



Cabra-Vale Ex-Active Servicemen's Club Limited

ABN 28 000 102 269

Annual Financial Report
30 June 2024

Cabra-Vale Ex-Active Servicemen's Club Limited

Directors' Report

The directors present their report, together with the financial statements of Cabra-Vale Ex-Active Servicemen's Club Limited (the company) for the year ended 30 June 2024.

Directors

The directors of the company in office at any time during or since the end of the financial year are:

Name	Occupation	Membership	Special Duties	Experience
Robinson OAM, Walter	Retired	15 years	President	7 years Director
Moore, Ronald	Retired	38 years	Vice President	7 years Director
Sharp, Lindsay	Retired	17 years	Director	9 years Director
Farrugia, Joseph	Retired	22 years	Director	7 years Director
Weeks, Christopher (Deceased)	Retired	29 years	Director	3 years Director until 8 February 2024
Burette, Shane	Public Officer	8 years	Director	3 years Director
Betts, Janice	Retired	15 years	Director	1 year Director
Brown, Son	Retired	6 years	Casual Director	Appointed 30 May 2024

Directors' meetings

The number of meetings of the company's Board of Directors (the Board) and the number of meetings attended by each director were:

Director	Number of meetings attended	Number of meetings eligible to attend
Robinson OAM, Walter	13	13
Moore, Ronald	13	13
Sharp, Lindsay	12	13
Farrugia, Joseph	13	13
Weeks, Christopher (Deceased)	1	7
Burette, Shane	13	13
Betts, Janice	13	13
Brown, Son	0	1

Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 30 June 2024 and the comparison with last year is as follows:

	2024	2023
Ex-Active Service	75	74
Service	88	85
Social	65,215	59,144
	<hr/>	<hr/>
	65,303	59,303
	<hr/>	<hr/>

Cabra-Vale Ex-Active Servicemen's Club Limited

Directors' Report (continued)

Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 (2023: \$2) in the event of the winding up of the company during the time that he/she is a member or within one year thereafter. The total liability in the event of winding up is \$130,606 (2023: \$118,606).

Operating result

The net profit from ordinary activities after tax for the year amounted to \$16,534,520 compared with a net profit after tax of \$18,940,765 for the prior year. This resulted after charging \$6,929,772 (2023: \$6,320,776) for depreciation and prior to an income tax expense of \$853,086 (2023: \$1,075,626).

Objectives

Short term

To be the premier club resort in Sydney by exceeding all expectations.

To maintain and improve upon the patron experience by offering quality customer service in an environment that is appreciated by all who visit the Club.

Long term

Diversify our services to members and community, while maintaining our values and standards to remain a leader of the Club and Hospitality industry, including to:

- Provide a responsible and ethical approach to all our services;
- Provide a safe, sustainable environment for all;
- Make our members and guests visit, entertaining, relaxing, enjoyable and fun;
- Service our members and guests with a genuine smile, a friendly welcome and quick, effective and quality service;
- Provide and continuously improve our quality of food, beverages, and entertainment, gaming and other services; and
- Increase our engagement at every level with the local community.

Strategy for achieving the objectives

The Club is implementing a number of strategies to achieve the objectives, including:

- Continuation of the development and planning of (Stage 2) building works comprising of an underground car park, new entertainment spaces, 140 room hotel and new restaurants;
- The development of the Campbelltown RSL Club and arcade premises, which includes a 111 room hotel and new club premises;
- Increasing and promoting community engagement;
- Developing and improving our environmental sustainability; and
- Increasing membership by maximising the engagement with all our sub clubs.

Cabra-Vale Ex-Active Servicemen's Club Limited

Directors' Report (continued)

Principal activity

The principal activity of the company during the year has continued to be operating licensed social clubs.

How this activity assists in achieving the objectives

Operating the licensed social clubs to generate the revenue and cash flows to achieve our objectives.

Performance measurement and key performance indicator

A number of KPIs are employed by the Club in order to measure and improve the Club's performance. The club uses the gross profit percentage and wages to sales percentage to measure the financial performance of departments such as Bars, Catering, etc. The Club also uses EBITDA percentage to measure the financial performance of the Club as a whole. In addition, the Club uses information from Clubs NSW to measure the Club's strategic position at an industry benchmark level.


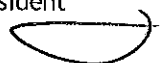
	2024 %	2023 %
Key Performance Indicators		
Bar		
Gross profit percentage	66.53	62.86
Wages to sales percentage	27.53	28.90
Catering		
Gross profit percentage	63.76	58.80
Wages to sales percentage	13.69	14.54
Wages and salaries - percentage of total revenue	18.81	18.37
EBITDA percentage	26.12	26.90

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 4.

Signed in accordance with a resolution of the directors.

Dated at Canley Vale this 13th day of August 2024.


W. Robinson OAM
President


DECLARATION OF INDEPENDENCE BY CLAYTON EVELEIGH TO THE DIRECTORS OF CABRA-VALE EX-ACTIVE SERVICEMEN'S CLUB LIMITED

As lead auditor of Cabra-Vale Ex-Active Servicemen's Club Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Clayton Eveleigh
Director

BDO Audit Pty Ltd

Sydney, 13 August 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Cabra-Vale Ex-Active Servicemen's Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cabra-Vale Ex-Active Servicemen's Club Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in members' funds and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of Cabra-Vale Ex-Active Servicemen's Club Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; 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. 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 Company in accordance with 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 Company, 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.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 Company or to cease operations, or has 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 the Australian Auditing Standards 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 this financial report.

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.

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

Clayton Eveleigh
Director

Sydney, 13 August 2024

Cabra-Vale Ex-Active Servicemen's Club Limited


Directors' Declaration

The directors of Cabra-Vale Ex-Active Servicemen's Club Limited declare that:

- (a) In the directors' opinion the financial statements and notes set out on pages 8 to 29, are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the company's financial position as at 30 June 2024 and of its performance, for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards - Simplified Disclosures and *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- (c) The information disclosed in the attached consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of the directors.

Dated at Canley Vale this 13th day of August 2024.



W. Robinson OAM
President

Cabra-Vale Ex-Active Servicemen's Club Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue			
Sale of goods revenue		5,158,861	4,592,603
Rendering of services revenue		82,777,779	83,503,150
Other revenue		1,359,059	2,593,932
		<hr/>	<hr/>
Total revenue	1	89,295,699	90,689,685
		<hr/>	<hr/>
Other income	1	63,889	101,315
		<hr/>	<hr/>
Expenses			
Cost of sales		(2,037,029)	(2,019,295)
Employee benefits expenses		(16,968,659)	(16,978,533)
Depreciation expenses		(6,929,772)	(6,320,776)
Entertainment, marketing and promotional costs		(9,165,544)	(9,136,677)
Poker machine licences and taxes		(21,888,707)	(22,008,844)
Occupancy expenses		(10,951,636)	(10,085,371)
Other expenses		(4,030,635)	(4,225,114)
		<hr/>	<hr/>
		(71,971,982)	(70,774,610)
		<hr/>	<hr/>
Profit before income tax expense		17,387,606	20,016,390
Income tax expense	2(a)	(853,086)	(1,075,626)
		<hr/>	<hr/>
Net profit after income tax expense attributable to members		16,534,520	18,940,764
		<hr/>	<hr/>
Other comprehensive income for the year, net of tax		-	-
		<hr/>	<hr/>
Total comprehensive income for the year attributable to members		16,534,520	18,940,764
		<hr/>	<hr/>

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 12 to 28.

Cabra-Vale Ex-Active Servicemen's Club Limited
Statement of Financial Position
As at 30 June 2024

ASSETS	Note	2024 \$	2023 \$
Current Assets			
Cash and cash equivalents		37,781,785	34,187,246
Trade and other receivables	3	183,632	1,727,069
Other financial assets	4	750	50,000,750
Inventories		221,714	245,675
Prepayments and other deposits		1,380,969	704,063
Refundable security bond		173,500	173,500
Total Current Assets		39,742,350	87,038,303
Non-Current Assets			
Property, plant and equipment	5	230,526,635	164,350,810
Investment property	6	5,313,685	5,425,404
Deferred tax assets	2(c)	61,994	137,125
Intangible assets	7	6,446,619	6,446,619
Total Non-Current Assets		242,348,933	176,359,958
Total Assets		282,091,283	263,398,261
LIABILITIES			
Current Liabilities			
Trade and other payables	8	11,003,231	9,189,039
Provision for mortality fund		278,550	281,900
Employee benefits	9	3,466,539	3,185,508
Current tax liabilities	2(d)	9,891	24,046
Income received in advance		450,354	385,422
Total Current Liabilities		15,208,565	13,065,915
Non-Current Liabilities			
Employee benefits	9	161,583	145,731
Total Non-Current Liabilities		161,583	145,731
Total Liabilities		15,370,148	13,211,646
Net Assets		266,721,135	250,186,615
Members' Funds			
Retained profits		266,721,135	250,186,615
Total Members' Funds		266,721,135	250,186,615

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 12 to 28.

Cabra-Vale Ex-Active Servicemen's Club Limited
Statement of Changes in Members' Funds
For the Year Ended 30 June 2024

	Retained Profits \$	Total Members' Funds \$
Balance at 1 July 2022	231,245,851	231,245,851
Net profit after income tax expense for the year	18,940,764	18,940,764
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	18,940,764	18,940,764
Balance at 30 June 2023	250,186,615	250,186,615
Net profit after income tax benefit for the year	16,534,520	16,534,520
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	16,534,520	16,534,520
Balance at 30 June 2024	266,721,135	266,721,135

The Statement of Changes in Members' Funds should be read in conjunction with the accompanying notes set out on pages 12 to 28.

Cabra-Vale Ex-Active Servicemen's Club Limited
Statement of Cash Flows
For the Year Ended 30 June 2024

	2024	2023
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers (inclusive of GST)	96,715,809	97,252,774
Payments to suppliers and employees (inclusive of GST)	(72,698,751)	(73,704,275)
Interest received	2,550,338	456,380
Income taxes paid	(410,111)	(804,267)
Rent received	373,095	653,368
	<hr/>	<hr/>
Net cash inflow from operating activities	26,530,380	23,853,980
	<hr/>	<hr/>
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(73,039,296)	(35,487,952)
Proceeds from sale of property, plant and equipment	103,455	320,452
Transfers from term deposits	50,000,000	-
	<hr/>	<hr/>
Net cash outflow from investing activities	(22,935,841)	(35,167,500)
	<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents	3,594,539	(11,313,520)
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the financial year	34,187,246	45,500,766
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	37,781,785	34,187,246
	<hr/>	<hr/>

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 12 to 28.

Cabra-Vale Ex-Active Servicemen's Club Limited

Notes to the Financial Statements

For the Year Ended 30 June 2024

About This Report

Cabra-Vale Ex-Active Servicemen's Club Limited is a company limited by guarantee, incorporated and domiciled in Australia and is a non-for-profit entity for the purposes of preparing the financial statements. The financial statements are for Cabra-Vale Ex-Active Servicemen's Club Limited as a standalone legal entity.

The financial statements were approved for issue by the Directors on 13 August 2024.

The financial statements are general purposes financial statements which:

- Have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australia Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB');
- Have been prepared under the historical cost convention;
- Are presented in Australian dollars;
- Where necessary comparative information has been restated to conform with changes in presentation in the current year; and
- Have been prepared on a going concern basis.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

The Company adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* from 1 July 2023. While amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users require to understand the information in the financial statements.

The accounting policies disclosed in the financial statements are reflective of the adoption of these amendments.

Critical Accounting Judgements, Estimates and Assumptions

In the process of applying the company's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates that are material to the financial statements include:

Additional critical accounting judgements and estimates including:

- Estimation of useful lives of assets Note 6
- Intangible assets Note 8

Cabra-Vale Ex-Active Servicemen's Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2024

	2024 \$	2023 \$
1 Revenue and Other Income		
Sale of Goods Revenue		
Bar sales	5,081,265	4,491,751
Bottle & Gift Shop sales	77,596	100,852
	<hr/>	<hr/>
	5,158,861	4,592,603
	<hr/>	<hr/>
Rendering of Services Revenue		
Poker machines - net clearances	80,650,330	81,140,451
TAB commission received	157,571	188,190
Keno commission received	170,680	191,304
Other commissions received	458,425	406,198
Subscriptions received	214,861	242,612
Room hire income	637,621	657,435
Car park receipts	46,133	47,051
Entertainment receipts	157,728	295,066
Promotions receipts	257,593	288,561
Men's bowling club receipts	26,837	46,282
	<hr/>	<hr/>
	82,777,779	83,503,150
	<hr/>	<hr/>
Other Revenue		
Interest revenue	985,964	1,940,564
Rent received	373,095	653,368
	<hr/>	<hr/>
	1,359,059	2,593,932
	<hr/>	<hr/>
Total Revenue	<hr/> 89,295,699 <hr/>	<hr/> 90,689,685 <hr/>
Other Income		
Other income	5,852	2,590
Gain on disposal of non-current assets	58,037	98,725
	<hr/>	<hr/>
Total Other Income	63,889	101,315
	<hr/>	<hr/>
Total Revenue and Other Income	<hr/> 89,359,588 <hr/>	<hr/> 90,791,000 <hr/>

Cabra-Vale Ex-Active Servicemen's Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2024

1 Revenue and Other Income (continued)

Recognition and Measurement

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the taxation authority. Transfer of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sale of Goods

Revenue from the sale of goods comprises of revenue earned from the provision of food, beverage and other goods and is recognised (net of rebates, returns, discounts and other allowances) at a point in time when the performance obligation is satisfied that is on delivery of goods to the customer.

Rendering of Services

Revenue from rendering services comprises revenue from gaming facilities together with other services to members and other patrons of the club and is recognised at a point in time when the services are provided.

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Rental Revenue

Rental revenue from leases is recognised on a straight-line basis over the term of the relevant lease.

Other income

Sale of non-current assets

The gain or loss on disposal of property, plant and equipment is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs) and is recognised as other income at the date control of the asset passes to the buyer.

Other income

Other income is recognised when it is received or when the right to receive payment is established.

Cabra-Vale Ex-Active Servicemen's Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2024

2 Income Tax

(a) Income Tax Benefit / (Expense)

The Income Tax Assessment Act, 1997 (amended) provides that under the concept of mutuality clubs are only liable for income tax on income derived from non-members and from outside entities.

	2024 \$	2023 \$
The amount set aside for income tax in the statement of financial performance has been calculated as follows:		
Proportion of income attributable to non-members	10,958,832	8,934,230
Less: Proportion of expenses attributable to non-members	(8,708,652)	(6,829,441)
	2,250,180	2,104,789
Add: Other taxable income	2,511,642	3,793,730
	4,761,822	5,898,519
Less: Other deductible expenses	(2,538,214)	(2,448,934)
Net profit subject to tax	2,223,608	3,449,585
Current income tax applicable to above at rate of 30%	667,082	1,034,876
Decrease/(increase) in deferred tax assets	74,218	(111,688)
Under/(over) provision from prior year	111,786	152,438
Income tax expense attributable to operating profit	853,086	1,075,626

Cabra-Vale Ex-Active Servicemen's Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2024

2 Income Tax (continued)

	2024 \$	2023 \$
(b) The prima facie tax on profit before income tax is reconciled to the income tax as follows:		
Prima facie tax expense on taxable profit attributable to non-members before income tax at 30%	689,711	644,871
Add tax effect of:		
– Non-deductible depreciation and amortisation	252,979	183,992
– Other non-allowable items	158,847	104,503
– Other taxable items	761,465	1,138,119
	<hr/> 1,863,002	<hr/> 2,071,485
Less tax effect of:		
Non-assessable income		(117,937)
Deductible depreciation and amortisation	(252,979)	(183,992)
Other allowable items	(942,941)	(734,680)
Movements in deferred tax	74,218	(111,688)
Under/(over) provision from prior year	111,786	152,438
	<hr/> 853,086	<hr/> 1,075,626
(c) Deferred Tax Assets		
The balance comprises temporary differences attributable to:		
Provisions	61,994	137,125
	<hr/> 61,994	<hr/> 137,125
Movements:		
Opening balance	137,125	25,437
Credited/(debited) to the Statement of Profit or Loss and Other Comprehensive Income	(74,218)	111,688
Over provision	(913)	-
	<hr/> 61,994	<hr/> 137,125
Closing balance	<hr/> 61,994	<hr/> 137,125
(d) Current Tax Assets/(Liabilities)		
Balance at the beginning of the year	(24,046)	359,001
Under provision from prior year	(112,699)	(152,438)
Income tax paid & accrued	794,085	804,267
Current year's income tax expense	(667,231)	(1,034,876)
	<hr/> (9,891)	<hr/> (24,046)

Cabra-Vale Ex-Active Servicemen's Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2024

2 Income Tax (continued)

Recognition and Measurement

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences if it is probable that future taxable amounts will be available to utilise those temporary differences.

Current and deferred tax balances relating to amounts recognised directly in other comprehensive income and equity are also recognised directly in other comprehensive income and equity, respectively.

Mutuality Principle

The company calculates its income in accordance with the mutuality principle which excludes from income, any amounts of subscriptions and contributions from members, and payments received from members for particular services provided by the club or association, e.g. poker machines, bar and dining room service in the case of social clubs. The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised clubs and associations.

Amendments to the Income Tax Assessment Act 1997 ensure social clubs continue not to be taxed on receipts from contributions and payments received from members.

	2024 \$	2023 \$
3 Trade and Other Receivables		
Current		
Interest receivable	-	1,564,374
Trade debtors	32,671	22,034
Other debtors	151,861	140,661
Provision for expected credit losses	(900)	-
	<hr/>	<hr/>
	183,632	1,727,069
	<hr/>	<hr/>

Cabra-Vale Ex-Active Servicemen's Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2024

3 Trade and Other Receivables (continued)

Recognition and Measurement

Trade and other receivables represent the principal amounts due at balance date less, where applicable, any expected credit loss allowance.

Under AASB 9 the 'expected credit loss' ('ECL') model is applied to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial asset has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The expected credit loss estimated by the management using simplified approach is \$900 (2023: Nil).

	2024 \$	2023 \$
4 Other Financial Assets		
Current		
Other investments held at amortised cost	750	50,000,750

Investments held at amortised cost comprise of term deposits with a maturity of greater than 3 months. The deposits were transferred into cash during the period, to assist with funding the ongoing construction works at Cabra-Vale.

Recognition and Measurement

The company classifies its financial assets as investments held at amortised cost. The classification depends on the purpose for which the investments were acquired.

Investments held at amortised cost

Investments held at amortised cost are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Cabra-Vale Ex-Active Servicemen's Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2024

	2024	2023
	\$	\$
5 Property, Plant and Equipment		
Freehold land <i>At cost</i>	9,463,500	9,463,500
Buildings and improvements <i>At cost</i>	88,202,260	87,407,719
<i>Accumulated depreciation</i>	(33,624,165)	(31,407,251)
	54,578,095	56,000,468
Total Land, Buildings and Improvements	64,041,595	65,463,968
Car park <i>At cost</i>	7,463,403	7,463,403
<i>Accumulated depreciation</i>	(3,695,365)	(3,510,523)
	3,768,038	3,952,880
Plant and equipment <i>At cost</i>	41,986,457	40,749,253
<i>Accumulated depreciation</i>	(36,037,575)	(34,813,102)
	5,948,882	5,936,151
Poker machines <i>At cost</i>	26,433,659	24,962,138
<i>Accumulated depreciation</i>	(20,371,030)	(19,110,011)
	6,062,629	5,852,127
Motor vehicles <i>At cost</i>	1,042,179	987,451
<i>Accumulated depreciation</i>	(782,769)	(628,645)
	259,410	358,806
Work-in-progress <i>At cost</i>	150,446,081	82,786,878
Total property, plant and equipment net book value	230,526,635	164,350,810

Cabra-Vale Ex-Active Servicemen's Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2024

5 Property, Plant and Equipment (continued)

Valuation

An independent valuation of the company's land and buildings was carried out as at 30 June 2023 on the basis of open market value for existing use and resulted in a valuation of \$145,839,789 consisting of building and improvements, land, car park and plant and equipment of \$92,500,000, \$27,000,000, \$12,500,000 and \$13,839,789 respectively. As property, plant and equipment are recorded at cost the valuation has not been brought to account.

The Directors' have reviewed the carrying amounts of land & building assets at 30 June 2024, and determined there to be no material change to the value as determined in the valuation performed at 30 June 2023.

	2024 \$	2023 \$
Movements in Carrying Amounts		
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:		
Buildings and Improvements		
Carrying amount at beginning of year	56,000,468	56,863,915
Additions	97,867	648,500
Transfers from work in progress	696,674	672,086
Depreciation expense	(2,216,914)	(2,184,033)
	<hr/>	<hr/>
Carrying amount at end of year	54,578,095	56,000,468
	<hr/>	<hr/>
Car Park		
Carrying amount at beginning of year	3,952,880	4,137,723
Depreciation expense	(184,842)	(184,843)
	<hr/>	<hr/>
Carrying amount at end of year	3,768,038	3,952,880
	<hr/>	<hr/>

Cabra-Vale Ex-Active Servicemen's Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2024

	2024 \$	2023 \$
5 Property, Plant and Equipment (continued)		
Reconciliations (continued)		
Plant and Equipment		
Carrying amount at beginning of year	5,936,151	5,745,335
Additions	1,318,713	1,382,220
Disposals	(9,847)	(31,170)
Depreciation expense	(1,296,135)	(1,160,234)
	<hr/>	<hr/>
Carrying amount at end of year	5,948,882	5,936,151
	<hr/>	<hr/>
Poker Machines		
Carrying amount at beginning of year	5,852,127	5,190,181
Additions	3,212,111	3,358,547
Disposals	(38,702)	(135,733)
Depreciation expense	(2,962,907)	(2,560,868)
	<hr/>	<hr/>
Carrying amount at end of year	6,062,629	5,852,127
	<hr/>	<hr/>
Motor Vehicles		
Carrying amount at beginning of year	358,806	223,882
Additions	54,728	309,093
Disposals	-	(54,823)
Depreciation expense	(154,124)	(119,346)
	<hr/>	<hr/>
Carrying amount at end of year	259,410	358,806
	<hr/>	<hr/>
Capital Works in Progress		
Carrying amount at beginning of year	82,786,878	50,405,602
Additions	68,355,877	33,053,362
Transfers to buildings and improvements and car parks	(696,674)	(672,086)
	<hr/>	<hr/>
Carrying amount at end of year	150,446,081	82,786,878
	<hr/>	<hr/>

Cabra-Vale Ex-Active Servicemen's Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2024

5 Property, Plant and Equipment (continued)

Core Properties held by the Club:

- (i) No. 1 Bartley Street, Canley Vale NSW (including Car-Park and Bowling Greens)

Non-Core Properties held by the Club:

- (i) 5-11 Cordeaux Street, Campbelltown NSW
(ii) 141 Railway Parade, Canley-Vale (13 units)
(iii) 3 Cordeaux Street, Campbelltown
(iv) 156-168 Queen Street, Campbelltown

Recognition and Measurement

All property, plant and equipment is stated at historical cost less depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Capital works in progress are capitalised as the expenditure is incurred and is transferred to the relevant class of asset on the date the asset is available for use. The depreciable amount of all fixed assets including buildings and improvements, but excluding freehold land, is depreciated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

	2024	2023
<i>Property, plant and equipment</i>		
Buildings and improvements	40 years	40 years
Plant and equipment	4 - 20 years	4 - 20 years
Car park	40 years	40 years
Poker machines	4 - 7 years	4 - 7 years
Motor vehicles	3 - 5 years	3 - 5 years

The assets' residual values 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.

Key Estimate and Judgement: Estimated Useful Lives of Assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment, investment property and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Cabra-Vale Ex-Active Servicemen's Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2024

6 Investment Property	2024 \$	2023 \$
Rental properties		
At cost	6,756,254	6,756,254
Accumulated depreciation	(1,442,569)	(1,330,850)
	<hr/>	<hr/>
	5,313,685	5,425,404
	<hr/>	<hr/>

Movements in Carrying Amounts

Movements in the carrying amounts for investment properties between the beginning and the end of the current financial year are set out below:

Carrying amount at beginning of year	5,425,404	5,537,121
Depreciation expense	(111,719)	(111,717)
	<hr/>	<hr/>
Carrying amount at end of year	5,313,685	5,425,404
	<hr/>	<hr/>

Valuation details

An independent valuation of the company's investment property was carried out in June 2023 on the basis of open market value for existing use and resulted in a valuation of \$15,145,000. As investment properties are recorded at cost, the valuation has not been brought to account.

The Directors' have reviewed the carrying amounts of rental property assets at 30 June 2024, and determined there to be no material change to the value as determined in the valuation performed at 30 June 2023.

Recognition and Measurement

Investment property, principally comprising freehold buildings, is held for long-term rental yields and is not occupied by the company. Investment properties are stated at historical cost less depreciation and accumulated impairment losses.

The depreciable amount of all fixed assets including buildings and improvements, but excluding freehold land, is depreciated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

	2024	2023
Rental properties	40 years	40 years

Cabra-Vale Ex-Active Servicemen's Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2024

	2024 \$	2023 \$
7 Intangible Assets		
Non-Current		
Poker machine entitlements, at carrying value	6,216,619	6,216,619
Licence for Unit at Fingal Bay	80,000	80,000
Licence for Unit at Urunga Holiday Centre	150,000	150,000
	<hr/>	<hr/>
	6,446,619	6,446,619
	<hr/>	<hr/>

Recognition and Measurement

Poker Machine Entitlements

Poker machine entitlements are not amortised as they are deemed to have an indefinite useful life. They have an indefinite useful life as they do not expire and under current government legislation there is no plan to remove such entitlements. As a result, poker machine entitlements are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and are carried at cost less accumulated impairment losses.

Licences

Licences have an indefinite useful life and are carried at cost. Upon termination of the licenses the balance of the deposit, less deductions, is due to the club.

Key Estimate and Judgement: Intangible Assets

Impairment of poker machine entitlements is recognised based on a value in use calculations and is measured at the present value of the estimated future cash inflows available to the company from the use of these licenses. In determining the present value of the cash inflows, assumptions regarding growth rates and appropriate discount factors have been applied to the cash flows.

Impairment Tests for Poker Machine Entitlements

At the end of the reporting period the company assessed the recoverable amount of poker machine entitlement based on the value in use methodology. The company used the pre-tax cash flows generated from the poker machines net revenues generated and calculated the present values of these future cash flows at a discount rate, to arrive at the total value of these entitlements. The value in use recoverable amount for each entitlement is calculated by dividing the total value of the entitlements with the actual number of entitlements. The value thus arrived, was in excess of the carrying value and accordingly no impairment losses were recognised.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive. No reasonable change in the underlying assumptions would result in an impairment to the assets.

Cabra-Vale Ex-Active Servicemen's Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2024

	2024 \$	2023 \$
8 Trade and Other Payables		
Trade creditors	6,485,811	6,699,372
Goods and Services Tax (GST) payable	-	5,469
Other creditors and accruals	4,517,421	2,484,198
	<u>11,003,232</u>	<u>9,189,039</u>

Recognition and Measurement

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition unless the company has an unconditional right to pay it.

	2024 \$	2023 \$
9 Employee Benefits		
Aggregate liability for employee benefits including on-costs		
Current	3,466,539	3,185,508
Non-current	161,583	145,731
	<u>3,628,122</u>	<u>3,331,239</u>

The present values of employee benefits not expected to be settled within 12 months of reporting date have been calculated using the following weighted averages:

	2024 %	2023 %
Assumed rate of increase in wage and salary rates	1.05	8.00
Discount rate	4.34	5.46
	\$	\$
Superannuation Plans		
Defined contribution superannuation expense	<u>1,349,083</u>	<u>1,246,304</u>

Contributions

The company is under a legal obligation to contribute 11% (as of 1 July 2024, this will be increased to 11.5%) of each employee's base salary to a superannuation fund.

Cabra-Vale Ex-Active Servicemen's Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2024

9 Employee Benefits (continued)

Recognition and Measurement

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables with respect to employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long Service Leave

The provision for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the market yields on national government bonds at reporting date which most closely match the terms of maturity with the expected timing of cash flows. The unwinding of the discount is treated as long service leave expense.

	2024 \$	2023 \$
10 Capital Commitments		
Within one year	113,547,287	98,044,633
Within two to five years	51,792,445	24,252,768
	<hr/>	<hr/>
	165,339,732	122,297,401
	<hr/>	<hr/>

The Club entered into a contract with Wardan Group for the construction of the Cabra-Vale Diggers club development and hotel project. The Club is contractually committed to the project under a cost-plus arrangement, which is estimated to be worth \$209,790,000 over the complete project. As at 30 June 2024, there is an estimated \$104,126,897 of remaining commitments under the agreement not disclosed as a liability in relation to this contract as the works are yet to be completed.

The Club has also entered into a contract with Bell Property Group for the construction of the Campbelltown RSL development project. The Club is contractually committed to the project under a fixed cost arrangement, which is worth \$65,900,000 over the project. As at 30 June 2024, there is \$61,212,835 of remaining commitments under the agreement.

The Club is currently in discussions to obtain financing for the funding of the remaining amounts above, over and above existing cash reserves and forecast cash inflows for the 2025 financial year. The Club and the lender have agreed on a term sheet and expect the funding agreement to be finalised and entered by the end of August 2024.

Cabra-Vale Ex-Active Servicemen's Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2024

11 Key Management Personnel Details

(a) Directors

The following persons were non-executive directors of the company during the financial year:

Name

Robinson OAM, Walter

Moore, Ronald

Sharp, Lindsay Hilton

Farrugia, Joseph

Weeks, Christopher Deceased 8 February 2024

Burette, Shane

Betts, Janice

Brown, Son Appointed 30 May 2024

Directors' Transactions with the Company

From time to time, directors of the company, or their director-related entities, may supply goods and services to the company. These supplies are on the same terms and conditions as those entered into by other company employees or suppliers and are trivial or domestic in nature. There were no such transactions during the current financial year.

(b) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly during the financial year:

Name

Position

Boris Belevski Chief Executive Officer

Michael Foulkes Group General Manager (resigned 2 July 2024)

Luke Whalan Chief Operating Officer

Kylee Adams Chief Financial Officer

David Stevenson Group Gaming Manager (resigned 5 July 2024)

(c) Key Management Personnel Compensation

	2024	2023
	\$	\$
Benefits and payments made to the Directors and Other Key Management Personnel	2,343,814	2,413,258

Cabra-Vale Ex-Active Servicemen's Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2024

12 Related Parties

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 11.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

13 Company Details

The Club is incorporated and domiciled in Australia as a company limited by guarantee. In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that he is a member or within one year thereafter. As at 30 June 2024 there were 65,303 members.

The registered office of the company is 1 Bartley Street, Canley Vale NSW 2166.

14 Events Subsequent to Reporting Date

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

15 Auditors' Remuneration

During the financial year the following fees were paid or payable for services provided by BDO, the auditor of the company:

	2024 \$	2023 \$
Audit services		
Audit of the financial statements	62,000	58,000
Other services		
Assistance with the preparation of the financial statements	5,000	4,500
Preparation and lodgement of tax return	9,000	8,500

Cabra-Vale Ex-Active Servicemen's Club Limited
Consolidated Entity Disclosure Statement
As at 30 June 2024

Cabra-Vale Ex-Servicemen's Club Limited has no controlled entities and, therefore, is not required by the Australian Accounting Standards to prepare consolidated financial statements.

As a result, section 295(3A)(a) of the Corporations Act 2001 does not apply to the entity.