

# **Karuah & District R.S.L. Club Limited**

ABN 64 000 882 931

## **Financial Statements**

For the Year Ended 30 September 2021

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

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For the Year Ended 30 September 2021

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# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Directors' Report

30 September 2021

Your Directors present their report on Karuah & District R.S.L. Club Limited for the financial year ended 30 September 2021.

### Directors

The names of the Directors in office at any time during, or since the end of, the year are:

<b>Names</b>	<b>Position</b>	<b>Years' Service</b>
P. Fidden	President	12
M. Hardy	Vice President	2
A. Third	Vice President	4
G. Roworth	Director	9
J. Henderson	Director	7
E. Wilson	Director	3
T. Davies	Director	2
J. Johnston	Director	2

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:

Mr Ross Parr (CEO) has been the Club secretary since 13 June 2011.

### Principal activities

The principal activity of Karuah & District R.S.L. Club Limited during the financial year was the conduct of a Licensed Club.

No significant changes in the nature of the Club's activity occurred during the financial year.

### Operating results

The profit of the Club after providing for income tax amounted to \$ 426,456 (2020: \$ 227,799).

### Review of operations

Gross profit from bar and cafe trading amounted to \$799,099 and gross profit percentage of 60% was obtained from sales of \$1,331,742.

Net gaming revenue amounted to \$1,776,495 and compares with \$1,433,400 in 2020.

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Directors' Report

30 September 2021

### Meetings of Directors

During the financial year, 12 meetings of Directors were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
P. Fidden	12	11
M. Hardy	12	10
A. Third	12	11
G. Roworth	12	12
J. Henderson	12	10
E. Wilson	12	11
T. Davies	12	11
J. Johnston	12	10

### Members guarantee

Karuah & District R.S.L. Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$2 for members, subject to the provisions of the Club's constitution.

At 30 September 2021 the collective liability of members was \$11,870 (2020: \$11,058).

### Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Club during the year apart from:

From 5pm on 5 August 2021, the Club was directed to close along with all other non-essential businesses by the NSW Government due to escalating transmission of COVID-19 within regional areas. 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.

### 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.

### Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 September 2021 has been received and can be found on page 4 of the financial report.

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Directors' Report

30 September 2021

### 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.

### 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 have completed the mandatory training requirements.

### Disclosure of Core & Non-Core Property

Pursuant to Section 41J(2) of the Registered Club Acts for the financial year ended 30 September 2021:

Lot No.	Current Usage	Address	Classification
1/1245134	Clubhouse and Car Park	436 Tarean Road	Core
175/753196	Clubhouse and Car Park	20 Bundabah Street	Core
176/753196	Clubhouse and Car Park	22 Bundabah Street	Core
24/24364	Investment Property	434 Tarean Road	Core
25 & 26/24364	Investment Property	19 - 21 Bundabah Street	Core
28/24364	Investment Property	25 Bundabah Street	Non-Core
1782/609636	Investment Property	5 Barclay Street	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 27 October 2021

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Karuah & District R.S.L. Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2021, 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

20 October 2021

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Liability Limited by a scheme approved under Professional Standards Legislation. Cutcher & Neale Assurance Pty Ltd ABN 37 126556 330

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Independent Audit Report to the members of Karuah & District R.S.L. Club Limited

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of Karuah & District R.S.L. Club Limited (the Club), which comprises the statement of financial position as at 30 September 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Club is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Club's financial position as at 30 September 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

#### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards - Reduced Disclosure Requirements. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Club in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Club, would be in the same terms if given to the Directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *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 in 2020 and 2021 and acknowledges the closure of the Club from 5pm on 5 August 2021. Our opinion is not modified in respect of this matter.

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Independent Audit Report to the members of Karuah & District R.S.L. Club Limited

### *Other Information*

The Directors are responsible for the other information. The other information obtained at the date of this auditor's report was limited to the Director's Report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Directors for the Financial Report*

The Directors of the Club are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so.

### *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards - Reduced Disclosure Requirements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report



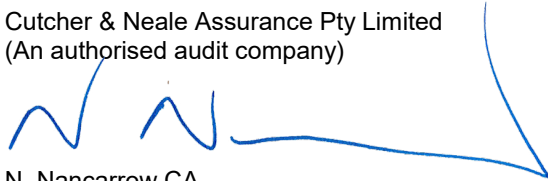
# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Independent Audit Report to the members of Karuah & District R.S.L. Club Limited

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

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



N. Nancarrow CA  
Director

NEWCASTLE

28 October 2021

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# Karuah & District R.S.L. Club Limited


ABN 64 000 882 931

## Directors' Declaration

In the Directors' opinion:

1. The financial statements and notes, as set out on pages 9 to 31, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 September 2021 and of the performance for the year ended on that date of the Club.
2. There are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

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

Director:  ..... Director:  .....

Dated 27 October 2021

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 September 2021

	2021	2020
Note	\$	\$
Bar sales	1,220,105	1,046,426
Less: Bar cost of goods sold	(485,054)	(431,875)
Cafe sales	111,637	83,845
Less: Cafe cost of goods sold	(47,589)	(37,950)
	<u>64,048</u>	<u>45,895</u>
Gross profit	799,099	660,446
Gaming machine net clearances	1,776,495	1,433,400
Tab and Keno Commissions	117,848	103,443
Raffles and bingo revenue	170,581	147,577
Other revenue from contracts with customers	2 55,364	55,551
Other revenue from ordinary activities	2 62,658	49,284
Other revenue from non-ordinary activities	2 89,530	404,000
Borrowing cost expense	(72,314)	(96,280)
Bar trading expenses	(296,581)	(271,095)
Cafe expenses	(107,315)	(95,867)
Gaming machine trading expenses	(425,955)	(304,983)
Tab and Keno expenses	(196,205)	(173,368)
Raffle and bingo expenses	(156,658)	(138,168)
Occupancy expenses	(308,795)	(325,777)
Club promotion and entertainment expenses	(106,323)	(126,266)
Depreciation and amortisation expenses	(529,373)	(449,216)
Administrative expenses	(481,493)	(608,736)
Other expenses from ordinary activities	18,769	(51,466)
<b>Profit before income tax</b>	<b>409,332</b>	<b>212,479</b>
Income tax expense/(benefit)	(17,124)	(15,320)
<b>Profit / (loss) after income tax</b>	<b>426,456</b>	<b>227,799</b>
Other comprehensive income for the year	-	-
<b>Total comprehensive income / (loss)</b>	<b>426,456</b>	<b>227,799</b>

The accompanying notes form part of these financial statements.

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Statement of Financial Position

As At 30 September 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	7	368,298	427,745
Trade and other receivables	8	11,789	20,578
Inventories	9	35,862	39,265
Prepayments	10	30,943	88,241
TOTAL CURRENT ASSETS		<u>446,892</u>	<u>575,829</u>
NON-CURRENT ASSETS			
Property, plant and equipment	11	6,180,323	6,384,878
Investment property	12	1,437,655	1,415,000
Deferred tax assets	6	61,602	40,369
Intangible assets	13	309,320	309,320
Right-of-use assets	14	12,867	19,300
TOTAL NON-CURRENT ASSETS		<u>8,001,767</u>	<u>8,168,867</u>
TOTAL ASSETS		<u>8,448,659</u>	<u>8,744,696</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	15	124,111	174,557
Short-term borrowings	16	277,819	546,192
Current tax liabilities	6	(195)	(10,936)
Short-term provisions	17	212,335	174,890
Lease liabilities		6,558	6,253
TOTAL CURRENT LIABILITIES		<u>620,628</u>	<u>890,956</u>
NON-CURRENT LIABILITIES			
Long-term borrowings	16	1,824,039	2,252,929
Deferred tax liabilities	6	73,704	69,595
Long-term provisions	17	6,450	27,275
Lease liabilities		9,843	16,402
TOTAL NON-CURRENT LIABILITIES		<u>1,914,036</u>	<u>2,366,201</u>
TOTAL LIABILITIES		<u>2,534,664</u>	<u>3,257,157</u>
NET ASSETS		<u>5,913,995</u>	<u>5,487,539</u>
<b>EQUITY</b>			
Reserves		619,933	619,933
Retained Earnings		5,294,062	4,867,606
TOTAL EQUITY		<u>5,913,995</u>	<u>5,487,539</u>

The accompanying notes form part of these financial statements.

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Statement of Changes in Equity For the Year Ended 30 September 2021

2021

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 October 2020	4,867,606	619,933	5,487,539
Profit attributable to members	426,456	-	426,456
Balance at 30 September 2021	<u>5,294,062</u>	<u>619,933</u>	<u>5,913,995</u>

2020

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 October 2019	4,639,807	1,551,745	6,191,552
Profit attributable to members	227,799	-	227,799
Revaluation increment / (decrement)	11(a) -	(931,812)	(931,812)
Balance at 30 September 2020	<u>4,867,606</u>	<u>619,933</u>	<u>5,487,539</u>

The accompanying notes form part of these financial statements.

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Statement of Cash Flows

For the Year Ended 30 September 2021

	2021	2020
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	3,835,607	3,223,527
Payments to suppliers and employees	(2,914,584)	(2,960,732)
Interest received	24	1,237
Income tax (paid) / refunded	10,741	2,992
Borrowing costs	(72,314)	(96,280)
Federal Government - JobKeeper	-	291,000
Federal Government - Cashflow Boost	12,500	87,500
State Government - Small Business Grants	3,000	10,000
State Government - COVID-19 Business Grant	7,500	-
State Government - JobSaver	82,030	-
Net cash provided by / (used in) operating activities	<u>964,504</u>	<u>559,244</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of property, plant and equipment	24,000	7,045
Purchase of property, plant and equipment	(318,386)	(2,051,913)
Purchase of investment property additions	(22,655)	-
Net cash used by investing activities	<u>(317,041)</u>	<u>(2,044,868)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	-	1,667,614
Repayment of borrowings	(697,263)	(512,595)
Repayment of leases	(9,647)	(3,078)
Net cash provided by / (used in) financing activities	<u>(706,910)</u>	<u>1,151,941</u>
Net increase / (decrease) in cash and cash equivalents held	(59,447)	(333,683)
Cash and cash equivalents at beginning of year	<u>427,745</u>	<u>761,428</u>
Cash and cash equivalents at end of financial year	7 <u>368,298</u>	<u>427,745</u>

The accompanying notes form part of these financial statements.

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Notes to the Financial Statements

For the Year Ended 30 September 2021

### 1 Summary of Significant Accounting Policies

#### (a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### (b) Significant changes in the current report period

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.

During the 2021 financial year, COVID-19 impacted the Club's trade by restricting the number of members and visitors the Club could admit for the period 1 October 2020 to 25 November 2020.

From 5pm on 5 August 2021, the Club was forced into lockdown by the NSW Government due to escalating transmission of COVID-19 within NSW regional areas. The lockdown was imposed in an attempt to restrict the spread of the virus. The Club has not been able to trade during this closure period. The Club has all intentions to comply with COVID-19 safety and social distancing measures outlined by authorities from 11 October 2021, the date the Club reopened for trade.

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 have been stood down to reduce wage costs. Permanent and part-time staff have access to unused leave balances.
- Contacting suppliers and taking up revised payment terms if offered.
- Incentives offered through other taxes or duties payable have also been considered.

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Notes to the Financial Statements

For the Year Ended 30 September 2021

### 1 Summary of Significant Accounting Policies

#### (b) Significant changes in the current report period

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

The Club is in a strong financial position as at 30 September 2021 and impacts of this forced closure are unlikely to have a material impact on the Club's cash position. Management and the Board recognise that the situation associated with the management of COVID-19 and lockdown will continue to evolve on a daily basis and it is difficult to estimate with any degree of certainty the resulting impact (financial and operational) which this may have on the Club, its members and its future results and financial position.

#### (c) Income tax

The income tax expense / (benefit) for the year comprises current income tax expense / (benefit) and deferred tax expense / (benefit).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities / (assets) are therefore measured at the amounts expected to be paid to / (recovered from) the relevant taxation authority.

Current and deferred income tax expense / (benefit) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting year. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

#### (d) Inventories

Inventories are measured at the lower of cost and net realisable value.



# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Notes to the Financial Statements

For the Year Ended 30 September 2021

### 1 Summary of Significant Accounting Policies

#### (e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

##### Land

Freehold land is shown at fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers.

Increases in the carrying amount arising on revaluation of land are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against this reserve directly in equity; all other decreases are charged to the statement of profit or loss and other comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and other comprehensive income and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

##### Buildings and plant and equipment

Buildings are measured at fair value and plant and equipment is measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

##### Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Club commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	5% PC
Plant & Equipment	10% - 40% PC
Gaming Machines	10% - 50% PC

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Notes to the Financial Statements

For the Year Ended 30 September 2021

### 1 Summary of Significant Accounting Policies

#### (e) Property, plant and equipment

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

#### (f) Investment property

Investment properties, comprising rental properties, are held to generate long term rental yields. All tenant leases are on an arm's length basis. Investment property is carried at fair value unless otherwise specified. Changes to value are to be recorded in the statement of profit or loss and other comprehensive income as other income.

#### (g) Impairment of non-financial assets

At the end of each reporting period, the Club assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

#### (h) Employee benefits

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at their nominal amount as it has been determined that they are not materially different from their present value.

Contributions are made by the Club to employee superannuation funds and are charged to expenses when incurred.

#### (i) Revenue and other income

The Club recognises revenue when it transfers control over a product or service to a customer. Revenue is measured based on the amount of consideration expected to be received in exchange for the transfer of the good or service to the customer.

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Notes to the Financial Statements

For the Year Ended 30 September 2021

### 1 Summary of Significant Accounting Policies

#### (i) Revenue and other income

##### Revenue from contracts with customers

Revenue from the sale of goods is recognised at the point of delivery.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Gaming machine revenue is recognised at the point of sale and represents the difference between the amounts earned through gaming wagers less the payouts from those wagers. Liabilities are recognised for anticipated payouts for progressive jackpots.

Revenue from membership subscriptions and is recognised on a straight-line basis over the period of the membership.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

#### (j) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### (k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### (l) Gaming machine rebate

The Club received a rebate to compensate the loss of gaming machine income due to the introduction of GST. The period which the rebate relates to is from 1 June 2021 to 31 May 2022. Income has been recorded in the accounts for the 4 months to 30 September 2021 with the remainder being recorded as a liability. The current liability represents income which will be taken up in the succeeding financial year.

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Notes to the Financial Statements

For the Year Ended 30 September 2021

### 1 Summary of Significant Accounting Policies

#### (m) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### (n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

#### (o) Trade and other receivables

Trade receivables, which have 14 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectable amounts.

#### (p) Trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Club during the reporting period which remain unpaid at balance date. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### (q) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Club.

##### *Key estimates - impairment*

The Club assesses impairment at the end of the reporting year by evaluating conditions specific to the Club that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Notes to the Financial Statements

For the Year Ended 30 September 2021

### 1 Summary of Significant Accounting Policies

#### (r) Leases

At inception of a contract, the Club assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Club where the Club is lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Club uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentive;
- lease payments of under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated amortisation and impairment losses.

Right-of-use assets are amortised over the lease term or useful life of the underlying asset whichever is the shortest.

#### (s) Investment and other financial assets

##### *i) Classification*

The Club classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Club's business model for managing the financial assets and the contractual terms of the cash flows.

The Club is using the measured at amortised cost method for all its financial assets, namely trade and other receivables. Assets measured at amortised cost are financial assets where:

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Notes to the Financial Statements

For the Year Ended 30 September 2021

### 1 Summary of Significant Accounting Policies

#### (s) Investment and other financial assets

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

#### *ii) Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on tradedate, the date on which the Club commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Club has transferred substantially all the risks and rewards of ownership.

#### *iii) Measurement*

Subsequent to initial recognition, financial assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment for expected credit losses are recognised in the profit or loss. Gain or loss on derecognition is recognised in profit or loss.

#### *iv) Impairment*

Impairment of financial assets is recognised on an expected credit loss (ECL) – forward looking – basis for all financial assets measured at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Club considers reasonable and supportable information that is relevant and available, including both quantitative and qualitative information and analysis based on the Club's historical experience and informed credit assessment, including forward looking information.

Credit losses are measured as the present value of the difference between the cash flows due to the Club in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Notes to the Financial Statements

For the Year Ended 30 September 2021

### 1 Summary of Significant Accounting Policies

#### (t) Financial liabilities

##### *i) Classification*

The Club is using the measured at amortised cost method for all its financial liabilities. The financial liabilities of the Club comprise trade payables, bank loans and hire purchase liabilities.

Liabilities measured at amortised cost are financial liabilities where the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### *ii) Recognition and derecognition*

The Club measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The Club derecognises financial liabilities when, and only when, the Club's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### (u) Intangible Assets

##### **Gaming machine entitlements**

Gaming machine entitlements are recognised at cost of acquisition. Directors have assessed that gaming machine entitlements have an indefinite useful life. These assets are tested annually for impairment and carried at cost less accumulated impairment losses.

#### (v) New Accounting Standards and Interpretations

*AASB 1060 – General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (applicable to annual reporting periods beginning on or after 1 July 2021)*

AASB 1060 is a new self-contained standard that sets out all of the disclosure requirements relevant to a Tier 2 General Purpose Financial Statement (GPFS) preparer. The new disclosures have been significantly simplified when compared to either those required by a Tier 1 entity or those required under the AASB's existing Tier 2 Reduced Disclosure Framework (RDR), especially in the areas of revenue, leases, impairment and financial instruments.

The new standard applies to all entities preparing GPFS-Tier 2 and replaces the current Reduced Disclosure Requirements (RDR) Framework.

While entities that comply with this Standard need to apply the recognition and measurement requirements in other Standards, they are exempt from the disclosure requirements in specified paragraphs in other Standards.

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Notes to the Financial Statements

For the Year Ended 30 September 2021

### 1 Summary of Significant Accounting Policies

#### (w) Authorisation of Financial Statements

The financial statements were authorised for issue on 27 October 2021 by the Directors.

### 2 Revenue

	2021	2020
	\$	\$
Revenue from contracts with customers		
- Trading revenue	3,396,665	2,814,691
Other revenue from contracts with customers		
- Rent received	39,346	39,868
- Membership subscription	15,640	14,722
- Net other bar sales	378	961
Total other revenue from contracts with customers	<u>55,364</u>	<u>55,551</u>
Total revenue from contracts with customers	<u>3,452,029</u>	<u>2,870,242</u>
Other revenue from ordinary activities		
- Interest received	24	1,237
- Commissions received	31,999	30,273
- Rebate for GST on gaming machine duty	17,180	17,180
- Sundry income	13,455	594
Total other revenue from ordinary activities	<u>62,658</u>	<u>49,284</u>
Other revenue from non-ordinary activities		
- Federal Government Cashflow Boost	-	100,000
- Federal Government JobKeeper Income	-	291,000
- NSW Government Small Business Grant	-	13,000
- NSW Government - COVID-19 Business Grant	7,500	-
- NSW Government JobSaver Income	82,030	-
Total other revenue from non-ordinary activities	<u>89,530</u>	<u>404,000</u>
<b>Total Revenue</b>	<u><u>3,604,217</u></u>	<u><u>3,323,526</u></u>



# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Notes to the Financial Statements

For the Year Ended 30 September 2021

### 3 Result for the Year

#### (a) Expenses

	2021	2020
	\$	\$
Fair value (increment) / decrement on Investment Property	-	(575)
Net (profit) / loss on revaluation of Land and Buildings	-	38,823
Net (profit) / loss on disposal of non current assets	<b>(24,000)</b>	<b>(7,045)</b>
Rental expense on operating leases		
- Minimum lease payments	-	143

### 4 Interests of Key Management Personnel

The totals of remuneration paid to the key management personnel of Karuah & District R.S.L. Club Limited during the year are as follows:

Key management personnel compensation	<b>140,248</b>	131,446
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### 5 Income Tax Expense

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

Prima facie tax payable on profit from ordinary activities before income tax at 26% (2020: 27.5%)	<b>106,426</b>	58,432
Add:		
Tax effect of:		
- other non-allowable items	<b>1,360</b>	5,567
- depreciation on buildings	<b>53,950</b>	47,001
- under provision in prior year	<b>(4,105)</b>	-
	<b>51,205</b>	52,568
Less:		
Tax effect of:		
- building write-off deduction	<b>(72,788)</b>	(28,125)
- net adjustment for principle of mutuality apportionment of members income and expenses	<b>(101,967)</b>	(98,195)
<b>Income tax expense/(benefit)</b>	<b>(17,124)</b>	<b>(15,320)</b>

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Notes to the Financial Statements

For the Year Ended 30 September 2021

### 6 Tax

	2021	2020
	\$	\$
Income tax payable	<u>(195)</u>	<u>(10,936)</u>

#### Recognised deferred tax assets and liabilities

Deferred tax assets	<u>61,602</u>	<u>40,369</u>
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Deferred tax liabilities	<u>73,704</u>	<u>69,595</u>
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### 7 Cash and Cash Equivalents

Cash on hand	120,000	105,000
Cash at bank	248,888	323,335
Security deposits	<u>(590)</u>	<u>(590)</u>
	<u>368,298</u>	<u>427,745</u>

### 8 Trade and Other Receivables

CURRENT		
Trade and other receivables	<u>11,789</u>	<u>20,578</u>

### 9 Inventories

CURRENT		
At cost:		
Stock on hand	<u>35,862</u>	<u>39,265</u>

### 10 Other Assets

CURRENT		
Prepayments	<u>30,943</u>	<u>88,241</u>

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Notes to the Financial Statements

For the Year Ended 30 September 2021

### 11 Property, Plant and Equipment

	2021	2020
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At fair value	910,400	910,400
Total Land	<u>910,400</u>	<u>910,400</u>
Building		
At fair value	4,150,000	4,150,000
Accumulated depreciation	(259,658)	(52,158)
Total buildings	<u>3,890,342</u>	<u>4,097,842</u>
Total land and buildings	<u>4,800,742</u>	<u>5,008,242</u>
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	<u>10,590</u>	2,182
Plant and equipment		
At cost	2,161,841	2,069,358
Accumulated depreciation	(1,094,066)	(956,107)
Total plant and equipment	<u>1,067,775</u>	<u>1,113,251</u>
Gaming machines		
At cost	1,288,214	1,219,903
Accumulated depreciation	(986,998)	(958,700)
Total gaming machines	<u>301,216</u>	<u>261,203</u>
Total plant and equipment	<u>1,379,581</u>	<u>1,376,636</u>
<b>Total property, plant and equipment</b>	<u><b>6,180,323</b></u>	<u><b>6,384,878</b></u>

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Notes to the Financial Statements

For the Year Ended 30 September 2021

### 11 Property, Plant and Equipment

#### (a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Capital Works in Progress	Land	Buildings	Plant and Equipment	Gaming Machines	Total
	\$	\$	\$	\$	\$	\$
<b>2021</b>						
Balance at the beginning of year	2,182	910,400	4,097,842	1,113,251	261,203	6,384,878
Additions	31,063	-	-	129,062	180,916	341,041
Disposals - written down value	-	-	-	-	-	-
Transfers (to) / from investment property	(22,655)	-	-	-	-	(22,655)
Depreciation expense	-	-	(207,500)	(174,538)	(140,903)	(522,941)
<b>Balance at 30 September 2021</b>	<b>10,590</b>	<b>910,400</b>	<b>3,890,342</b>	<b>1,067,775</b>	<b>301,216</b>	<b>6,180,323</b>

#### (b) Core & non-core property

As required by the Registered Clubs Act 1976 all Clubs are required to specify core and non-core property of the Club. As at 30 September 2021 the balance shown above in Land and Buildings is core. Property disclosed in Note 12 is classified as core and non-core property. For further disclosure of core and non-core property refer to page 3 of the financial statements.

#### (c) Land & Buildings Revaluation

Land & Buildings are stated at fair value which has been determined based on valuations performed by Preston Rowe Paterson Newcastle & Central Coast Pty Ltd as at 1 July 2020 based on their valuation report dated 14 May 2020.

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Notes to the Financial Statements

For the Year Ended 30 September 2021

### 12 Investment Property

	2021	2020
	\$	\$
Investment property		
At fair value	1,415,000	1,415,000
Subsequent additions at cost	22,655	-
<b>Total</b>	<b>1,437,655</b>	<b>1,415,000</b>

#### (a) Movements in carrying amounts

Balance at beginning of the period	1,415,000	1,187,222
Transfers (to) / from property, plant and equipment	22,655	227,223
Imbalance adjustment	-	(20)
Fair value increment / (decrement)	-	575
	<b>1,437,655</b>	<b>1,415,000</b>

Investment properties are stated at fair value and cost as disclosed above. Investment property at fair value has been determined based on valuations performed by Preston Rowe Paterson Newcastle & Central Coast Pty Ltd as at 1 July 2020 based on their valuation report dated 14 May 2020. Any subsequent additions since valuation date are deemed to be held at fair value.

### 13 Intangible Assets

Gaming machine licences - at cost	<b>309,320</b>	309,320
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The recoverable amount of gaming machine entitlements is based on fair value less costs to sell. The methodology used to determine fair value less costs to sell is the observable market price per unit as at reporting date.

Gaming machine entitlements have been assessed as having an indefinite useful life. An indefinite useful life is supported by the absence of an expiry date. Factors that were important in determining this indefinite useful life include current government policy, current market conditions and current economic conditions.

The Directors' assessment of the market value of the gaming machine entitlements as at 30 September 2021 was approximately \$8,000 to \$15,000 per entitlement.

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Notes to the Financial Statements

For the Year Ended 30 September 2021

### 14 Right-of-use assets

The Club's lease portfolio includes a leased photocopier with Print Management Facilities Australia. The lease has a term of 5 years, commencing October 2019.

	2021	2020
	\$	\$
Leased photocopier	25,733	25,733
Accumulated amortisation	(12,866)	(6,433)
	<u>12,867</u>	<u>19,300</u>
<b>AASB 16 related amounts recognised in the statement of profit or loss</b>		
Interest expense on lease liabilities	947	1,122
Amortisation of right-of-use assets	6,433	6,433

### 15 Trade and Other Payables

#### CURRENT

##### Unsecured liabilities

Trade creditors & accruals	97,542	149,398
Members subscriptions in advance	26,569	25,159
	<u>124,111</u>	<u>174,557</u>

### 16 Borrowings

#### CURRENT

##### Secured liabilities:

Bank loans	275,514	532,361
Hire purchase facility	2,305	13,831
	<u>277,819</u>	<u>546,192</u>

#### NON-CURRENT

##### Secured liabilities:

Bank loans	1,824,039	2,252,929
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<b>Total borrowings</b>	<u>2,101,858</u>	<u>2,799,121</u>
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# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Notes to the Financial Statements

For the Year Ended 30 September 2021

### 16 Borrowings

(a) Total current and non-current secured liabilities

	2021	2020
	\$	\$
Bank loans	2,099,553	2,785,290
Hire purchase facility	2,305	13,831
	<u>2,101,858</u>	<u>2,799,121</u>

(b) The carrying amounts of non-current assets pledged as security are:

Land and Buildings	4,800,742	5,008,242
Investment Property	1,437,655	1,415,000
	<u>6,238,397</u>	<u>6,423,242</u>

(c) Security

The bank loan, business loan, bank overdraft and hire purchase facility are secured by:

Registered Mortgage over property situated at:

- 5 Barclay Street Karuah NSW;
- 434 Tarean Road Karuah NSW;
- 19-21 Bundabah Street Karuah NSW;
- 25 Bundabah Street Karuah NSW;
- 436 Tarean Road Karuah NSW.

(d) Unused borrowing facilities

Hire Purchase Facility	-	300,000
Bank Loans	833,675	463,675
Bank Overdraft	20,000	20,000
Investment Property Loan	7,227	4,809
	<u>860,902</u>	<u>788,484</u>

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Notes to the Financial Statements

For the Year Ended 30 September 2021

### 17 Provisions

	2021	2020
	\$	\$
CURRENT		
Employee benefits	<u>212,335</u>	174,890
NON-CURRENT		
Employee benefits	<u>6,450</u>	27,275

#### Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. Long service leave has been calculated based on nominal amounts rather than present values, as the carrying amount is immaterial when compared to net assets.

### 18 Contingent Liabilities

Karuah & District R.S.L. Club Limited has bank guarantees totalling \$5,000 substituting for security deposits with Tabcorp Holdings Pty Limited.

#### Mortality Fund

The Club has a contingent liability in respect of those members who qualify for a payment of \$100 in the event of their death. The number of eligible members at balance date is 102 (2020 - 112).

### 19 Related Parties

The Club's main related parties are as follows:

#### (a) Key Management Personnel of the Club

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Club, directly or indirectly, including any Director (whether executive or otherwise) of the Club, is considered key management personnel. Refer to Note 4.

#### (b) Other Related Parties of the Club

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

#### **Transactions and Outstanding Balances with Related Parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following relationships and/or transactions occurred with related parties:



# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Notes to the Financial Statements

For the Year Ended 30 September 2021

### 19 Related Parties

#### (b) Other Related Parties of the Club

- A Director, Mrs J. Henderson, leases a property from the Club on normal commercial terms.

### 20 Capital and Leasing Commitments

#### (a) Capital expenditure commitments

	2021	2020
	\$	\$
Capital expenditure commitments contracted for:		
Gaming machines	46,090	-
Investment Property Works	-	20,318
	<u>46,090</u>	<u>20,318</u>

### 21 Lessor Commitments

Karuah & District R.S.L. Club Limited leases out investment properties which are managed by a real estate company. The Club receives rent on a monthly basis which is disclosed in Note 2.

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

## Compilation Report

30 September 2021

We have compiled the accompanying special purpose financial statements of Karuah & District R.S.L. Club Limited, which comprise the detailed statement of profit or loss and other comprehensive income. The specific purpose for which the special purpose financial statements have been prepared is to provide information relating to the performance of the Club that satisfies the information needs of the Directors.

### *The Responsibility of the Directors*

The Directors are solely responsible for the information contained in the special purpose financial statements and have determined that the basis of accounting used is appropriate to meet their needs.

### *Our Responsibility*

On the basis of the information provided by the Directors we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting and APES 315 *Compilation of Financial Information*.

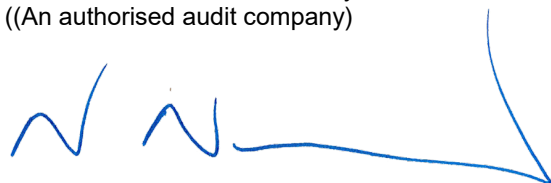
We have applied our expertise in accounting and financial reporting to compile these financial statements. We have complied with the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants (including Independence Standards).

### *Assurance Disclaimer*

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by the Directors to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled for the benefit of the Directors. We do not accept responsibility for the contents of the special purpose financial statements.

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



N. Nancarrow CA  
Director

NEWCASTLE

20 October 2021

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Liability Limited by a scheme approved under Professional Standards Legislation. Cutcher & Neale Assurance Pty Ltd ABN 37 126556 330

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Detailed Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 30 September 2021

	2021	2020
	\$	\$
<b>SUMMARY STATEMENT</b>		
INCOME		
PROFIT/(LOSS) BAR TRADING	438,470	343,456
PROFIT/(LOSS) GAMING MACHINE TRADING	1,350,540	1,128,417
PROFIT/(LOSS) CAFE TRADING	(43,267)	(51,199)
PROFIT/(LOSS) KENO TRADING	9,558	9,389
PROFIT/(LOSS) TAB TRADING	(87,915)	(79,314)
PROFIT/(LOSS) RAFFLE TRADING	13,923	9,409
OTHER INCOME	207,552	508,835
TOTAL	<u>1,888,861</u>	<u>1,868,993</u>
LESS: EXPENSES		
OPERATING EXPENSES	<u>901,842</u>	<u>1,081,042</u>
TOTAL EXPENSES	<u>901,842</u>	<u>1,081,042</u>
OPERATING PROFIT	<u>987,019</u>	<u>787,951</u>
DEDUCT NON CASH CHARGES:		
LOSS/(PROFIT) ON SALE OF FIXED ASSETS	(24,000)	(7,045)
LOSS/(PROFIT) ON INVESTMENT PROPERTIES	-	(575)
LOSS/(GAIN) ON REVALUATION OF LAND AND BUILDINGS	-	38,823
DEPRECIATION	522,940	442,783
AMORTISATION - LEASES	6,433	6,433
INTEREST	71,367	95,158
INTEREST - LEASES	947	1,122
	<u>577,687</u>	<u>576,699</u>
PROFIT/(LOSS) BEFORE INCOME TAX	<u>409,332</u>	<u>211,252</u>
INCOME TAX EXPENSE / (BENEFIT)	(17,124)	(15,320)
PROFIT/(LOSS) AFTER INCOME TAX	<u>426,456</u>	<u>226,572</u>

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Detailed Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 30 September 2021

	2021	2020
	\$	\$
<b>BAR TRADING ACCOUNT</b>		
GROSS BAR SALES	1,166,677	1,008,846
BEER REBATES	53,428	37,580
TOTAL	<u>1,220,105</u>	<u>1,046,426</u>
<i>LESS: COST OF GOODS SOLD</i>		
OPENING STOCK	36,158	28,338
BAR PURCHASES	481,182	439,695
CLOSING STOCK	(32,286)	(36,158)
TOTAL COST OF GOODS SOLD	<u>485,054</u>	<u>431,875</u>
GROSS PROFIT/(LOSS)	<u>735,051</u>	<u>614,551</u>
GROSS PROFIT % SALES	60%	59%
<i>LESS EXPENSES</i>		
BAR WAGES	277,456	252,688
% WAGES TO SALES	23%	24%
FREIGHT & CARTAGE	8,116	7,594
BAR SUPPLIES & REPAIRS & MAINTENANCE	11,009	10,813
TOTAL	<u>296,581</u>	<u>271,095</u>
BAR TRADING NET PROFIT	<u>438,470</u>	<u>343,456</u>
% SALES	36%	33%
<b>GAMING MACHINES TRADING ACCOUNT</b>		
GAMING MACHINE METERED TURNOVER	20,857,144	17,288,897
LESS: GAMING MACHINE METERED WINS	(18,903,000)	(15,712,157)
LESS: GST LIABILITY	(177,649)	(143,340)
NET REVENUE	<u>1,776,495</u>	<u>1,433,400</u>
<i>LESS EXPENSES</i>		
GAMING MACHINE DUTY	266,191	157,111
CLUB GRANTS	16,993	13,467
CMS MONITORING	20,232	19,556
REPAIRS & MAINTENANCE	31,817	29,308
GAMING MACHINE WAGES	90,722	85,541
TOTAL	<u>425,955</u>	<u>304,983</u>
GAMING MACHINE TRADING PROFIT/(LOSS)	<u>1,350,540</u>	<u>1,128,417</u>
% SALES	76%	79%

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Detailed Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 30 September 2021

	2021 \$	2020 \$
<b>CAFE TRADING ACCOUNT</b>		
GROSS CAFE SALES	111,637	83,845
TOTAL	<u>111,637</u>	<u>83,845</u>
LESS: COST OF GOODS SOLD		
CAFE OPENING STOCK	232	1,227
CAFE PURCHASES	48,497	38,182
CAFE CLOSING STOCK	(1,140)	(232)
TOTAL COST OF GOODS SOLD	<u>47,589</u>	<u>39,177</u>
GROSS PROFIT / (LOSS)	<u>64,048</u>	<u>44,668</u>
GROSS PROFIT % SALES	53.3%	53.3%
LESS EXPENSES		
CAFE WAGES	103,337	88,940
% WAGES TO SALES	92.6%	106.1%
EQUIPMENT & REPAIRS & MAINTENANCE	-	10
SUNDRY PURCHASES	3,978	6,917
TOTAL	<u>107,315</u>	<u>95,867</u>
CAFE TRADING NET PROFIT	<u>(43,267)</u>	<u>(51,199)</u>
% SALES	(38.8%)	(61.1%)
<b>KENO TRADING ACCOUNT</b>		
KENO COMMISSION	98,701	86,875
KENO INCOME	<u>98,701</u>	<u>86,875</u>
<i>LESS: EXPENSES</i>		
KENO WAGES	84,926	73,449
PRINTING & STATIONERY	-	737
REPAIRS & MAINTENANCE	4,217	3,300
TOTAL EXPENSES	<u>89,143</u>	<u>77,486</u>
KENO TRADING PROFIT/(LOSS)	<u>9,558</u>	<u>9,389</u>
<b>TAB TRADING ACCOUNT</b>		
TAB COMMISSION	19,147	16,568
TOTAL	<u>19,147</u>	<u>16,568</u>
<i>LESS: TAB EXPENSES</i>		
TAB WAGES	87,700	77,994
STATIONERY & MAINTENANCE	295	1,317
PROMOTIONS	4,180	3,040
SKY CHANNEL	14,887	13,531
TOTAL EXPENSES	<u>107,062</u>	<u>95,882</u>
TAB TRADING PROFIT/(LOSS)	<u>(87,915)</u>	<u>(79,314)</u>

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Detailed Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 30 September 2021

	2021 \$	2020 \$
<b>RAFFLE &amp; BINGO TRADING ACCOUNT</b>		
RAFFLE & BINGO TICKET SALES	170,581	147,577
TOTAL	<u>170,581</u>	<u>147,577</u>
<i>LESS: EXPENSES</i>		
RAFFLE & BINGO EXPENSES	150,417	134,815
BINGO WAGES	6,241	3,353
TOTAL EXPENSES	<u>156,658</u>	<u>138,168</u>
RAFFLE & BINGO TRADING PROFIT/(LOSS)	<u>13,923</u>	<u>9,409</u>
<b>OTHER INCOME</b>		
COMMISSION RECEIVED	31,999	30,273
INTEREST RECEIVED	24	1,237
MEMBERS SUBSCRIPTIONS	15,640	14,722
RENT RECEIVED	39,346	39,868
GAMING MACHINE GST REBATE	17,180	17,180
HALL & EQUIPMENT HIRE	727	-
NET COFFEE & CAKE INCOME	-	503
SUNDRY INCOME	-	594
NET PROFIT / (LOSS) - BAR SUNDRIES	378	458
STATE GOVERNMENT - COVID-19 BUSINESS GRANT	7,500	-
STATE GOVERNMENT - JOBSAVER	82,030	-
FEDERAL GOVERNMENT - JOBKEEPER	-	291,000
FEDERAL GOVERNMENT - CASHFLOW BOOST	-	100,000
STATE GOVERNMENT - SMALL BUSINESS GRANTS	-	13,000
INSURANCE PROCEEDS	12,728	-
TOTAL	<u>207,552</u>	<u>508,835</u>
<b>LESS: EXPENSES</b>		
<b>MEMBER EXPENSES</b>		
ADVERTISING & PROMOTION	7,490	16,299
ANZAC DAY EXPENSES	171	-
COURTESY BUS	20,689	27,568
MEMBERS AMENITIES	35,689	30,342
NET FUNCTIONS EXPENSES	77	500
ENTERTAINMENT	22,084	38,810
REDEMPTION POINTS	20,123	12,747
	<u>106,323</u>	<u>126,266</u>

# Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Detailed Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 30 September 2021

	2021	2020
	\$	\$
<b>OCCUPANCY EXPENSES</b>		
CLEANING EXPENSES	8,076	8,306
CLEANING WAGES	76,986	69,868
CONTRACT GREEN KEEPER	55,705	38,493
ELECTRICITY & GAS	58,797	57,258
LEASE LANDS	22,210	22,442
PEST CONTROL	1,675	1,650
RATES & TAXES	15,075	31,992
RENTAL PROPERTY	15,026	16,447
REPAIRS & MAINTENANCE	45,971	64,863
REPAIRS & MAINTENANCE - GREENS	2,896	3,531
SECURITY	1,733	4,494
TELEPHONE	4,645	6,433
	<u>308,795</u>	<u>325,777</u>
<b>ADMINISTRATIVE EXPENSES</b>		
ACCOUNTANCY & AUDIT FEES	35,357	29,275
ANNUAL MEETING EXPENSES	1,175	2,070
BANK CHARGES	10,321	7,741
CASH DISCREPANCIES	(253)	1,316
CONSULTANCY EXPENSES	2,873	10,752
DIRECTORS EXPENSES	16,282	14,937
DONATIONS	5,231	20,243
EQUIPMENT RENTAL	-	143
FBT EXPENSE	-	1,449
INSURANCE	70,276	76,033
LEGAL COSTS	1,058	-
MORTALITY EXPENSES	200	191
MOTOR VEHICLE EXPENSES	1,664	-
PAYROLL TAX	(2,919)	2,384
PRINTING, POSTAGE & STATIONERY	2,388	1,663
<b>SALARIES &amp; WAGES</b>		
SALARIES - ADMINISTRATION (INCLUDES JOBKEEPER NOT WORKED)	213,545	343,010
	<u>213,545</u>	<u>343,010</u>
STAFF DRINKS	2,063	3,891
STAFF SUNDRY EXPENSES	11,376	8,518
STAFF TRAINING	1,799	4,166
SULLAGE FEES	10,017	10,060
SUBSCRIPTIONS	9,145	9,830
SUPERANNUATION CONTRIBUTIONS	84,662	72,627
SUNDRY	5,407	5,944
TRAVEL EXPENSES	36	-
UNIFORMS	5,021	2,756
	<u>486,724</u>	<u>628,999</u>
TOTAL EXPENSES	<u>901,842</u>	<u>1,081,042</u>