>15,458,010</u></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 2023

### 2023

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
<b>Balance at 1 July 2022</b>	<b>13,833,195</b>	<b>1,624,815</b>	<b>15,458,010</b>
Profit / (loss) attributable to members	(544,049)	-	(544,049)
<b>Balance at 30 June 2023</b>	<b>13,289,146</b>	<b>1,624,815</b>	<b>14,913,961</b>

### 2022

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
<b>Balance at 1 July 2021</b>	<b>13,344,157</b>	<b>3,059,351</b>	<b>16,403,508</b>
Profit / (loss) attributable to members	(945,498)	-	(945,498)
Realisation of sale of Wentworth Falls Bowling Club	1,434,536	(1,434,536)	-
<b>Balance at 30 June 2022</b>	<b>13,833,195</b>	<b>1,624,815</b>	<b>15,458,010</b>

The accompanying notes form part of these financial statements.

# Katoomba RSL All Services Club Limited

ABN 36 000 957 773

## Summary Statement of Cash Flows For the Year Ended 30 June 2023

	2023	2022
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	10,076,615	4,771,006
Payments to suppliers and employees	(8,994,130)	(4,361,844)
Interest received	4,490	1,824
Interest paid	(156,677)	(137,658)
State Government JobSaver	-	167,245
State Government small business grants	-	15,000
Income tax paid / (refunded)	(16,396)	(215,670)
Net cash provided by / (used in) operating activities	<u>913,902</u>	<u>239,903</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of property, plant and equipment	16,500	31,686
Purchase of property, plant and equipment	(415,066)	(363,448)
Proceeds from sale of intangible assets	-	161,667
Proceeds from sale of non-current assets held for sale	-	2,000,000
Net cash used by investing activities	<u>(398,566)</u>	<u>1,829,905</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of borrowings	(998,472)	(2,436,170)
Repayment of lease liabilities	(4,450)	(4,279)
Net cash provided by / (used by) financing activities	<u>(1,002,922)</u>	<u>(2,440,449)</u>
Net increase / (decrease) in cash and cash equivalents held	(487,586)	(370,641)
Cash and cash equivalents at beginning of year	<u>1,226,945</u>	<u>1,597,586</u>
Cash and cash equivalents at end of financial year	<u>739,359</u>	<u>1,226,945</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 2023

### 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 2023. The audited report for the year ended 30 June 2023 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*

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 (2022), from 26 June 2021, the Club was forced to close by the NSW Government due to the escalating transmission of COVID-19 within the area. The closure was imposed in as part of a lockdown to restrict the spread of the virus. The Club was not able to trade during this closure period. The Club re-opened on 14 October 2021 (closure period was 111 days). The Club has complied with COVID-19 safety and social distancing measures outlined by authorities since reopening.

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.

Adherence with social distancing rules, including implementing a COVID-19 safety plan, rostering of hygiene marshalls, restricting the number of patrons in the Club and utilising Service NSW electronic check-in for patrons were 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 2023 financial report, no further closures of the Club have occurred since 14 October 2021.



# Katoomba RSL All Services Club Limited

ABN 36 000 957 773

## Notes to the Summary Financial Statements For the Year Ended 30 June 2023

### 2 Revenue

	2023	2022
	\$	\$
Revenue from contracts with customers		
- Trading revenue	<u>8,963,862</u>	<u>3,970,718</u>
Other revenue from contracts with customers		
- Membership subscriptions	38,933	33,653
- Rent received	-	48,030
- Other income	<u>76,822</u>	<u>151,955</u>
Total other revenue from contracts with customers	<u>115,755</u>	<u>233,638</u>
Total revenue from contracts with customers	<u>9,079,617</u>	<u>4,204,356</u>
Other revenue from ordinary activities		
- Interest received	4,490	1,824
- Commissions received	30,116	16,519
- Rebate for GST on gaming machine duty	15,748	18,612
- Wage subsidies	25,612	-
- Profit on sale of assets	10,989	105,572
- Other income	<u>6,860</u>	<u>8,307</u>
Total other revenue from ordinary activities	<u>93,815</u>	<u>150,834</u>
Other revenue from non-ordinary activities		
- State Government JobSaver	-	167,245
- State Government small business grants	-	15,000
Total other revenue from non-ordinary activities	<u>-</u>	<u>182,245</u>
Total Revenue	<u>9,173,432</u>	<u>4,537,435</u>

# 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 2023

### 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 2023 financial statements of Katoomba RSL All Services Club Limited.

A copy of the full financial statements and auditor's 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

The Club has reported a loss of \$544,049 after tax compared to a loss of \$945,498 last year.

In 2023, the Club was able to trade for the entire year. The Club has seen a full year of operation of the Brasserie (took over operations from 8 June 2022).

In 2022, the Club was closed from the start of this financial year (closed at 6pm on 26 June 21) until the 14 October 2021. This closure period for 2022 was 106 days or 29% of the year.

With the closure period in 2022, it is difficult to compare 2022 to 2023. The Club has seen increases in all trading activities compared to the previous year including:

- Increased bar gross profit \$390k.
- Increased brasserie and café gross profit \$1.61M
- Increased gaming machine net clearances \$1.58M.
- Decreased government COVID-19 support \$182k.

In regards to expenditure, the key movements include:

- Gaming machine expenses are up \$326k, which relates to increased gaming machine tax as a result of increased net clearances, as mentioned above.
- Club promotion and entertainment expenses are up \$318k have increased with advertising, entertainment and promotions.
- Occupancy expenses are up \$318k which includes a significant increase to electricity and gas with a full year of Brasserie operations as well as increases in low-cost items and repairs and maintenance for this area as well.
- Salaries and wages are up \$1.90M with the closure period last year and a full year in 2023 of the Brasserie operations.

The Club has reported an EBITDA % of revenue of 10.04% for the year compared to 14.07% last year.

# 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 2023

### Summary Statement of Financial Position

The main changes in assets and liabilities include:

- Cash and cash equivalents decreased \$488k.
- Property, plant and equipment decreased by \$880k which is the net difference between additions of \$415k, disposals of \$6k, depreciation expense of \$1.290M.
- Both short-term and long-term borrowings decreased \$998k due to repayments made to existing debt.

### Summary Statement of Changes in Equity

The equity of the Club has decreased due to the reported total comprehensive loss of \$544,049

### Summary Statement of Cashflows

The main changes in cash flows include:

- Operating cash flows have increased compared to 2022 due to the Club closure period in 2022 and the loss result for 2023 being alot less than the result in 2022.
- Investing cash flows is negative this year relating to capital additions. 2022 included proceeds from the sale of Wentworth Falls Bowling Club.
- Financing cash flows relate to the repayment of the bank loan made during the year and lease repayments.