

Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Financial Statements

For the Year Ended 30 September 2022

Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

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Karuah & District R.S.L. Club Limited

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Directors' Report 30 September 2022

Your Directors present their report on Karuah & District R.S.L. Club Limited for the financial year ended 30 September 2022.

Directors

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

Names	Position	Years' Service
A. Third	President	5
M. Hardy	Vice President	3
G. Roworth	Director	10
J. Henderson	Director	8
E. Wilson	Director	4
T. Davies	Director	3
J. Johnston	Director	3
O. Hurstfield	Director	Appointed 6 February 2022
P. Fidden	-	Resigned 30 March 2022

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 Chris Fraser (CEO) has been the Club secretary role from 1 August 2022.

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 \$ 403,069 (2021: \$ 426,456).

Review of operations

Gross profit from bar and cafe trading amounted to \$908,937 and gross profit percentage of 61% was obtained from sales of \$1,493,114.

Net gaming revenue amounted to \$1,796,932 and compares with \$1,776,495 in 2021.

Karuah & District R.S.L. Club Limited

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Directors' Report 30 September 2022

Meetings of Directors

During the financial year, 11 meetings of Directors were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
M. Hardy	11	9
A. Third	11	10
G. Roworth	11	11
J. Henderson	11	10
E. Wilson	11	9
T. Davies	11	10
J. Johnston	11	11
O. Hurstfield (Appointed 6 February 2022)	7	6
P. Fidden (Resigned 30 March 2022)	6	5

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 2022 the collective liability of members was \$12,406 (2021: \$11,870).

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 2022 has been received and can be found on page 4 of the financial report.

Karuah & District R.S.L. Club Limited

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Directors' Report 30 September 2022

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.

O. Hurstfield, with less than 12 months tenure, will complete the mandatory training prior to completion of 12 months' service. All other Directors have completed the mandatory training.

Disclosure of Core & Non-Core Property

Pursuant to Section 41J(2) of the Registered Club Acts for the financial year ended 30 September 2022:

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 9 November 2022

Karuah & District R.S.L. Club Limited


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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 2022, 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

2 November 2022

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 2022, 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 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards - Simplified Disclosures. 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 2021 and 2022 and acknowledges the closure of the Club from 5pm on 5 August 2021 to 11 October 2021.

Karuah & District R.S.L. Club Limited

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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 - Simplified Disclosures 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 - Simplified 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Karuah & District R.S.L. Club Limited

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

N. Nancarrow CA
Director

NEWCASTLE

10 November 2022

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Innovative thinking. Traditional values.

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 32, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosures; and
 - b. give a true and fair view of the financial position as at 30 September 2022 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 9 November 2022

Karuah & District R.S.L. Club Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 September 2022

	2022	2021
Note	\$	\$
Bar sales	1,369,493	1,166,677
Less: Bar cost of goods sold	<u>(521,559)</u>	<u>(431,626)</u>
Cafe sales	123,621	111,637
Less: Cafe cost of goods sold	<u>(62,618)</u>	<u>(47,589)</u>
	<u>61,003</u>	64,048
Gross profit	908,937	799,099
Gaming machine net clearances	1,796,932	1,776,495
Tab and Keno Commissions	141,134	117,848
Raffles and bingo revenue	186,704	170,581
Other revenue from contracts with customers	2 54,595	55,364
Other revenue from ordinary activities	2 70,977	62,658
Other revenue from non-ordinary activities	2 49,986	89,530
Borrowing cost expense	(59,480)	(72,314)
Bar trading expenses	(349,953)	(296,581)
Cafe expenses	(98,632)	(107,315)
Gaming machine trading expenses	(393,911)	(425,955)
Tab and Keno expenses	(214,453)	(196,205)
Raffle and bingo expenses	(169,296)	(156,658)
Occupancy expenses	(320,816)	(308,795)
Club promotion and entertainment expenses	(122,954)	(106,323)
Depreciation and amortisation expenses	(518,031)	(529,373)
Administrative expenses	(544,572)	(481,493)
Other expenses from ordinary activities	<u>(28,308)</u>	18,769
Profit before income tax	388,859	409,332
Income tax expense/(benefit)	<u>(14,210)</u>	<u>(17,124)</u>
Profit / (loss) after income tax	403,069	426,456
Other comprehensive income for the year	-	-
Total comprehensive income / (loss)	<u>403,069</u>	<u>426,456</u>

The accompanying notes form part of these financial statements.

Karuah & District R.S.L. Club Limited

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Statement of Financial Position

As At 30 September 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	239,245	368,298
Trade and other receivables	8	(4,308)	11,789
Inventories	9	42,644	35,862
Prepayments	10	118,450	30,943
TOTAL CURRENT ASSETS		<u>396,031</u>	446,892
NON-CURRENT ASSETS			
Property, plant and equipment	11	5,882,266	6,180,323
Investment property	12	1,437,655	1,437,655
Deferred tax assets	6	77,939	61,602
Intangible assets	13	309,320	309,320
Right-of-use assets	14	6,433	12,867
TOTAL NON-CURRENT ASSETS		<u>7,713,613</u>	8,001,767
TOTAL ASSETS		<u><u>8,109,644</u></u>	<u>8,448,659</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	174,256	124,111
Short-term borrowings	16	258,650	277,819
Current tax liabilities	6	-	(195)
Short-term provisions	17	166,802	212,335
Lease liabilities		6,879	6,558
TOTAL CURRENT LIABILITIES		<u>606,587</u>	620,628
NON-CURRENT LIABILITIES			
Long-term borrowings	16	1,107,198	1,824,039
Deferred tax liabilities	6	75,831	73,704
Long-term provisions	17	-	6,450
Lease liabilities		2,964	9,843
TOTAL NON-CURRENT LIABILITIES		<u>1,185,993</u>	1,914,036
TOTAL LIABILITIES		<u>1,792,580</u>	2,534,664
NET ASSETS		<u><u>6,317,064</u></u>	<u>5,913,995</u>
EQUITY			
Reserves		619,933	619,933
Retained Earnings		5,697,131	5,294,062
TOTAL EQUITY		<u><u>6,317,064</u></u>	<u>5,913,995</u>

The accompanying notes form part of these financial statements.

Karuah & District R.S.L. Club Limited

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Statement of Changes in Equity For the Year Ended 30 September 2022

2022

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 October 2021	5,294,062	619,933	5,913,995
Profit attributable to members	403,069	-	403,069
Balance at 30 September 2022	<u>5,697,131</u>	<u>619,933</u>	<u>6,317,064</u>

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>

The accompanying notes form part of these financial statements.

Karuah & District R.S.L. Club Limited

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Statement of Cash Flows

For the Year Ended 30 September 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	4,103,935	3,835,607
Payments to suppliers and employees	(3,268,119)	(2,914,584)
Interest received	109	24
Income tax (paid) / refunded	195	10,741
Borrowing costs	(59,480)	(72,314)
Federal Government - Cashflow Boost	-	12,500
State Government - Small Business Grants	1,500	3,000
State Government - COVID-19 Business Grant	-	7,500
State Government - JobSaver	48,486	82,030
Net cash provided by / (used in) operating activities	<u>826,626</u>	<u>964,504</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property, plant and equipment	-	24,000
Purchase of property, plant and equipment	(213,540)	(318,386)
Purchase of investment property additions	-	(22,655)
Net cash used by investing activities	<u>(213,540)</u>	<u>(317,041)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(736,010)	(697,263)
Repayment of leases	(6,129)	(9,647)
Net cash provided by / (used in) financing activities	<u>(742,139)</u>	<u>(706,910)</u>
Net increase / (decrease) in cash and cash equivalents held	(129,053)	(59,447)
Cash and cash equivalents at beginning of year	368,298	427,745
Cash and cash equivalents at end of financial year	7 <u>239,245</u>	<u>368,298</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 2022

1 Summary of Significant Accounting Policies

(a) Basis of preparation

These general purpose have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), 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.

From 5pm on 5 August 2021, The Club was forced to close by the NSW Government due to the escalating transmission of COVID-19 within NSW regional areas. The closure was imposed in a Statewide lockdown to restrict the spread of the virus. The Club was unable to trade during this closure period. The Club re-opened on 11 October 2021 (Closure period was 66 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.

Karuah & District R.S.L. Club Limited

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Notes to the Financial Statements

For the Year Ended 30 September 2022

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 Board and Management continue to monitor the continuing challenges that COVID-19 presents. Strategies will be engaged again if required to minimise the impact of COVID-19 on the Club's financial performance should government and health authorities direct businesses to restrict trade or close for a period of time.

(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

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Notes to the Financial Statements

For the Year Ended 30 September 2022

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:

Class of Fixed Asset	Depreciation Rate
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 2022

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 2022

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 2022 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 2022

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 2022

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 2022

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 2022

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 or amended Accounting Standards and Interpretations adopted

The Club has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Club.

The following Accounting Standards and Interpretations are most relevant to the Club:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Club has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Club's 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 2022

1 Summary of Significant Accounting Policies

(v) New or amended Accounting Standards and Interpretations adopted

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The Club has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. These simplified disclosures replace the Reduced Disclosure Requirements under *AASB 1053 – Application of Tiers of Australian Accounting Standards*.

The movement from the Reduced Disclosure reporting format to Simplified Disclosure format has not had a material impact on the presentation and disclosure of the Club's financial information.

(w) Authorisation of Financial Statements

The financial statements were authorised for issue on 9 November 2022 by the Directors.

Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Notes to the Financial Statements For the Year Ended 30 September 2022

2 Revenue

	2022	2021
	\$	\$
Revenue from contracts with customers		
- Trading revenue	3,617,883	3,343,237
Other revenue from contracts with customers		
- Rent received	37,723	39,346
- Membership subscription	16,545	15,640
- Net other bar sales	327	378
Total other revenue from contracts with customers	54,595	55,364
Total revenue from contracts with customers	3,672,478	3,398,601
Other revenue from ordinary activities		
- Interest received	109	24
- Commissions received	35,423	31,999
- Rebate for GST on gaming machine duty	17,180	17,180
- Sundry income	18,265	13,455
Total other revenue from ordinary activities	70,977	62,658
Other revenue from non-ordinary activities		
- NSW Government - Small Business Grants	1,500	-
- NSW Government - COVID-19 Business Grant	-	7,500
- NSW Government JobSaver Income	48,486	82,030
Total other revenue from non-ordinary activities	49,986	89,530
Total Revenue	3,793,441	3,550,789

Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Notes to the Financial Statements

For the Year Ended 30 September 2022

3 Result for the Year

Expenses

	2022	2021
	\$	\$
Net (profit) / loss on disposal of non current assets	-	(24,000)

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	<u>186,110</u>	<u>140,248</u>
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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 25% (2021: 26%)	97,215	106,426
Add:		
Tax effect of:		
- other non-allowable items	7,077	1,360
- depreciation on buildings	51,875	53,950
- under provision in prior year	-	(4,105)
	<u>58,952</u>	<u>51,205</u>
Less:		
Tax effect of:		
- building write-off deduction	(69,989)	(72,788)
- net adjustment for principle of mutuality apportionment of members income and expenses	(100,388)	(101,967)
Income tax expense/(benefit)	<u>(14,210)</u>	<u>(17,124)</u>

Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Notes to the Financial Statements For the Year Ended 30 September 2022

6 Tax

	2022	2021
	\$	\$
Income tax payable / (receivable)	-	(195)

Recognised deferred tax assets and liabilities

Deferred tax assets	<u>77,939</u>	<u>61,602</u>
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Deferred tax liabilities	<u>75,831</u>	<u>73,704</u>
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7 Cash and Cash Equivalents

Cash on hand	140,000	120,000
Cash at bank	99,835	248,888
Security deposits	(590)	(590)
	<u>239,245</u>	<u>368,298</u>

8 Trade and Other Receivables

CURRENT		
Trade and other receivables	<u>(4,308)</u>	<u>11,789</u>

9 Inventories

CURRENT		
At cost:		
Stock on hand	<u>42,644</u>	<u>35,862</u>

10 Other Assets

CURRENT		
Prepayments	<u>118,450</u>	<u>30,943</u>

Karuah & District R.S.L. Club Limited

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Notes to the Financial Statements For the Year Ended 30 September 2022

11 Property, Plant and Equipment

	2022	2021
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At fair value	910,400	910,400
Total Land	910,400	910,400
Building		
At fair value	4,150,000	4,150,000
Accumulated depreciation	(467,159)	(259,658)
Total buildings	3,682,841	3,890,342
Total land and buildings	4,593,241	4,800,742
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	11,091	10,590
Plant and equipment		
At cost	2,215,096	2,161,841
Accumulated depreciation	(1,263,152)	(1,094,066)
Total plant and equipment	951,944	1,067,775
Gaming machines		
At cost	1,341,796	1,288,214
Accumulated depreciation	(1,015,806)	(986,998)
Total gaming machines	325,990	301,216
Total plant and equipment	1,289,025	1,379,581
Total property, plant and equipment	5,882,266	6,180,323

Karuah & District R.S.L. Club Limited

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Notes to the Financial Statements For the Year Ended 30 September 2022

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
	\$	\$	\$	\$	\$	\$
2022						
Balance at the beginning of year	10,590	910,400	3,890,342	1,067,775	301,216	6,180,323
Additions	501	-	-	66,474	146,565	213,540
Disposals - written down value	-	-	-	-	-	-
Transfers (to) / from investment property	-	-	-	-	-	-
Depreciation expense	-	-	(207,500)	(182,306)	(121,791)	(511,597)
Balance at 30 September 2022	11,091	910,400	3,682,842	951,943	325,990	5,882,266

(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 2022 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

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Notes to the Financial Statements For the Year Ended 30 September 2022

12 Investment Property

	2022	2021
	\$	\$
Investment property		
At fair value	1,415,000	1,415,000
Subsequent additions at cost	22,655	22,655
Total	1,437,655	1,437,655
(a) Movements in carrying amounts		
Balance at beginning of the period	1,437,655	1,415,000
Transfers (to) / from property, plant and equipment	-	22,655
	1,437,655	1,437,655

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	309,320	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 2022 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 2022

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.

	2022	2021
	\$	\$
Leased photocopier	25,733	25,733
Accumulated amortisation	(19,300)	(12,866)
	6,433	12,867
Movements in carrying amounts		
Opening carrying amount	12,867	19,300
Amortisation expense	(6,434)	(6,433)
Net carrying amount	6,433	12,867
(i) AASB 16 related amounts recognised in the statement of profit or loss		
Interest expense on lease liabilities	642	947
Amortisation of right-of-use assets	6,434	6,433
(ii) Total future lease payments at the end of the reporting period		
Future lease payments are due as follows		
Within one year	7,200	7,200
One to five years	3,000	10,200
	10,200	17,400

15 Trade and Other Payables

CURRENT

Unsecured liabilities

Trade creditors & accruals	138,586	97,542
Members subscriptions in advance	35,670	26,569
	174,256	124,111

Karuah & District R.S.L. Club Limited

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Notes to the Financial Statements For the Year Ended 30 September 2022

16 Borrowings

	2022	2021
	\$	\$
CURRENT		
Secured liabilities:		
Bank loans	258,650	275,514
Hire purchase facility	-	2,305
	<u>258,650</u>	<u>277,819</u>
NON-CURRENT		
Secured liabilities:		
Bank loans	<u>1,107,198</u>	<u>1,824,039</u>
Total borrowings	<u>1,365,848</u>	<u>2,101,858</u>
(a) Total current and non-current secured liabilities		
Bank loans	1,365,848	2,099,553
Hire purchase facility	-	2,305
	<u>1,365,848</u>	<u>2,101,858</u>
(b) The carrying amounts of non-current assets pledged as security are:		
Land and Buildings	4,593,241	4,800,742
Investment Property	<u>1,437,655</u>	<u>1,437,655</u>
	<u>6,030,896</u>	<u>6,238,397</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.

Karuah & District R.S.L. Club Limited

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Notes to the Financial Statements For the Year Ended 30 September 2022

16 Borrowings

(d) Unused borrowing facilities

	2022	2021
	\$	\$
Bank Loans	1,253,315	833,675
Bank Overdraft	20,000	20,000
Investment Property Loan	8,594	7,227
	<u>1,281,909</u>	<u>860,902</u>

17 Provisions

CURRENT

Employee benefits	<u>166,802</u>	<u>212,335</u>
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NON-CURRENT

Employee benefits	<u>-</u>	<u>6,450</u>
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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 80 (2021 - 102).

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.

Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Notes to the Financial Statements For the Year Ended 30 September 2022

19 Related Parties

(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:

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

20 Capital and Leasing Commitments

(a) Capital expenditure commitments

	2022	2021
	\$	\$
Capital expenditure commitments contracted for:		
Gaming machines	-	46,090
	<u>-</u>	<u>46,090</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.

22 Auditors' Remuneration

Cutcher & Neale Assurance Pty Limited		
- Audit of the financial statements	12,750	12,500
- Accounting, taxation and other services	19,953	24,453
	<u>32,703</u>	<u>36,953</u>

Karuah & District R.S.L. Club Limited

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Compilation Report 30 September 2022

Scope

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 and for the purpose that the financial statements were prepared.

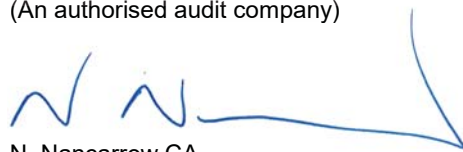
Our Responsibility

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*.

Our procedure use accounting expertise to collect, classify and summarise the financial information, which the Directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively 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

2 November 2022

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 2022

	2022	2021
	\$	\$
SUMMARY STATEMENT		
INCOME		
PROFIT/(LOSS) BAR TRADING	497,981	438,470
PROFIT/(LOSS) GAMING MACHINE TRADING	1,403,021	1,350,540
PROFIT/(LOSS) CAFE TRADING	(37,629)	(43,267)
PROFIT/(LOSS) KENO TRADING	25,973	9,558
PROFIT/(LOSS) TAB TRADING	(99,292)	(87,915)
PROFIT/(LOSS) RAFFLE TRADING	17,408	13,923
OTHER INCOME	175,558	207,552
TOTAL	<u>1,983,020</u>	<u>1,888,861</u>
LESS: EXPENSES		
OPERATING EXPENSES	<u>1,016,650</u>	<u>901,842</u>
TOTAL EXPENSES	<u>1,016,650</u>	<u>901,842</u>
OPERATING PROFIT	<u>966,370</u>	<u>987,019</u>
DEDUCT NON CASH CHARGES:		
LOSS/(PROFIT) ON SALE OF FIXED ASSETS	-	(24,000)
DEPRECIATION	511,597	522,940
AMORTISATION - LEASES	6,434	6,433
INTEREST	58,838	71,367
INTEREST - LEASES	642	947
	<u>577,511</u>	<u>577,687</u>
PROFIT/(LOSS) BEFORE INCOME TAX	<u>388,859</u>	<u>409,332</u>
INCOME TAX EXPENSE / (BENEFIT)	(14,210)	(17,124)
PROFIT/(LOSS) AFTER INCOME TAX	<u>403,069</u>	<u>426,456</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 2022

	2022	2021
	\$	\$
BAR TRADING ACCOUNT		
GROSS BAR SALES	1,369,493	1,166,677
TOTAL	<u>1,369,493</u>	<u>1,166,677</u>
<i>LESS: COST OF GOODS SOLD</i>		
OPENING STOCK	32,286	36,158
BAR PURCHASES	587,130	481,182
BEER REBATE	(58,723)	(53,428)
CLOSING STOCK	(39,134)	(32,286)
TOTAL COST OF GOODS SOLD	<u>521,559</u>	<u>431,626</u>
GROSS PROFIT/(LOSS)	<u>847,934</u>	<u>735,051</u>
GROSS PROFIT % SALES	62%	63%
<i>LESS EXPENSES</i>		
BAR WAGES	324,268	277,456
% WAGES TO SALES	23.7%	23.8%
FREIGHT & CARTAGE	11,359	8,116
BAR SUPPLIES & REPAIRS & MAINTENANCE	14,326	11,009
TOTAL	<u>349,953</u>	<u>296,581</u>
BAR TRADING NET PROFIT	<u>497,981</u>	<u>438,470</u>
% SALES	36%	38%
GAMING MACHINES TRADING ACCOUNT		
GAMING MACHINE METERED TURNOVER	23,593,667	20,857,144
LESS: GAMING MACHINE METERED WINS	(21,617,042)	(18,903,000)
LESS: GST LIABILITY	(179,693)	(177,649)
NET REVENUE	<u>1,796,932</u>	<u>1,776,495</u>
<i>LESS EXPENSES</i>		
GAMING MACHINE DUTY	219,274	266,191
CLUB GRANTS	18,153	16,993
CMS MONITORING	22,477	20,232
REPAIRS & MAINTENANCE	40,136	31,817
GAMING MACHINE WAGES	93,871	90,722
TOTAL	<u>393,911</u>	<u>425,955</u>
GAMING MACHINE TRADING PROFIT/(LOSS)	<u>1,403,021</u>	<u>1,350,540</u>
% SALES	78%	76%

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 2022

	2022	2021
	\$	\$
CAFE TRADING ACCOUNT		
GROSS CAFE SALES	123,621	111,637
TOTAL	<u>123,621</u>	<u>111,637</u>
LESS: COST OF GOODS SOLD		
CAFE OPENING STOCK	1,140	232
CAFE PURCHASES	62,913	48,497
CAFE CLOSING STOCK	(1,435)	(1,140)
TOTAL COST OF GOODS SOLD	<u>62,618</u>	<u>47,589</u>
GROSS PROFIT / (LOSS)	<u>61,003</u>	<u>64,048</u>
GROSS PROFIT % SALES	49%	53%
LESS EXPENSES		
CAFE WAGES	91,759	103,337
% WAGES TO SALES	74%	93%
SUNDRY PURCHASES	6,873	3,978
TOTAL	<u>98,632</u>	<u>107,315</u>
CAFE TRADING NET PROFIT	<u>(37,629)</u>	<u>(43,267)</u>
% SALES	(30%)	(39%)
KENO TRADING ACCOUNT		
KENO COMMISSION	126,358	98,701
KENO INCOME	<u>126,358</u>	<u>98,701</u>
<i>LESS: EXPENSES</i>		
KENO WAGES	95,721	84,926
PRINTING & STATIONERY	401	-
REPAIRS & MAINTENANCE	4,263	4,217
TOTAL EXPENSES	<u>100,385</u>	<u>89,143</u>
KENO TRADING PROFIT/(LOSS)	<u>25,973</u>	<u>9,558</u>
TAB TRADING ACCOUNT		
TAB COMMISSION	14,776	19,147
TOTAL	<u>14,776</u>	<u>19,147</u>
<i>LESS: TAB EXPENSES</i>		
TAB WAGES	97,537	87,700
STATIONERY & MAINTENANCE	653	295
PROMOTIONS	3,895	4,180
SKY CHANNEL	11,983	14,887
TOTAL EXPENSES	<u>114,068</u>	<u>107,062</u>
TAB TRADING PROFIT/(LOSS)	<u>(99,292)</u>	<u>(87,915)</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 2022

	2022	2021
	\$	\$
RAFFLE & BINGO TRADING ACCOUNT		
RAFFLE & BINGO TICKET SALES	186,704	170,581
TOTAL	<u>186,704</u>	<u>170,581</u>
<i>LESS: EXPENSES</i>		
RAFFLE & BINGO EXPENSES	162,697	150,417
BINGO WAGES	6,599	6,241
TOTAL EXPENSES	<u>169,296</u>	<u>156,658</u>
RAFFLE & BINGO TRADING PROFIT/(LOSS)	<u>17,408</u>	<u>13,923</u>
OTHER INCOME		
COMMISSION RECEIVED	35,423	31,999
INTEREST RECEIVED	109	24
MEMBERS SUBSCRIPTIONS	16,544	15,640
RENT RECEIVED	37,725	39,346
GAMING MACHINE GST REBATE	17,180	17,180
HALL & EQUIPMENT HIRE	-	727
SUNDRY INCOME	12,636	-
KARUAH KONNECT INCOME	5,629	-
NET PROFIT / (LOSS) - BAR SUNDRIES	326	378
STATE GOVERNMENT - COVID-19 BUSINESS GRANT	-	7,500
STATE GOVERNMENT - JOBSAVER	48,486	82,030
STATE GOVERNMENT - SMALL BUSINESS GRANTS	1,500	-
INSURANCE PROCEEDS	-	12,728
TOTAL	<u>175,558</u>	<u>207,552</u>
LESS: EXPENSES		
MEMBER EXPENSES		
ADVERTISING & PROMOTION	10,311	7,490
ANZAC DAY EXPENSES	2,580	171
COURTESY BUS	15,577	20,689
MEMBERS AMENITIES	61,808	35,689
NET FUNCTIONS EXPENSES	-	77
ENTERTAINMENT	22,252	22,084
REDEMPTION POINTS	10,426	20,123
	<u>122,954</u>	<u>106,323</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 2022

	2022	2021
	\$	\$
OCCUPANCY EXPENSES		
CLEANING EXPENSES	10,154	8,076
CLEANING WAGES	87,614	76,986
CONTRACT GREEN KEEPER	58,989	55,705
ELECTRICITY & GAS	55,092	58,797
LEASE LANDS	15,000	22,210
PEST CONTROL	2,282	1,675
RATES & TAXES	13,356	15,075
RENTAL PROPERTY	17,010	15,026
REPAIRS & MAINTENANCE	51,980	45,971
REPAIRS & MAINTENANCE - GREENS	3,845	2,896
SECURITY	3,150	1,733
TELEPHONE	2,344	4,645
	<u>320,816</u>	<u>308,795</u>
ADMINISTRATIVE EXPENSES		
ACCOUNTANCY & AUDIT FEES	37,590	35,357
ANNUAL MEETING EXPENSES	-	1,175
BANK CHARGES	12,254	10,321
CASH DISCREPANCIES	154	(253)
CONSULTANCY EXPENSES	-	2,873
DIRECTORS EXPENSES	19,112	16,282
DONATIONS	28,309	5,231
INSURANCE	85,624	70,276
LEGAL COSTS	-	1,058
MORTALITY EXPENSES	300	200
MOTOR VEHICLE EXPENSES	7,640	1,664
PAYROLL TAX	-	(2,919)
PRINTING, POSTAGE & STATIONERY	1,984	2,388
SALARIES - ADMINISTRATION	232,171	213,545
STAFF DRINKS	1,801	2,063
STAFF SUNDRY EXPENSES	11,889	11,376
STAFF TRAINING	1,276	1,799
SULLAGE FEES	12,780	10,017
SUBSCRIPTIONS	11,025	9,145
SUPERANNUATION CONTRIBUTIONS	98,225	84,662
SUNDRY	5,166	5,407
TRAVEL EXPENSES	-	36
UNIFORMS	5,580	5,021
	<u>572,880</u>	<u>486,724</u>
TOTAL EXPENSES	<u>1,016,650</u>	<u>901,842</u>