

CLUB MACQUARIE LIMITED

ABN 29 315 070 855

Summary Financial Report
For the Year Ended
30 June 2023

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A copy of the Club's 2023 full financial statements, including the independent audit report, is available to all members and will be sent to members without charge upon request.

The financial statements and other specific disclosures have been derived from Club Macquarie Limited's (the Club's) full financial statements for the financial year. Other information included in the Summary Financial Statements is consistent with the Club's full financial statements.

The Summary Financial Statements do not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Club as the full financial statements.

Club Macquarie Limited

ABN 29 315 070 855

Directors' Report

30 June 2023

Your Directors present their report on Club Macquarie Limited for the financial year ended 30 June 2023.

Directors

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

Name	Position	Occupation	Years' Service
B. R. Mortomore	President	Retired	2
R. W. McGuigan	Vice President	Retired	2
B. J. Naylor	Director	Retired	2
J. F. Tupou	Director	Company Director - Sales Rep	2
K. Freer	Director	Retired Businessman	1
R. Kemp	Director	Retired Businessman	Appointed 23/11/2023

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. Mark Chaffey, who is also the Chief Executive Officer of the Club, has been the Club Secretary since 31 March 2021.

Members guarantee

Club Macquarie Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the Club, the amount capable of being called up from each member and any person who ceased to be a member in the year prior to the winding up, is limited to \$1 for all members, subject to the provisions of the Club's constitution.

At 30 June 2023 the collective liability of members was \$ 5,871 (2022: \$ 5,623).

Principal activities

The principal activity of Club Macquarie 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 loss of the Club after providing for income tax amounted to \$ 170,581 (2022: loss of \$114,763).

Club Macquarie Limited

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Directors' Report

30 June 2023

Review of operations

Gross profit from bar trading amounted to \$760,311 and gross profit percentage of 62% was obtained from sales of \$1,231,659.

Gross profit from catering trading amounted to \$1,141,953 and gross profit percentage of 60% was obtained from sales of \$1,912,606.

Net gaming revenue amounted to \$3,527,910 and compares with \$2,423,472 in 2022.

Net operating profit from Macquarie 4 Star amounted to \$856,648 and compares with \$541,370 in 2022.

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

	2023 \$	2022 \$
Reported operating profit / (loss) after tax	(170,581)	(114,763)
Add back: depreciation	1,134,232	1,054,901
Operating profit / (loss) before depreciation	963,651	940,138
Add back: (profit) / loss on sale of non-current assets	11,431	8,709
Less: interest received	(10,744)	(182)
Add back: income tax expense / (benefit)	24,551	55,739
Add back: borrowing costs	5,181	4,207
EBITDA	994,070	1,008,611
Total Revenue	8,779,035	6,175,767
EBITDA % of Revenue	11.32%	16.33%

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
B. R. Mortomore	12	12
B. J. Naylor	12	12
R. W. McGuigan	12	12
J. F. Tupou	12	10
K. Freer	12	12
R. Kemp (Appointed 23/11/2022)	7	7

Significant changes in state of affairs

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

Club Macquarie Limited

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Directors' Report

30 June 2023

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

Environmental issues

The Club's operations are subject to environmental regulations under the laws of the Commonwealth and State of Australia. The Directors are not aware of any breaches of the legislation during the financial year which are material in nature.

Short and long term objectives

The Club has established short and long term objectives as outlined in the Club's business plan which is reviewed on an annual basis. These objectives are 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.

Disclosure of Core and Non-Core Property

Pursuant to Section 41J(2) of the Registered Clubs Act 1976 and for the financial year ended 30 June 2023, the Directors have determined that the property of the Club shall be classified as follows:

Address	Current Usage	Classification
458 Lake Road, Argenton NSW 2284	Club Premises	Core
Unit 15, 15 Bidjigal Road, Arncliffe NSW 2205	Investment Property	Non-Core

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 5 of the financial report.

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.

Club Macquarie Limited

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Directors' Report

30 June 2023

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.


Five Directors, B. R. Mortomore, B. J. Naylor, J. F. Tupou, R. W. McGuigan and K. Freer have completed the mandatory training. The remaining Director, with less than 12 months' tenure, will complete mandatory training prior to completion of 12 months' service.

Directors emoluments

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Club, with a Director, a firm of which the Director is a member or an entity in which the Director has a substantial financial interest.

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

Director: 

Director: 

Dated 26 July 2023

Club Macquarie Limited

ABN 29 315 070 855

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Club Macquarie Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

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



N. Nancarrow CA
Director

19 July 2023

NEWCASTLE

Newcastle 130 Parry Street Newcastle West NSW 2302 **T** 02 4928 8500 **F** 02 4926 1971 **E** cnmail@cutcher.com.au **M** PO Box 694 Newcastle NSW 2300

Sydney Suite 1102, Level 11, 20 Berry Street (PO Box 281) North Sydney NSW 2059 **T** 02 9923 1817

Brisbane Suite 5, 36 Agnes Street (PO Box 91) Fortitude Valley QLD 4006 **T** 07 3268 4944

Liability Limited by a scheme approved under Professional Standards Legislation. Cutcher & Neale Assurance Pty Ltd ABN 37 126 556 330

Club Macquarie Limited

ABN 29 315 070 855

Independent Audit Report to the members of Club Macquarie Limited

Report on the Audit of the Financial Report

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 30 June 2023, the summary statement of profit or loss and other comprehensive income, the summary statement of changes in equity, the summary statement of cash flows, discussion and analysis of the financial statements and the Directors' Declaration for the year then ended, and related notes, are derived from the audited financial report of Club Macquarie Limited for the year ended 30 June 2023.

In our opinion, the accompanying summary financial statements are consistent, in all material respects with the audited financial statements, on the basis described in Note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Australian Accounting Standards – Simplified Disclosure Requirements. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial report in our report dated 27 July 2023.

Directors' Responsibility for the Summary Financial Statements

The Directors are responsible for the preparation of the summary financial statements on the basis described in Note 1.

Auditors Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial report based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

Club Macquarie Limited

ABN 29 315 070 855

Independent Audit Report to the members of Club Macquarie Limited

Emphasis of Matter - COVID-19

We draw attention to Note 1(b) in the financial statements, which discusses the impact of COVID-19 on the Club's operations and finances. Our opinion is not modified in respect of this matter.

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



N. Nancarrow CA
Director

NEWCASTLE

27 July 2023

Newcastle 130 Parry Street Newcastle West NSW 2302 **T** 02 4928 8500 **F** 02 4926 1971 **E** cnmail@cutcher.com.au **M** PO Box 694 Newcastle NSW 2300

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Club Macquarie Limited


ABN 29 315 070 855


Directors' Declaration

In the Directors' opinion, the summary financial statements of Club Macquarie Limited for the financial year ended 30 June 2023, as set out on pages 9 to 15:

- a. comply with Accounting policies as described in Note 1; and
- b. have been derived from and are consistent with the full financial statements of Club Macquarie Limited.

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

Director 

Director 

Dated 26 July 2023

Club Macquarie Limited

ABN 29 315 070 855

Summary Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
Bar sales	1,231,659	778,013
Less: Bar cost of goods sold	(471,348)	(289,537)
Catering Sales	1,912,606	1,139,513
Less: Catering cost of goods sold	(770,653)	(393,114)
Gross profit	<u>1,902,264</u>	1,234,875
Gaming machine net clearances	3,527,910	2,423,472
Keno and TAB commissions	77,991	48,588
Raffles and bingo revenue	186,110	115,352
Motel revenue	1,544,902	1,007,812
Functions revenue	139,977	81,609
Other revenue from contracts with customers	2	26,684
Other revenue from ordinary activities	2	131,196
Other revenue from non-ordinary activities	2	-
	-	344,208
Borrowing cost expenses	(5,181)	(4,207)
Bar trading expenses	(373,102)	(211,005)
Catering trading expenses	(1,224,469)	(773,179)
Function trading expenses	(1,948)	(1,536)
Gaming machine trading expenses	(855,713)	(601,653)
Keno and TAB expenses	(72,608)	(61,820)
Raffle and bingo expenses	(314,984)	(209,621)
Occupancy expenses	(653,477)	(517,442)
Club promotion and entertainment expenses	(316,224)	(170,164)
Motel trading expenses	(688,254)	(466,442)
Depreciation of property plant and equipment	(1,134,232)	(1,054,901)
Investment property expenses	(4,897)	(5,040)
Administrative expenses	(2,026,544)	(1,466,421)
Loss on sale of plant and equipment	(11,431)	(8,709)
Profit / (loss) before income tax	(146,030)	(59,024)
Income tax (expense)/benefit	(24,551)	(55,739)
Profit / (loss) after income tax	(170,581)	(114,763)
Other comprehensive income	-	-
Total comprehensive income / (loss)	(170,581)	(114,763)

The accompanying notes form part of these financial statements.

Club Macquarie Limited

ABN 29 315 070 855

Summary Statement of Financial Position As At 30 June 2023

	2023	2022
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	1,816,933	1,743,201
Trade and other receivables	51,080	65,588
Inventories	61,904	50,602
Other assets	153,569	111,977
TOTAL CURRENT ASSETS	<u>2,083,486</u>	<u>1,971,368</u>
NON-CURRENT ASSETS		
Property, plant and equipment	6,766,807	7,283,786
Investment property	831,029	831,029
Intangible assets	162,684	162,684
Deferred tax assets	67,726	66,138
TOTAL NON-CURRENT ASSETS	<u>7,828,246</u>	<u>8,343,637</u>
TOTAL ASSETS	<u>9,911,732</u>	<u>10,315,005</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	580,594	860,445
Short-term borrowings	106,177	84,420
Short-term provisions	220,504	189,940
Other liabilities	97,823	79,439
TOTAL CURRENT LIABILITIES	<u>1,005,098</u>	<u>1,214,244</u>
NON-CURRENT LIABILITIES		
Trade and other payables	21,348	64,044
Long-term borrowings	1,840	1,747
Deferred tax liabilities	113,205	87,066
Long-term provisions	12,503	19,585
TOTAL NON-CURRENT LIABILITIES	<u>148,896</u>	<u>172,442</u>
TOTAL LIABILITIES	<u>1,153,994</u>	<u>1,386,686</u>
NET ASSETS	<u>8,757,738</u>	<u>8,928,319</u>
EQUITY		
Retained earnings	8,757,738	8,928,319
TOTAL EQUITY	<u>8,757,738</u>	<u>8,928,319</u>

The accompanying notes form part of these financial statements.

Club Macquarie Limited

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Summary Statement of Changes in Equity For the Year Ended 30 June 2023

2023

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2022	8,928,319	8,928,319
Profit / (loss) attributable to members	<u>(170,581)</u>	<u>(170,581)</u>
Balance at 30 June 2023	<u>8,757,738</u>	<u>8,757,738</u>

2022

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2021	9,043,082	9,043,082
Profit / (loss) attributable to members	<u>(114,763)</u>	<u>(114,763)</u>
Balance at 30 June 2022	<u>8,928,319</u>	<u>8,928,319</u>

The accompanying notes form part of these financial statements.

Club Macquarie Limited

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

	2023	2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	9,598,300	6,407,064
Interest received	10,744	182
Payments to suppliers and employees	(8,923,297)	(5,368,518)
Borrowing costs	(5,181)	(4,207)
State Government JobSaver	-	344,208
Net cash provided by (used in) operating activities	<u>680,566</u>	<u>1,378,729</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant & equipment	(628,684)	(1,244,827)
Proceeds from sale of property, plant & equipment	-	55,000
Net cash used by investing activities	<u>(628,684)</u>	<u>(1,189,827)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	159,266	140,575
Repayment of borrowings	(137,416)	(136,408)
Net cash used by financing activities	<u>21,850</u>	<u>4,167</u>
Net increase / (decrease) in cash and cash equivalents held	73,732	193,069
Cash and cash equivalents at beginning of year	<u>1,743,201</u>	<u>1,550,132</u>
Cash and cash equivalents at end of financial year	<u><u>1,816,933</u></u>	<u><u>1,743,201</u></u>

The accompanying notes form part of these financial statements.

Club Macquarie Limited

ABN 29 315 070 855

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

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The summary financial statements have been prepared from the audited financial report of Club Macquarie Limited for the year ended 30 June 2023. The audited report for the year ended 30 June 2023 is available at request from Club Macquarie Limited.

The financial statements, specific disclosures and the other information included in the summary financial statements are derived from and are consistent with the full financial statements of Club Macquarie Limited. The summary financial statements cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Club Macquarie Limited as the full financial statements.

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

(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.

In the prior year (2022), 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.

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.

Club Macquarie Limited

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

1 Summary of Significant Accounting Policies

The Board and Management continue to monitor the 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. At the date of signing the 2023 financial report, no further closures of the Club have occurred since 11 October 2021.

Club Macquarie Limited

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

2 Revenue

	2023	2022
	\$	\$
Revenue from contracts with customers		
- Trading revenue	8,621,155	5,594,359
Other revenue from contracts with customers		
- Membership subscriptions	26,684	17,156
Total other revenue from contracts with customers	26,684	17,156
Total revenue from contracts with customers	8,647,839	5,611,515
Other revenue from ordinary activities		
- Interest income	10,744	182
- Commissions received	59,312	38,622
- Investment property income	35,712	34,508
- Rebate for GST on gaming machine duty	17,180	17,180
- Sundry Income	8,248	129,552
Total other revenue from ordinary activities	131,196	220,044
Other revenue from non-ordinary activities		
- State Government JobSaver	-	344,208
Total other revenue from non-ordinary activities	-	344,208
Total revenue	8,779,035	6,175,767

Club Macquarie Limited

ABN 29 315 070 855

Discussion and Analysis of the Summary Financial Statements For the Year Ended 30 June 2023

Information on Club Macquarie Limited Summary Financial Statements

The financial statements, disclosures and discussion and analysis in the summary financial statements have been derived from the 2023 financial statements of Club Macquarie Limited.

A copy of the full financial statements and auditor's report will be sent to any member, free of charge, upon request. The summary financial statements cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial statements.

The discussion and analysis is provided to assist members in understanding the summary financial statements.

Summary Statement of Profit or Loss and Other Comprehensive Income

The Club has reported an operating loss after tax of \$170,581 for the year ended 30 June 2023 compared to an operating loss after tax of \$114,763 in 2022.

In 2022, the Club has been impacted by COVID-19 with the Club closed from 5 August 2021 to 11 October 2021. The Club was also impacted by the Omicron variant in December 2021 and January 2022 and also the large amount of wet weather during the last six months of the 2022 financial year.

In 2023, the Club was open for trade for the entire year.

It is difficult to compare 2023 to 2022 due to the above impacts. The Club also received \$344k in Government subsidies in 2022 only.

Revenue

Total revenue has increased by \$2.603m or 42.15% compared to 2022. This year, the Club has seen increases in bar sales (\$454k), catering sales (\$773k), gaming machine clearances (\$1.104m) and motel revenue (\$537k).

In 2022, the Club received Government COVID subsidies of \$344k with nothing received in 2023.

Expenditure

Total expenditure has increased by \$2.690m (excluding income tax) or 43.15% compared to 2022. The main changes include:

- Bar COGS and catering COGS are up \$182k and \$376k respectively with the significant increase in revenue from both trading areas in 2023. The increases in revenue has also seen increases in expenses for these areas mainly through increases in wages and repairs and maintenance.
- Gaming machine expenses are up \$254k due to increased duty payable with the increase in net clearances.
- Catering trading expenses are down \$71k mainly due to savings in wages.
- Most other expense areas have increased due to the Club being fully opened for trade in 2023 compared to the closure and other impacts in 2022. Impacts in 2023 also include supplier price increases.

Club Macquarie Limited

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Discussion and Analysis of the Summary Financial Statements For the Year Ended 30 June 2023

An important key performance indicator for clubs is EBITDA as a percentage of revenue. This year the Club has reported an EBITDA percentage of 11.32% compared to 16.33% last year. It is noted that the 2022 EBITDA results include the COVID-19 Government stimulus packages.

Summary Statement of Financial Position

The main changes in assets and liabilities include:

- Cash and cash equivalents has increased \$74k.
- Property, plant and equipment decreased \$517k, which is the net difference between additions, disposals and depreciation for the year. Capital additions totalled \$629k for the year and depreciation expenditure was \$1.134m with disposals of \$12k.
- Trade and other payables (current and non-current) decreased \$323k, mostly as a result of an increase in trade payables at year end.

Summary Statement of Changes in Equity

The equity of the Club has decreased this year due to the reported loss result of \$171k.

Summary Statement of Cashflows

The Club's cash position has increased by \$74k from 2022.

Operating cash inflows have decreased by \$698k compared to 2022, mostly as a result of the decrease in government COVID subsidies received of \$344k. 2023 has seen growth in revenue and expenses as the 2022 included the closure period.

Investing cash outflows have decreased by \$561k this year, mostly due to a significant decrease in asset purchases made this year compared to 2022. This year's asset purchases include gaming machine purchases, courtesy bus and IT upgrades.

Financing cash outflows this year relate to proceeds from borrowing insurance premiums of \$159k, less repayments made of \$137k.