

The page features a large, light gray circle in the center, which frames the text. In the top-left and bottom-right corners, there are smaller decorative elements consisting of overlapping circles, one of which has a dotted pattern.

**CANBERRA
LABOR CLUB LIMITED**

43RD ANNUAL REPORT

**FINANCIAL STATEMENTS
AND REPORTS**

**YEAR ENDED
30 JUNE 2022**



TABLE OF CONTENTS

CANBERRA LABOR CLUB – AIMS AND OBJECTIVES

03

PRESIDENT'S REPORT

04

CHIEF EXECUTIVE OFFICER'S REPORT

05

DIVERSIFICATION

06

EMPLOYEE AND COMMUNITY ENGAGEMENT

07 – 13

DIRECTORS' REPORT

14 – 17

AUDITORS' REPORT AND DECLARATION

18 – 20

DIRECTORS' DECLARATION

21


CONSOLIDATED FINANCIAL STATEMENTS AND

NOTES

22 – 43

COMMUNITY CONTRIBUTIONS REPORT

44 - 51



THE CANBERRA LABOR CLUB AIMS AND OBJECTIVES

The Club's short-term objectives are to:

- Provide a high standard of services and facilities for members.
- Support the local community.
- Promote and support the Australian Labor Party.

The Club's long-term objectives are to:

- Be sustainable and strive for continuous improvement to the service and support of our members and the local community.
- Be recognised as a leader within the local club industry.
- Diversify our revenue streams.

To achieve these objectives, the club has adopted the following strategies:

- Attract and foster quality management and staff.
- Work in partnership with Club members and the community.
- Follow best practice in all operational and financial aspects of the group's activities.

PRESIDENT'S REPORT

The Covid-19 restrictions of the past three years have resulted in a significant impact to the Club's financial position with the Canberra Labor Club venues closed for a period just shy of three months from August 2021. The challenges we have all experienced over this period have been broad and complex and I am extremely proud that we have been able to provide our members and hotel guests with a safe community environment.

Through strong leadership and good financial management we have maintained a financially sustainable Club and continue to operate our Club venues and the Mercure Hotel to provide the services our members and customers seek. I would like to thank our management team and staff, led by our Chief Executive Officer Arthur Roufogalis, for their magnificent effort, resilience and adaptability over the past three years. I am pleased to report our Club venues and Hotel recorded some very encouraging outcomes late in the financial year once restrictions were eased and we are looking forward to these continuing into the new financial year.

The Board has continued developing its diversification strategy over the past few years to continue to grow and diversify our revenue stream. We are excited to announce some significant plans for the 2023 financial year which include construction of a 400-person conference and events centre at 59 Cameron Avenue and revamping of the City Labor Club with a more modern offering to be provided to members. The location of the City Labor Club will move into the Club owned property next door on the corner of Petrie Plaza and City Walk. The Weston Creek location is also the subject of close and expert examination with a view of finalisation of the Boards intentions next financial year.

As a member of the ACT Government's Ministerial Advisory Council on Community Clubs we have been engaged with the club industry and the community in implementing the arrangements for licensed clubs set out in the ALP/Greens Parliamentary Agreement. We worked closely with Clubs ACT and Canberra Community Clubs in responding to the Discussion Paper from the ACT Government on lowering bet and credit limits for electronic gaming machines. We provided a detailed individual submission to the Council and outlined further work is required with a greater focus to be provided from Government for diversification initiatives to ensure a sustainable club industry. We trust the committee will assess all the submissions thoroughly and address all matters raised.

I would like to acknowledge staff that have reached personal milestones during the year in particular, Arthur Woods and Glenn Wallace who reached 20 years of service and Rachelle Lynch and Delailah Hogan who both reached 10 years of service. I would also like to thank Michael Atkinson, our previous Gaming & Compliance Manager, for his loyalty and contribution who departed during the year, after 8 years of service.

I would like to acknowledge the contribution Brian Weir made to the Club as Director of the Board over the past 11 years and as President for the last 5 years. Brian improved communication within the club industry and Government and was an integral member of the Ministerial Advisory Council on Community Clubs. I would like to thank all the Board members for their contribution over the past year and acknowledge the leadership provided from Board committee chairs – Sandra Thomas (Finance and Audit), Tony Luchetti (Community Support) and Margaret Watt (Membership).

Finally, I thank you, our members and patrons, for your continuing support of our great club.

Garrett Purtill
President

CHIEF EXECUTIVE OFFICER'S REPORT

It is my pleasure to once again report to the members on the performance of your Club for the last financial year. Australia faced another turbulent year in 2021-22 from the ongoing impacts of the Covid-19 pandemic with the ACT experiencing its second lockdown from August 2021 to October 2021. The Covid-19 restrictions and State Government closure of interstate borders forever impacted the hospitality and travel industry with the club industry slowly recovering today. The impacts of Covid-19 are still with the community today though I am pleased there is a degree of optimism within the hospitality industry. The total impact on the Club since the beginning of the pandemic has been as follows:

- Clubs unable to operate in full for a total of 218 days over the pandemic;
- Canberra Labor Club incurred losses of \$26m over the Covid-19 imposed period;
- Decrease of \$16.9m in operational revenue over the period;
- The value of the Canberra Labor Club assets has dropped by \$20m; and
- Canberra Labor Club holds debt of \$36m with ANZ agreeing to waive our debt covenant requirements in 2022 as the Club was unable to trade for such an extended period of time.

Through the diligent work of our Board, leadership team and dedicated staff our venues were able to open their doors in late October. Our comprehensive Covid-19 return-to-work plan enabled us to create a safe environment for our members to return to our venues that provided approved density limits, hand sanitizer stations, temperature checking stations and monitoring the health of our workers. The Group supported all our staff, whether they be full-time, part-time or casuals, during the lockdown period and we were able to maintain our strong staff training and development program with staff achieving qualifications up to diploma level.

Financially, the Club experienced another unsettled year recording a net loss of \$1,208,358 after tax. The Club was able to maintain a stable financial position and met all bank and creditor payments during the period. The Mercure Hotel continued trading throughout the Government imposed lock-down and once the lockdown and travel restrictions ceased it recorded some very positive results with the final quarter of 2021-22 being the hotel's strongest result to-date.

The Group continued to provide considerable financial and in-kind support to our local community organisations, charities and sporting groups that have a positive impact on the lives of people in our local community whilst acknowledging the financial impacts.

Management and staff have rallied to the continual challenge of moving forward with transitional legislative requirements in an ever-changing industry during a very challenging year. I would like to thank them all for their professionalism and the commitment they have all shown to the Club and the industry as a whole during these uncertain times. The club industry is full of good people who have helped improve the way of life for many in our community.

I would also like to take this opportunity to thank outgoing President, Brian Weir for his contribution and support over the past 11 years. I welcome new President, Garrett Purtill, and am thankful for his and the members of the Board support and leadership throughout the year. I would like to thank the Canberra Labor Club staff and the management team for their dedication and tireless contribution over the past year. Covid-19 has brought many challenges and I am proud at the way the organisation has been able to adapt and embrace all of these.

Last, but by no means least, I would like to gratefully acknowledge all the members for your encouragement, ongoing support, and continued patronage of the Canberra Labor Club Group throughout this challenging year.

Arthur Roufogalis
Chief Executive Officer

DIVERSIFICATION

The Canberra Labor Club, like many within the club industry, has historically been heavily reliant on income from gaming machines. The Club over the past 20 years has been progressing through our diversification strategy to become more sustainable with income generated from multiple sources. We have made considerable progress through this strategy with some of key highlights as follows:

- Purchase of commercial property;
- Property development through developing and selling Braddon apartments;
- Property management via owning the City Walk building; and
- Development of 59 Cameron Avenue which included:
 - o Construction of the 125 room Mercure Canberra Belconnen;
 - o Three ground floor retail tenancies;
 - o Tenancies on level 10 and level 11; and
 - o Inclusion of a 300-space undercover car park.

To deliver a significant portion of diversified income requires considerable planning, time, Government support and financial investment to be successful. We are pleased with the performance of the diversification investments to-date although we experienced considerable impact from the ACT Government lockdown and state border restrictions, imposed from the Covid-19 global pandemic. The Mercure Canberra Belconnen has produced some very encouraging performances from the start of the 2022 calendar year and with restrictions removed we are looking forward to strong future performance.

The Board used the time during the global pandemic to continue refining the diversification strategy and we are pleased to announce some exciting plans for the 2022-23 financial year which include:

- Development and construction of a 20 to 400 person conference and events centre at 59 Cameron Avenue. The conference centre fits perfectly with the diversification strategy with this to bring in considerable revenue from conferences and events, improve patronage at the hotel and higher occupancy in the undercover car park. Our research outlines there is a high demand for conference facilities within the ACT with the centre to provide:
 - o Flexible conference facilities;
 - o Hosting of social events;
 - o Catering and bar services available for conferences and functions;
 - o Availability for delegates to use the Club's 300 space undercover car park; and
 - o Mercure Canberra Belconnen available for individual and group bookings.
- The City Labor Club currently resides in Petrie Plaza with the building scheduled for demolition and major redevelopment. The City Labor Club will move into the Club-owned City Walk property next door on the corner of Petrie Plaza and City Walk. Development of the facility is likely to take six months and will be completed early in the 2023 calendar year. The Club will revamp the facility and offering to members through:
 - o Providing a more modern offering with bi-fold windows to connect the interior and exterior of the facility;
 - o Large bar that provides an impressive entrance for members and with an increased focus on food and beverage; and
 - o Upgrade to the properties façade to enhance the look and feel of the property and to attract additional commercial tenants.

The diversification strategy has required considerable funding with the Club holding debt at 30 June 2022 of \$36m. These debt levels are within the Board endorsed debt range and the Club is confident the diversification measures outlined will deliver considerable income over future years and improve the sustainability of the Club.



EMPLOYEE AND COMMUNITY ENGAGEMENT



Guy receives his certificate IV in Hospitality from Lynda, Group HR Manager

This year has been a year of development and growth, in a new world!

Working through Covid-19, our staff have stayed strong and focussed. We placed a great emphasis on our vocational training program this year. Even during the shutdown periods our staff were engaging in various training initiatives. We have a long standing partnership with Access Recognised Training to deliver a tailored program for the Canberra Labor Club that is interactive with our workplace and provides a flexible approach to learning and skill development.

Training is focused on ensuring our employees understand that service and engagement with our customers is priority in this very competitive market. The Canberra Labor Club continues to develop our employees to be the best service providers in the industry. We encourage our staff to engage with a qualification, to enhance their industry skills and knowledge and to support personal career development.



Emma receives her certificate IV in Hospitality from Edwin Erftemeyer- General Manager, Mercure Canberra Belconnen

Our Duty Managers are encouraged and supported to study at the higher levels tailored to operations management and leadership of people. We have celebrated many successful completions of qualifications in 2021, which is testament to our staff and their resilience to continue to grow, despite the obstacles Covid-19 has presented.

Women in Club Operations Program

During the year two female managers participated in the Women in Club Operations Program, the first time this program has been offered in our Industry. Nadine Micallef and Joanne Matusiak continue to participate in this program that will see them both complete a Diploma in Business Operations. This program has been designed to assist female leaders to build on their skills and knowledge and network with other female leaders within the industry. We look forward to both women completing this program in early 2023.

Healthy Minds and Healthy Bodies = Happy People!

We have been involved with ACT Healthier Work, an ACT Government initiative since 2015, which has supported us in promoting and maintaining health and wellbeing in our workplace, and have been awarded the highest level of recognition as **Platinum+** again this year, for the healthy programs we have implemented.

EMPLOYEE AND COMMUNITY ENGAGEMENT(Continued)

We are able to provide access to resources and assistance to develop and implement lifestyle programs and policies that support the physical and mental health of our employees. Some of the major activities in 2021 were events for World Mental Health Day and Global Wellness Day.

We are committed to supporting and encouraging our employees to maintain healthy minds and healthy bodies by establishing initiatives like these, supporting fitness programs through Club subsidised corporate gym memberships and continuing to offer Employee Assistance Program specialist support.



Some of our leadership team being presented with the Platinum+ recognition from ACT Healthier Work representatives



Glenn Wallace receiving recognition of his dedication to our organisation from Arthur Roufogalis, CEO.

Celebrations of Commitment and Service

The Canberra Labor Club has been providing opportunities for employment and career development within the club industry for over 40 years. We have many wonderful long serving employees within our organisation.

They bring strength to our teams with their knowledge and understanding of our organisation and of our customers. This year we had several staff reach significant service milestones.

Arthur Woods and Glenn Wallace both celebrated 20 years of service and Rachelle Lynch and Delailah Hogan both celebrated 10 years of service with our organisation.

Employee of the Year - we are proud of the service our team members deliver

Our Employee Rewards and Recognition Program recognises and acknowledges the hard work, dedication and contributions that our employees make to the overall success of our organisation. We have many wonderful employees that make up our workforce and in 2021 we acknowledged the exceptional dedication of six employees across the Group.

Bensen Robards was awarded Employee of the Group for his outstanding contribution as Rooms Division Manager of Mercure Canberra Belconnen. Simon Croft was awarded Employee of the Year for the Belconnen venue. Matthew Shenton was awarded Employee of the Year for the City venue. Belinda Donnelly was awarded Employee of the Year for Ginninderra. Joanne Matusiak was awarded Employee of the Year for Weston Creek. Fayzulla Aralov was awarded Employee of the Year for Mercure Canberra Belconnen.

EMPLOYEE AND COMMUNITY ENGAGEMENT(Continued)



Bensen Robards receiving an award for Employee of The Year from CEO-Arthur Roufogalis Belconnen



Simon Croft- Employee of the Year Belconnen



Matthew Shenton- Employee of the Year City



Belinda Donnelly- Employee of the Year Ginninderra

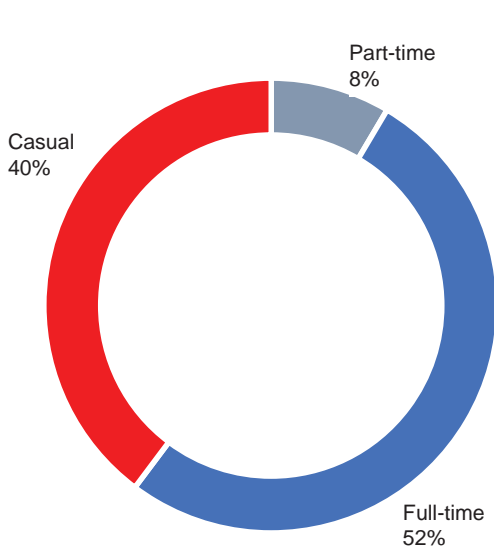


Fayzulla Aralov- Employee of the Year Mercure Canberra Belconnen

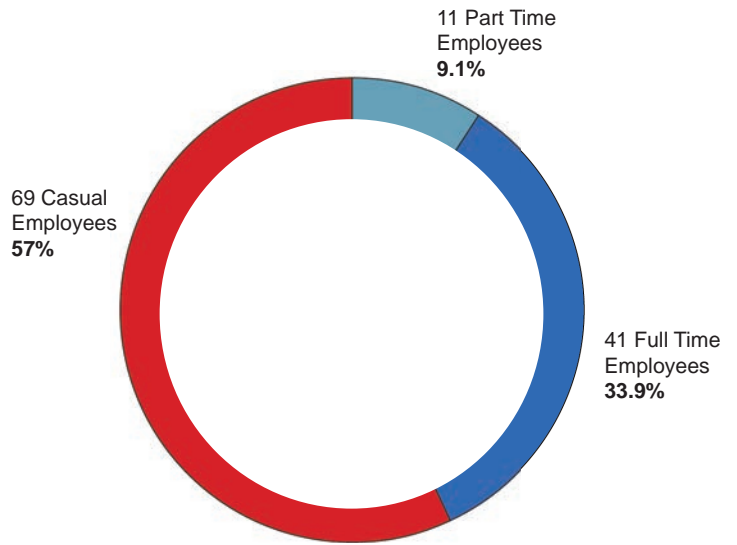


Joanne Matusiak- Employee of the Year Weston Creek

COVID-19 AND THE IMPACTS ON OUR WORKFORCE STRUCTURE AND GENDER EQUALITY



Permanent to casual hours worked ratio



Permanent to casual employment ratio

Covid-19 and the impacts on our workforce structure

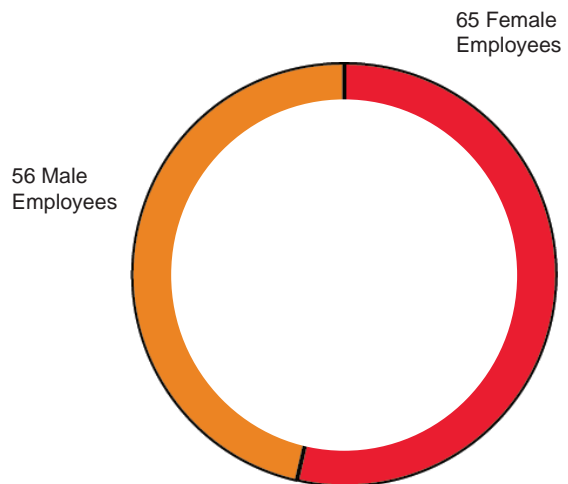
The Canberra Labor Club Limited has developed a workforce structure that supports permanent employment opportunities. By developing this structure we continue to try to attract and retain great talent in Canberra, positioning our organisation as an employer of choice in the club industry.

Over the last two years our industry has certainly been adversely impacted with shut downs and Covid-19 protocols and we have seen a reduction in the number of people seeking permanent employment. It has been a challenging couple of years looking at how we can attract new talent and create career opportunities within our industry.

By working hard in recruitment and continuing to offer great staff benefits and a strong Enterprise Agreement we have seen a slight increase in our permanent workforce this year from the previous year.

Supporting gender equality

Canberra Labor Club is proud of the gender equality across our organisation. This is in an industry that has been traditionally male dominated. We support and encourage women to work in the club industry as it offers opportunity for personal growth and also flexibility. Our ongoing pledge is to continue to bridge the gap in our workforce and continue to provide a welcoming, supportive and flexible workplace for our employees.



Female to male demographic

COMMUNITY PARTICIPATION

Our team members are always ready to show their support

Our employees continue to show their commitment to the wider community through all the charity work, support programs and volunteering they get involved in.

We continue to work in a culture of personal growth, belonging and community engagement, and our staff are always happy to get actively involved in supporting each other and the wider community.



Some of the charities and activities the Canberra Labor Club staff have been involved in include:

- Red Cross Blood Donation and Plasma Donation.
- Febfast, supporting disadvantaged young people in Australia.
- RUOK? Day, supporting suicide prevention.
- DonateLife, creating awareness for Organ donation.
- September Challenge, supporting people living with Cerebral Palsy.
- World Mental Health Day and World Do Something Day.
- Movember, supporting men's mental health.
- Grind to Ground, supporting people with disabilities in work.
- The Great Cycle Challenge, supporting children's cancer research.
- One Foot Forward, raising awareness and funds for Australians living with mental illness.



COMMUNITY ENGAGEMENT

Communities@Work Christmas Appeal

For the third year running our staff have supported the Communities @ Work Christmas Appeal and every year it continues to grow. The sleigh was out again over Christmas at our Belconnen venue and staff and our generous members were invited to contribute gifts, toiletries and non-perishable food items to support families in need across the ACT and help make their Christmas a little brighter.

Transport Canberra was involved this year providing a bus to collect the donations. This year was our biggest year yet where the Canberra Labor Club Group managed to fill the entire bus!

We have generous members in our community who know that many families need support, particularly during the last two years during the Covid-19 pandemic, and they happily showed the Christmas spirit with their donations.



VOLUNTEERING

The Canberra Labor Club is proud of the partnership we have established with Volunteering ACT over many years. The Club has provided Volunteering ACT with office space at the Clubs City Walk property in the City which has allowed Volunteering ACT to deliver their programs, services and events.

VolunteeringACT is the peak body for volunteering and community information in the Canberra region, as well as being a service provider of programs for people experiencing disadvantage and isolation, people with disability, and people needing support for mental wellness. Through their activities they are able to improve inclusivity, enable sustainable volunteering, and create a more resilient Canberra community.

VolunteeringACT is a people driven, service-focused organisation that represents the interests of nearly 200 members, advocates for and supports volunteers, and engages with the broader Canberra community. Below is a snapshot of Volunteering ACT's key programs, services and events that the support of the Canberra Labor Club Group has enabled:

Community Info Hub:

Volunteering ACT provide a range of Community Info Hub services including our Griffin Centre space, via our info line, ACT Community Directory and Diary, Info Guides, and outreach services. During the 21/22 financial year 570 visitors accessed the Hub services, 926 individual services were provided, and 528 different referrals were made to community, government, and private organisations. They also support individuals to find the perfect volunteering role for them. The ACT Community Directory helps community organisations, sporting clubs, cultural communities, and hobby and interest groups promote their services, programs, and events. Listing 2,017 community organisations and interest groups, and 3,317 services and programs within the Canberra region, this extensive database of information can be freely and readily accessed by anyone in the community through a range of different channels and formats.

VOLUNTEERING (continued)

Inclusive Volunteering:

The Inclusive Volunteering Pathways to Employment Program has supported 142 organisations to help them become more inclusive as they reduce and remove barriers to the inclusion of people of all backgrounds and abilities. In particular, the Program aims to improve inclusive practice for people living with disability and/or mental health conditions. The Program has also provided opportunities for participants to engage in volunteering as a pathway to employment.

Canberra Relief Network and Food Security Projects:

When the ACT went into lockdown in August 2021, VolunteeringACT took the lead in providing support to vulnerable Canberrans, overseeing the running of the Canberra Relief Network Connect Centre and enabled thousands of food hampers to be delivered to Canberrans in need. We now turn our attention to the delivery of Food Security Projects which will provide a coordinated response to strengthening emergency food relief in the ACT, and a partnership approach to ensure long term food security for the Canberra community.

Re-engaging Volunteers into Residential Aged Care Facilities:

The program is designed to encourage new and experienced volunteers to reconnect with the aged care sector to provide non-clinical support to older people residing in Residential Aged Care Facilities. The project aims to address the critical shortage of volunteers in Residential Aged Care Facilities and to inspire more Australians to provide social support to the residents.



DIRECTORS' REPORT

The Directors present their report, together with the Consolidated Financial Report of the Canberra Labor Club Limited (the Company) for the Financial Year ended 30 June 2022 and the Auditor's Report thereon.

Directors

The Directors of the Company at any time during or since the end of the Financial Year are as follows, including their relevant attendances at official Board meetings during the Financial Year:

Name and Position	Employment	Board Membership	Attendance at Board Meetings*	
			Actual	Possible
Garrett Purtill President	Research and Policy Officer – UnionsACT	Appointed 8 December 2014 Appointed President 8 December 2021	11	12
Margaret Watt Vice President	Retired	Appointed 25 October 2015	11	12
Christopher Long Vice President	Retired	Appointed 25 January 2017	12	12
Sandra Thomas Treasurer	Scientist - University of Canberra	Appointed 26 October 2014	12	12
Tony Luchetti Director	Retired	Appointed 20 July 1998	10	12
Beth Vincent-Pietsch Director	Industrial Officer - CPSU	Appointed 29 October 2017	11	12
Greg Miller Director	Retired	Appointed 24 January 2018	11	12
Michelle Kirby Director	Industrial Officer	Appointed 28 October 2018	11	12
David Wedgwood Director	Workplace Relations Advisor	Director 1988-1992 Re-appointed 28 November 2021	7	7
Brian Weir (Outgoing) President	University Lecturer	Appointed 27 September 2009 Retired 28 November 2021	5	5

*Apologies were received from all Directors for all non-attendances

DIRECTORS' REPORT (continued)

Company Secretary

Mr Arthur Roufogalis was appointed to the position of Company Secretary in June 1999. Arthur has worked for the Company in the capacity of CEO since his engagement by the Company in June 1999.

Principal Activities

The principal activities of the Company during the course of the Financial Year were the management of four licensed club premises and hotel accommodation in the Australian Capital Territory, and the investment in, and management of, commercial properties and property development. There were no significant changes in the nature of the activities of the Company during the year.

Club Objectives

The Club's short term objectives are to:

- Provide a high standard of services and facilities for members;
- Support the local community; and
- Promote and support the Australian Labor Party.

The Club's long term objectives are to:

- Be sustainable and strive for continuous improvement to service and support our members and the local community;
- Be recognised as a leader within the local club industry; and
- Continue in the diversification of our revenue streams.

To achieve these objectives, the Club has adopted the following strategies:

- Attract and foster quality management and staff;
- Work in partnership with Club members and the community; and
- Follow best practice in all operational and financial aspects of the Group's activities.

Review and Results of Operations

The loss after tax of the consolidated entity for the year ended 30 June 2022 was \$1,208,358 (2021: profit of \$2,039,601)

Dividends

The Company is a Non-Profit Organisation and is prevented by its articles from paying dividends.

State of Affairs

In the opinion of the Directors there were no significant changes to the state of affairs of the Company that occurred during the Financial Year under review.

DIRECTORS' REPORT (continued)

Likely Developments

The Company will continue to provide accommodation, social, entertainment and dining facilities for its members, and continue diversifying its revenue streams.

Environmental Regulation

The Company's operations are subject to environmental regulation under both Commonwealth and Territory legislation including the Smoke Free Areas Act 1997. The Board and Management are responsible for ensuring compliance with environmental legislation and are not aware of any material breaches of the legislation.

Indemnification and Insurance of Officers

Since the end of the previous Financial Year the Company has paid insurance premiums totalling \$6,900 (2021: \$4,271) on behalf of the Directors' and Officers' Legal Liability. The insurance policy relates to:

- (i) Costs and expenses incurred by the relevant Officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- (ii) Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The premiums were paid in respect of the Directors of the Company listed in this report.

Proceedings on Behalf of the Entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Events Subsequent to Balance Date

There has not arisen in the opinion of the Directors of the Company any item, transaction, or event of a material nature between the end of the Financial Year and the date of this report to significantly affect the operations, financial results or state of affairs of the Company in future financial years.

Contingent Liabilities

Guarantees have been issued in respect of Tabcorp operations at Canberra Labor Club, Ginninderra Labor Club, and Weston Creek Labor Club, and in respect of rent obligations at the City Labor Club.

Members' Undertaking

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the Company. At 30 June 2022, the total amount that members of the Company are liable to contribute if the Company is wound up is \$891,380 (2021: \$936,280).

DIRECTORS' REPORT (continued)

Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration, as required under Section 307C of the Corporations Act 2001, is set out on page 18 of this Financial Report and forms part of the Directors' Report for the Financial Year ended 30 June 2022.

Signed in accordance with a resolution of the Directors.

Garrett Purtil



President

Sandra Thomas



Treasurer

Dated at Canberra this 21st day of September 2022.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Canberra Labor Club Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

**RSM AUSTRALIA PARTNERS****G M STENHOUSE**
PartnerCanberra, ACT
Dated: 21 September 2022**THE POWER OF BEING UNDERSTOOD**
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices at its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

INDEPENDENT AUDITOR'S REPORT

To the Members of Canberra Labor Club Limited

Opinion

We have audited the financial report of Canberra Labor Club Limited and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated 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 Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – *Simplified Disclosures* under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* 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 Group 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 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 comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

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.

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 35 965 188 036

Liability limited by a scheme approved under Professional Standards Legislation

If, based on the work we have performed, 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 the financial report that gives a true and fair view in accordance with Australian Accounting Standards – *Simplified Disclosures under AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* 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 ability of the Group 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 Group 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 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 at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

Opinion on the Community Purpose Contribution Statement

In our opinion the financial information presented in the Community Purpose Contribution Statement on pages 45 to 50 of the annual report complies with section 172 of the *Gaming Machine Act 2004*.

Responsibilities

Management is responsible for the preparation and presentation of the Community Purpose Contribution Statement, in accordance with the section 172 of the *Gaming Machine Act 2004*. Our responsibility is to express an opinion on the Community Purpose Contribution Statement, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that reads 'G M Stenhouse'.

G M STENHOUSE
Partner

Canberra, ACT
Dated: 21 September 2022

DIRECTORS' DECLARATION

In the opinion of the Directors of the Canberra Labor Club Limited (the Company):

(a) The Consolidated Financial Statements and notes, set out on pages 22 to 43 are in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the consolidated financial position of the Company as at 30 June 2022 and of its performance, for the year ended on that date; and

(ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the 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; and

(c) The Consolidated Financial Report is in accordance with the disclosure requirements of the Gaming Machine Act 2004 (A.C.T.).

Signed in accordance with the resolution of the Directors:

Garrett Purtill

Sandra Thomas



President

Treasurer

Dated at Canberra this 21st day of September 2022.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	NOTES	2022(\$)	2021(\$)
Revenue	4	26,139,999	27,094,953
Other income	5	877,955	3,822,935
Total Income		27,017,954	30,917,888
Cost of Sales		(6,795,295)	(7,149,437)
Employment expenses		(7,236,032)	(8,000,925)
Property expenses		(4,150,593)	(3,850,743)
Entertainment and promotions		(2,464,648)	(1,806,577)
Depreciation		(5,777,924)	(6,428,115)
Sponsorship and donations paid		(233,862)	(217,785)
Other expenses		(949,510)	(649,340)
Results from operating activities		(589,910)	2,814,966
Financial income		-	12,136
Financial expenses		(1,064,232)	(1,388,568)
Net financial income (expense)		(1,064,232)	(1,376,432)
Profit (Loss) before income tax (expense) / benefit		(1,654,142)	1,438,534
Income tax (expense) / benefit	7(a)	445,784	601,067
Profit (Loss) after income tax for the year		(1,208,358)	2,039,601
Net gain (loss) on revaluation of club land and buildings		-	-
Total comprehensive income (loss) attributable to members of the entity		(1,208,358)	2,039,601

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the notes to the consolidated Financial statements

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2022

	NOTES	2022 (\$)	2021(\$)
CURRENT ASSETS			
Cash and cash equivalents	21(a)	3,597,664	3,757,676
Trade and other receivables	8	1,001,233	851,942
Inventories	9	217,399	191,584
Prepayments		-	143,387
TOTAL CURRENT ASSETS		<u>4,816,296</u>	<u>4,944,589</u>
NON-CURRENT ASSETS			
Deferred tax assets	7(c)	4,833,143	4,734,956
Property, plant & equipment	10	58,757,774	61,790,499
Right of use assets	14	326,020	1,554,613
Investment properties	11	7,972,187	8,086,248
TOTAL NON-CURRENT ASSETS		<u>71,889,124</u>	<u>76,166,316</u>
TOTAL ASSETS		<u>76,705,420</u>	<u>81,110,905</u>
CURRENT LIABILITIES			
Trade and other payables	12	1,834,527	1,873,061
Provisions	15	882,338	639,136
Borrowings	2 (g), 13	5,775,752	6,250,000
Lease liabilities	14	741,538	1,123,973
Employee benefit provisions	16	973,742	997,755
TOTAL CURRENT LIABILITIES		<u>10,207,897</u>	<u>10,883,925</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities	7(c)	3,048,059	3,313,227
Borrowings	13	22,640,000	24,115,752
Lease liabilities	14	203,992	980,998
Employee benefit provisions	16	70,031	73,204
TOTAL NON-CURRENT LIABILITIES		<u>25,962,082</u>	<u>28,483,181</u>
TOTAL LIABILITIES		<u>36,169,979</u>	<u>39,367,106</u>
NET ASSETS			
MEMBERS' FUNDS			
Accumulated funds		40,085,190	41,293,548
Asset revaluation reserve		450,251	450,251
TOTAL MEMBERS' FUNDS		<u>40,535,441</u>	<u>41,743,799</u>

The Consolidated Balance Sheet is to be read in conjunction with the notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

Cash flows from operating activities:	NOTES	2022 (\$)	2021(\$)
Receipts from operations		33,061,801	33,069,081
Payments to suppliers and employees		(27,645,596)	(24,552,799)
Interest paid		(1,064,232)	(1,388,568)
Interest received		-	12,136
Net cash from /(used in) operating activities	21(b)	<u>4,351,973</u>	<u>7,139,850</u>
 Cash flows from investing activities:			
Payments for leasehold land, buildings & improvements		(511,632)	(500,088)
Payments for plant, furniture and equipment		(1,240,167)	(1,239,643)
Net cash from /(used in) investing activities		<u>(1,751,799)</u>	<u>(1,739,731)</u>
 Cash flows from financing activities:			
Proceeds from borrowings		550,000	3,000,000
Repayments of borrowings		(2,500,000)	(4,350,000)
Repayments of lease liabilities		(810,186)	(704,297)
Net cash from / (used in) financing activities		<u>(2,760,186)</u>	<u>(2,054,297)</u>
 Net increase/(decrease) in cash held		 (160,012)	 3,345,822
Cash at the beginning of the financial year		3,757,676	411,854
Cash at the end of the financial year	21(a)	<u>3,597,664</u>	<u>3,757,676</u>

The Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENED 30 JUNE 2022

	Accumulated Funds	Asset Revaluation Reserve	Total
	\$	\$	\$
Members' Funds			
Balance at 1 July 2020	39,253,947	450,251	39,704,198
Profit for the year	2,039,601	-	2,039,601
Balance at 30 June 2021	<u>41,293,548</u>	<u>450,251</u>	<u>41,743,799</u>
Profit for the year	(1,208,358)	-	(1,208,358)
Balance at 30 June 2022	<u>40,085,190</u>	<u>450,251</u>	<u>40,535,441</u>

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the Consolidated Financial Statements

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1) CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements cover the Canberra Labor Club Limited and its subsidiaries. The Canberra Labor Club Limited is incorporated and domiciled in Australia. The Canberra Labor Club Limited is a company limited by guarantee. The address of the Company's registered office is Chandler Street, Belconnen. The consolidated entity primarily is involved in the conduct and promotion of licensed clubs and property development.

2) BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements are general purpose consolidated financial statements that have been prepared in accordance with Australian Accounting Standards – simplified disclosure (including Australian Accounting Interpretations), the Corporations Act 2001, the Australian Capital Territory Gaming Machine Act 2004 and Gaming Machine Regulations 2004.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in consolidated financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these consolidated financial statements are presented below and have been consistently applied unless otherwise stated.

The consolidated financial statements were authorised for issue on 21 September 2022 by the Directors of the Company.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Canberra Labor Club Limited as at 30 June 2022 and the results of all subsidiaries for the year then ended. Canberra Labor Club Limited and its subsidiary together are referred to in these consolidated financial statements as the 'consolidated entity'. Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

(c) Basis of measurement

The consolidated 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.

(d) Comparative figures

When required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for reclassified items in the financial statements.

(e) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the consolidated entity's functional currency.

(f) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the consolidated financial report 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 consolidated entity.

Key sources of estimation uncertainty

(i) Impairment of non-financial assets

The consolidated entity assesses impairment of non-financial assets at each reporting date by evaluation of conditions and events specific to the consolidated entity and the particular assets that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations which incorporate various key estimates and assumptions.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2) BASIS OF PREPARATION (CONTINUED)

(f) Critical accounting estimates and judgements (Continued)

(ii) Fair value measurements

In estimating the fair value of an asset or a liability, the consolidated entity uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the consolidated entity engages third party qualified valuers to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 25.

(g) Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

The Club holds a \$10.6m interest only Loan Facility – Daily Rate with the ANZ Banking Group. The loan is a rolling facility at each review date with no defined termination date and with no repayments due. For operational benefit the Club has applied excess funds of \$7.3m directly against this loan at 30 June 2022 to reduce interest charges with the funds convertible to cash within 2 business days. The accounting treatment of this facility is as a current liability with the excess funds applied directly against the loan reducing the value of the current liability. The Club therefore has an excess of current liabilities over current assets as at 30 June 2022 of \$5,391,601.

The Club views the probability of full repayment of the loan facility being required by the bank within 12 months as extremely unlikely. In addition, the excess funds are able to be converted into cash within 2 business days. This means that the Club has a \$7.3m funding facility available to meet its needs, should they be required. This means the Club has access to financing substantially in excess of its working capital requirements. The directors are therefore confident the Club is a going concern and will meet all its debts as and when they fall due.

On the 12th of August 2021 the ACT Government placed the Territory into lockdown due to an outbreak of Covid-19. This lockdown mandated the closure of all Club venues which has materially affected the Clubs primary revenue streams. The Club's bankers ANZ confirmed in writing that the bank waived the Club's debt covenants up to and including 30 June 2022, since and the Club was not able to trade due to health orders in place.

3) SIGNIFICANT ACCOUNTING POLICIES

(a) New and amended standards adopted by the consolidated entity

The consolidated entity 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 consolidated entity.

New standards and interpretations not yet adopted

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(b) Revenue Recognition

Gaming revenue and goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Gross Gaming Machine Revenue, disclosed in Note 4, is inclusive of GST.

Services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at reporting date.

Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Balance Sheet.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(d) Finance income and expenses

Finance income comprises interest income on funds invested and dividend income. Interest income is recognised as it accrues, using the effective interest rate method, in the Consolidated Statement of Comprehensive Income. Dividend income is recognised on the date that the consolidated entity's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings. Interest expense is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

(e) Taxation Income tax

Income tax expense comprises current and deferred tax. Income tax is recognised in the Consolidated Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. The consolidated entity is exempt from income tax on mutual income under the principle of mutuality. Any non-member income net of relevant expenses is subject to income tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the Consolidated Balance Sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the Balance Sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

f) Property, Plant and Equipment Property

Freehold land and buildings are measured at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same classes of assets are charged against fair value reserves directly in equity; all other decreases are charged to profit or loss in the Consolidated Statement of Comprehensive Income. At each valuation date the difference between depreciation based on the revalued carrying amount of the asset charged to the Consolidated Statement of 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.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasehold land and buildings that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired. An independent valuation of the properties to fair market value was conducted at 30 June 2020 by Knight Frank Valuations Canberra.

Plant and Equipment

Plant and equipment is carried at historical cost as indicated, less, where applicable, accumulated depreciation and impairment losses. Plant and equipment that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired. The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

(g) Depreciation

The depreciation rates used for each class of asset are as follows:

	2022	2021
Property, Plant and Equipment		
Buildings	2.5%	2.5%
Leasehold Improvements	10%	10%
Plant, Furniture and Equipment	20%	20%
Gaming Machine Plant and Equipment	20%	20%
Leased Plant and Equipment	20%	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Balance Sheet date. Asset classes' 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 or losses are included in profit or loss in the Consolidated Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(h) Investment properties

Investment properties are held to earn rental income, or for capital appreciation, or for both and are measured at fair value. The investment property was valued by independent valuers at 30 June 2020 by Knight Frank Valuations Canberra. The valuations were determined based on the estimated amounts for which the properties should exchange on the date of valuation between a willing buyer and willing seller in an arm's length transaction.

(i) Intangibles

Intangible assets that are acquired by the consolidated entity which have indefinite useful lives are measured at cost less accumulated impairment losses.

(j) Cash & cash equivalents

For the purposes of the Consolidated Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdraft.

(k) Trade and other receivables

Debtors are generally settled within 30 days and are carried at amortised cost less an expected credit losses.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Property held for development and resales is stated at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, and borrowing costs during construction. When development is completed, borrowing costs and other holding charges are expensed as incurred. Property purchased for development is initially classified as non-current. It is subsequently reclassified to current if the constructed units are expected to be sold within 12 months.

(m) Impairment

Non-financial assets

The carrying amounts of the consolidated entity's non-financial assets, other than investment properties, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the Consolidated Statement of Comprehensive Income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

(n) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 30 days.

(o) Interest bearing liabilities

Bank loans are carried on the Consolidated Balance Sheet at their principal amount. Interest expense is recognised on an accruals basis.

(p) Leases

The consolidated entity assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The consolidated entity as a lessee

The consolidated entity applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The consolidated entity recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The consolidated entity recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the consolidated entity at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ii) Lease liabilities

At the commencement date of the lease, the consolidated entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the consolidated entity and payments of penalties for terminating the lease, if the lease term reflects the consolidated entity exercising the option to terminate.

In calculating the present value of lease payments, the consolidated entity uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The consolidated entity's lease liabilities are included in note 14.

The consolidated entity as a lessor

Leases in which the consolidated entity does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(q) Employee benefits

Short-term employee benefits

Provision is made for the consolidated entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The consolidated entity's obligations for short-term employee benefits such as wages, salaries and leave are recognised as a part of current trade and other payables in the Consolidated Balance Sheet.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bond rates that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in the Consolidated Statement of Comprehensive Income as a part of employee benefits expense.

The consolidated entity's obligations for long-term employee benefits are presented as non-current provisions in the Consolidated Balance Sheet, except where the consolidated entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Basis for consolidation

(i) Subsidiaries

These consolidated financial statements incorporate the assets and liabilities of the subsidiary being S48 Investments Pty Ltd. These subsidiaries are wholly owned by the Canberra Labor Club Limited. The purpose of S48 Investments Pty Ltd are to acquire property, lease out properties and/or undertake property development.

(ii) Transactions eliminated on consolidation

Intra-group balances, transactions and any unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

(s) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready 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.

4) REVENUE	2022 (\$)	2021 (\$)
Gross Gaming Machine Revenue - Canberra Labor Club	11,977,155	12,534,702
Gross Gaming Machine Revenue - City Labor Club	2,602,599	2,969,345
Gross Gaming Machine Revenue - Ginninderra Labor Club	3,405,944	3,970,853
Gross Gaming Machine Revenue - Weston Creek Labor Club	928,220	1,117,273
GST paid on Gross Gaming Machine Revenue	(1,720,177)	(1,872,411)
Hotel Revenue	3,249,072	2,655,017
Gain/(Loss)	213,312	-
Other Club Revenue	5,483,874	5,710,174
	26,139,999	27,094,953
5) OTHER INCOME		
Rental income	317,693	437,770
Government subsidies	85,000	1,670,000
Other income	475,262	1,715,165
	877,955	3,822,935
6) AUDITORS' REMUNERATION		
Audit services—RSM	65,000	60,000

**NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

7) INCOME TAX (BENEFIT) / EXPENSES	2022(\$)	2021(\$)
Recognised in the Consolidated Statement of Comprehensive Income		
Current tax expense		
Current year		
Deferred tax expense		
Origination and reversal of temporary differences	(445,784)	(601,067)
Total income tax (benefit)/expense in income statement	<u>(445,784)</u>	<u>(601,067)</u>
Attributable to: Continuing operations	<u>(445,784)</u>	<u>(601,067)</u>
Numerical reconciliation between tax expense and pre-tax net profit		
Profit (loss) excluding income tax	(1,654,142)	1,438,534
Income tax using Company's domestic corporate tax rate 26%	(413,535)	374,019
Increase in income tax expense due to:		
Expenses attribute to members	5,834,382	6,512,804
Non-deductible expenses	(26,790)	(11,222)
Decrease in income tax expense due to:		
Income attribute to members	(5,888,751)	(7,508,710)
Adjustment for prior years	48,912	32,042
Income tax (benefit)/expense on pre-tax net profit	<u>(445,784)</u>	<u>(601,067)</u>
b) Current tax liabilities		
Balance at beginning of year	-	87,184
Prior year's income tax (paid)/refund	-	(87,184)
	<u>-</u>	<u>-</u>

**NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

7) INCOME TAX EXPENSE (CONTINUED)

c) Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

**Movement in temporary
differences during the year**

	Balance 1 July 21	Recognised In Income	Recognised In Equity	Balance 30 June 22
Property, plant and equipment	1,197,673	84,954	(43,469)	1,239,158
Provisions and accruals	53,579	6,728	(2,061)	58,246
Investment properties	(972,535)	(46,197)	37,405	(981,327)
Capitalised Costs	-	252	-	252
Lease Right of use	90,446	60,407	(3,479)	26,560
Prepaid costs	27,598	(11,220)	(1,055)	15,322
Tax value carry forward losses	1,024,972	401,903	-	1,426,875
	<u>1,421,731</u>	<u>376,013</u>	<u>12,658</u>	<u>1,785,086</u>

	Assets		Liabilities		Net	
	2022	2021	2022	2021	2022	2021
Property, plant and equipment	2,987,216	3,158,898	1,748,059	1,961,227	1,239,157	1,197,673
Provisions and accruals	58,245	53,579	-	-	58,245	53,579
Investment properties	318,673	379,465	1,300,000	1,352,000	(981,327)	(972,535)
Capitalised Costs	252	-	-	-	252	-
Lease right of use	26,559	90,446	-	-	26,559	90,444
Prepaid cost	15,322	27,598	-	-	15,322	27,597
Tax value carry forward loss	1,426,875	1,024,972	-	-	1,426,875	1,024,971
Tax assets/liabilities	<u>4,833,143</u>	<u>4,734,957</u>	<u>3,048,059</u>	<u>3,313,226</u>	<u>1,785,083</u>	<u>1,421,731</u>

8) TRADE AND OTHER RECEIVABLES

	2022 (\$)	2021 (\$)
Trade debtors	<u>1,001,233</u>	<u>851,942</u>

9) INVENTORIES

	2022 (\$)	2021 (\$)
Liquor stocks - at cost	212,073	186,494
Catering stocks - at cost	5,326	5,090
	<u>217,399</u>	<u>191,584</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

10) PROPERTY, PLANT AND EQUIPMENT	2022 (\$)	2021 (\$)
Leasehold land and buildings - Club		
At fair value	24,209,279	24,105,248
Less: Accumulated depreciation	(2,867,381)	(1,400,234)
Total Leasehold land and buildings - Club	<u>21,341,898</u>	<u>22,705,014</u>
Leasehold land, Building and improvements - Hotel		
At Cost	47,963,619	48,344,511
Less: Accumulated depreciation	(3,302,806)	(2,308,888)
Less: Impairment write-down	(11,731,129)	(11,731,129)
Total Leasehold land, building and improvements -Hotel	<u>32,929,684</u>	<u>34,304,494</u>
Plant, furniture and equipment - Club		
At cost	29,249,886	29,190,554
Less: Accumulated depreciation	(25,061,356)	(24,409,563)
Total Plant, furniture and equipment	4,188,530	4,780,991
Capital works in progress	<u>297,662</u>	<u>-</u>
Total Property, plant and equipment	<u>58,757,774</u>	<u>61,790,499</u>

Valuations

The consolidated entity's club land and buildings were valued at 30 June 2020 by independent valuers, Knight Frank Valuations Canberra. Valuations were made on the basis of fair value.

The consolidated entity's hotel land, building and improvements, which are carried at cost, were valued at 30 June 2020 by Knight Frank Valuations Canberra on a going concern basis. The valuation resulted in an impairment write-down of \$11,731,129. Knight Frank in providing the valuation reported that due to COVID-19 there is market uncertainty resulting in significant valuation uncertainty.

The consolidated entity's plant and equipment were measured at historical cost less, where applicable, accumulated depreciation and impairment losses.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

10) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliations

Reconciliations of carrying amounts for each class of Property, Plant & Equipment are set out below:

	2022 (\$)	2021 (\$)
Leasehold land and buildings - club		
Carrying amount at beginning of year	22,705,014	23,900,000
Additions	104,031	205,248
Disposals	-	-
Depreciation	(1,467,147)	(1,400,234)
Fair value adjustment	-	-
Carrying amount at end of year	<u>21,341,898</u>	<u>22,705,014</u>
Leasehold land, building and improvements- Hotel		
Carrying amount at beginning of year	34,304,494	35,500,000
Additions	6,778	221,535
Disposals	-	(34,406)
Depreciation	(1,381,588)	(1,382,635)
Impairment write-down	-	-
Carrying amount at end of year	<u>32,929,684</u>	<u>34,304,494</u>
Plant, furniture and equipment:		
Carrying amount at beginning of year	4,780,991	5,693,875
Additions	1,457,048	1,699,291
Disposals	(133,793)	(144,725)
Depreciation	(1,915,716)	(2,467,450)
Carrying amount at end of year	<u>4,188,530</u>	<u>4,780,991</u>
Capital works in progress		
Carrying amount at beginning of year	-	-
Additions	297,662	-
Transfer to property, plant & equipment on completion	-	-
Carrying amount at end of year	<u>297,662</u>	<u>-</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

11) INVESTMENT PROPERTIES	2022 (\$)	2021 (\$)
Leasehold land and buildings (at fair value)	7,650,000	7,650,000
Plant and Equipment (at cost)	743,821	723,747
Less: Accumulated depreciation	<u>(421,634)</u>	<u>(287,499)</u>
Carrying amount at end of year	<u>7,972,187</u>	<u>8,086,248</u>

The investment property was valued by independent valuers Knight Frank Valuations Canberra at 30 June 2020 resulting in gain of \$1,050,000 which has been recognised in the statement of comprehensive income. Knight Frank in providing the valuation has reported that due to COVID-19 there is market uncertainty resulting in significant valuation uncertainty.

12) TRADE AND OTHER PAYABLES

Trade creditors	1,213,073	1,095,330
Other creditors and accruals	<u>621,454</u>	<u>777,731</u>
	<u>1,834,527</u>	<u>1,873,061</u>

13) BORROWINGS

Bank Loans - current	5,775,752	6,250,000
- non current	<u>22,640,000</u>	<u>24,115,752</u>
	<u>28,415,752</u>	<u>30,365,752</u>

Facilities Available at Reporting Date

Used	28,415,752	30,365,752
Unused	<u>7,324,248</u>	<u>7,874,248</u>
	<u>35,740,000</u>	<u>38,240,000</u>

The finance facilities are secured by a registered first mortgage over the leaseholds at Belconnen Club house, Charnwood Club house, Belconnen Section 48, block 20, City Walk, and by a registered equitable mortgage over the consolidated entity's assets.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

14) RIGHT OF USE ASSETS AND LEASE LIABILITIES	2022 (\$)	2021 (\$)
Right of use assets		
At cost	3,301,368	3,650,623
Less: Accumulated depreciation	<u>(2,975,348)</u>	<u>(2,096,010)</u>
	<u>326,020</u>	<u>1,554,613</u>
Current		
Lease Liabilities	396,647	923,808
Hire Purchase Liabilities	<u>344,891</u>	<u>200,165</u>
	<u>741,538</u>	<u>1,123,973</u>
Non Current		
Lease Liabilities	-	762,762
Hire Purchase Liabilities	<u>203,992</u>	<u>218,236</u>
	<u>203,992</u>	<u>980,998</u>
15) PROVISIONS		
Current		
Provision for linked jackpot and bonus points	689,791	615,136
Other provisions	192,547	24,000
	<u>882,338</u>	<u>639,136</u>
16) EMPLOYEE BENEFIT PROVISIONS		
Current		
Provision for annual leave	572,918	508,172
Provision for long service leave	400,824	489,583
	<u>973,742</u>	<u>997,755</u>
Non-current		
Provision for long service leave	<u>70,031</u>	<u>73,204</u>
17) OPERATING LEASES		
Leases as lessor		
The consolidated entity leases out its investment properties under operating leases. The future minimum lease payments under non-cancellable leases are as follows:		
During the year ended 30 June 2022 \$317,693 was recognised as rental income in the Consolidated Statement of Comprehensive Income (2021: \$437,770) in respect of investment properties.		
Less than one year	346,108	336,997
More than one year	<u>493,616</u>	<u>746,911</u>
	<u>839,724</u>	<u>1,083,908</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

18) CONTINGENT LIABILITIES	2022 (\$)	2021 (\$)
Guarantees		
The consolidated entity has given the following bank guarantees:		
- Challenger	198,000	198,000
- Hawkesbury Nominees Pty Limited	82,500	82,500
- TAB Corp	<u>15,000</u>	<u>15,000</u>
	<u>295,500</u>	<u>295,500</u>

Guarantees have been issued in respect of TAB operations at Canberra Labor Club, Ginninderra Labor Club, and Weston Creek Labor Club, and in respect of rent obligations at the City Labor Club and Challenger car park.

19) EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There has not arisen in the opinion of the Directors of the Company any item, transaction, or event of a material nature between the end of the Financial Year and the date of this report to significantly affect the operations, financial results or state of affairs of the Company in future financial years.

20) RELATED PARTIES

(a) Directors

The names of the persons holding the position of Directors of Canberra Labor Club Limited during the Financial Year were Brian Weir, Tony Luchetti, Sandra Thomas, Garrett Purtil, Margaret Watt, Christopher Long, Beth Vincent-Pietsch, Greg Miller, David Wedgwood and Michelle Kirby. The following Directors resigned during the year – Brian Weir.

(b) Remuneration, retirement benefits and service agreements

Company Directors did not receive remuneration during the year. Allowances paid during the year for travel and other incidentals incurred in the attendance of Board meetings and carrying out other Board duties totalled \$10,300 (2021: \$780). No amounts have been paid to Directors in connection with the retirement of Directors or service contracts with Directors.

(c) Other related parties

During the year the consolidated entity provided financial support of nil (2021: nil) to the 1973 Foundation Pty Ltd as trustee for the 1973 Foundation. During the year the Company granted an in-kind donation of \$7,054 (2021: \$5,768) in the form of free room hire to the ACT Branch of the Australian Labor Party.

(d) Parent entity

The parent entity is Canberra Labor Club Limited, a Company incorporated in Australian Capital Territory. Disclosure relating to interest in the subsidiaries is set out in note 23.

(e) Transactions with key management personnel

Key management personnel compensation is as follows:

Key management personnel compensation	2022	2021
Short-term employee benefits	1,107,483	1,179,094
Other long-term benefits	<u>104,202</u>	<u>107,854</u>
	<u>1,211,685</u>	<u>1,286,948</u>

Other key management personnel transactions

Transactions between related parties on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

(f) Transactions within the Group

During the financial year the Company provided treasury, accounting, legal and administrative services to the subsidiaries. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

21(a) CASH AND CASH EQUIVALENTS	2022 (\$)	2021(\$)
Cash at bank and on hand	<u>3,597,664</u>	<u>3,757,676</u>
21(b) RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit for the period after income tax	(1,208,358)	2,039,601
Adjustments for:		
- Depreciation	5,777,924	6,428,115
- Impairment write-down	-	-
- (Gain)/loss on disposal of non-current assets		(214,755)
Operating profit before changes in working capital and provisions	<u>4,569,566</u>	<u>8,252,941</u>
- (Increase) / decrease in receivables	(47,840)	(659,227)
- (Increase) / decrease in inventory	(25,816)	(5,963)
- (Increase) / decrease in other prepayments	143,387	(101,729)
- Increase / (decrease) in income tax liabilities	(363,356)	(688,251)
- Increase / (decrease) in trade creditors	28,562	442,385
- Increase / (decrease) in provisions	74,655	69,817
- Increase / (decrease) in employee benefits provision	(27,185)	(170,123)
Net cash from operating activities	<u>4,351,973</u>	<u>7,139,850</u>

22) MEMBERS' UNDERTAKING

The Company 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 \$20.00 per Member in the event of the winding up of the Company. At 30 June 2022 there were 44,569 (2021: 46,814) Members. This membership comprised 74 (2021: 74) Ordinary Members, 836 (2021: 842) Life Members and 43,659 (2021: 45,898) Associate Members.

23) SUBSIDIARIES

The subsidiary S48 Investments Pty Ltd is a wholly owned subsidiary of the Company, ownership interest is at 100%.

24) CONTINGENT ASSET

Canberra Labor Club Limited holds a contingent asset of \$1,590,000 excluding GST. This asset is a result of the voluntary surrender of gaming machine authorisations. This asset is to be used for future reductions and offsets to land related payments, fees and charges. The Club will recognise this asset when it becomes probable that these reductions and offsets will be utilised by the Club. This contingent asset will expire on the 31 March 2026.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

25) PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

Statement of comprehensive income

	2022 (\$)	Parent 2021 (\$)
Profit (loss) after income tax	(763)	3,592,150
Total comprehensive income	<u>(763)</u>	<u>3,592,150</u>

Balance Sheet

	2022 (\$)	Parent 2021 (\$)
Total Current Assets	5,349,301	5,434,480
Total Non-current Assets	<u>58,936,848</u>	<u>59,397,886</u>
Total Assets	<u>64,286,149</u>	<u>64,832,366</u>
Total Current Liabilities	5,281,191	5,597,992
Total Non-current Liabilities	<u>5,511,001</u>	<u>5,741,181</u>
Total Liabilities	<u>10,792,192</u>	<u>11,339,173</u>
 Equity		
Accumulated Funds	53,043,705	53,042,942
Asset Revaluation Reserve	<u>450,251</u>	<u>450,251</u>
Total Equity	<u>53,493,957</u>	<u>53,493,193</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

26) INFORMATION PROVIDED UNDER THE GAMING MACHINE ACT 2004

a) Remuneration over \$150,000

The number of employees of the Company who received remuneration in excess of \$150,000 during the year was five.

b) Contracts Over \$99,999 (inclusive of GST)

Contracting Party	Details	Value (\$)
AAPC Properties Pty Ltd	Accor Hotels	276,291
Actew AGL	Electricity , Gas , Water & Sewerage	959,880
ALM on Premise	Alcohol Supplies	298,014
AHS Hospitality	Hotel Housekeeping	510,995
ANZ Banking Group Ltd	Financial Services	2,607,865
Aristocrat	Gaming Hardware and Servicing	445,356
Capital Linen Services	Linen Services	101,063
Carlton & United Breweries	Alcohol Supplies	893,019
Coca-Cola Amatil	Refreshments	133,706
Colliers International	Premises Rental	883,519
Coordinate Group Pty Ltd	Advertising Service	130,626
Fox Sports Pty Ltd	Entertainment Services	121,441
Gallagher and Co (Aus) Ltd	Insurance	352,177
Grosvenor Engineering Group Pty Ltd	Air Conditioning Services	110,648
International Game Technology	Gaming Hardware and Servicing	269,688
Konami Australia	Gaming Hardware and Servicing	151,800
Lawn Rescue	Greenkeeper Services	176,766
Lion-Beer Spirits & Wine Pty Ltd	Alcohol Supplies	215,688
Mia Manna Pty Ltd	Catering Supplies	169,571
NDH Management	Premises Rental	382,904
Rolfe Property Services	Cleaning Services	434,740
SNP Security	Security Services	392,185
TAB Corp Ltd	Waging and Gaming Services	892,421
The Butcher Shop	Meat Trays	125,300

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

26) INFORMATION PROVIDED UNDER THE GAMING MACHINE ACT 2004 (CONTINUED)

c) Benefits

Position	Benefit	Purpose	Value (\$)	Provider of Benefit
CEO	Wine	Christmas Gift	40	Betsafe
COO	Wine	Christmas Gift	40	Betsafe
GCM	Wine	Christmas Gift	40	Betsafe
CEO	Beer	Christmas Gift	50	Grosvenor
COO	Beer	Christmas Gift	50	Grosvenor
GCM	Hamper	Christmas Gift	50	Wymac Gaming
Banking Officer	Wine	Christmas Gift	20	Cardtronics
VM	Beer	Christmas Gift	50	Grosvenor

CANBERRA LABOR CLUB LIMITED T/A CANBERRA LABOR CLUB GROUP CLUB AUDITED COMMUNITY PURPOSE CONTRIBUTION STATEMENT 2021

The Canberra Labor Club Group engages in a generous and far-reaching community assistance programme supporting a broad area of the community which includes charitable causes, providing recreation and educational opportunities, improving social inclusion, equality and cultural diversity, and benefitting or increasing participation in community sport.

The Group is proud of the support we have been able to provide to many not-for-profit organisations each year with a combination of financial and in-kind support. The value of that support in the last 10 years equates to more than \$10 million.

Every dollar of the Group's generous funding programme is spent on numerous community organisations independent from the Group. By supporting organisations in this manner, the Group is able to provide assistance to a larger and more diverse range of community groups within the ACT where it reaches those who need it most and has a significant impact.

Central is the Group's ability to properly implement and monitor the community assistance programme, and in particular the way in which community purpose contributions are used. A Community Contributions Committee was established by the Board and is an oversight committee for the funding programme on community organisations. The Committee meets regularly with appropriate policies to govern the Committee processes, including an assurance process which is implemented to ensure the integrity of the programme.

A recipient of the programme is required to make formal application to the Committee for assistance, outlining the key purpose of the support they are seeking. The application needs to meet the community purpose requirements designated by law, and in the case of cash funding, provide a breakdown of how the funding will be acquitted to support the organisation's needs. Once approved, formal acknowledgement from the organisation that the donation will be used for its intended purpose, is required.

The support the Group has made to the community to-date is a key driver of our operations and we are continually looking at ways we can enhance and improve this support, and our community engagement for the years ahead.

**CANBERRA LABOR CLUB LIMITED T/A CANBERRA LABOR CLUB GROUP
CLUB AUDITED COMMUNITY PURPOSE CONTRIBUTION STATEMENT 2021-22**

CLUB REVENUE	2021-22
GROSS GAMING MACHINE REVENUE (GGMR) [Total after deducting players' winnings (excluding linked jackpots) and any amount set aside under a linked-jackpot arrangement for the payment of jackpot payouts]	\$18,913,916
24% OF GGMR	\$4,539,340
GAMING MACHINE TAX LIABILITY (tax payable under section 159 of the Act)	\$3,826,716
TOTAL NET GAMING MACHINE REVENUE (NGMR)	\$10,547,860
VALUE OF GAMBLING HARM PREVENTION AND MITTIGATON FUND (GHPMF) (0.75% OF GGMR)	\$132,776
COMMUNITY PURPOSE CONTRIBUTIONS (CPC)	2021-22
VALUE OF CLAIMED CPC'S OTHER THAN CONTRIBUTION OF 0.75% OF GGMR TO THE GHPMF	\$753,579
TOTAL VALUE OF CLAIMED COMMUNITY PURPOSE CONTRIBUTIONS	\$886,355
CLAIMED MONETARY COMMUNITY PURPOSE CONTRIBUTIONS AS A % OF NGMR	\$529,834
CLAIMED COMMUNITY PURPOSE CONTRIBUTIONS AS A % OF NGMR	\$8.40%
REQUIRED COMMUNITY CONTRIBUTIONS (8% OF NGMR)	\$843,829
EXCESS/(DEFICIT) OF CLAIMED COMMUNITY CONTRIBUTIONS COMPARED TO REQUIRED CONTRIBUTIONS [G-I]	\$42,527
VALUE OF CONTRIBUTIONS TO REGISTERED POLITICAL PARTIES AND THEIR ASSOCIATED POLITICAL ENTITIES	\$7,054

2021-22 SUMMARY OF TOTAL CLAIMED

	Totals for Category	Monetary for Category	In-Kind for Category
Supporting of Charitable Causes	\$356,216	\$63,970	\$292,246
Providing Recreational Opportunities	\$11,127	\$0	\$11,127
Providing Educational Opportunities	\$317	\$0	\$317
Improving Social Inclusion, Equality or Cultural Diversity	\$12,916	\$0	\$12,916
Benefitting or Increasing Participation in Community Sport	\$269,404	\$237,758	\$31,646
Benefitting or Increasing Participation in Women's Sport (Adjusted)	\$103,599	\$95,330	\$8,269
Preventing or Mitigating Harm Caused by Drug or Alcohol Misuse or Dependency (Adjusted)	\$0	\$0	\$0
Provide Relief or Assistance to People living in Australia Following a Natural Disaster	\$0	\$0	\$0
Problem Gambling Assistance Fund Payments for Financial Year	\$132,776	\$132,776	\$0
TOTAL CLAIMED (including payments to GHPMF)	\$886,355	\$529,834	\$356,521
Political	\$7,054	\$0	\$7,054

CATEGORY - SUPPORTING CHARITABLE CAUSES

Date	Recipient	Purpose	Amount Monetary (\$)	Amount In-Kind (\$)
10 June 2022	Calvary Hospital Auxiliary	Charitable donations towards purchase of a paediatric cot and a pressure relieving comfort chair	10,000	
July 2021 - June 2022	Deaf ACT	4 x Monthly Room Hires for committee meetings		908
3 June 2022	Grind To Ground	2 x Monthly Room Hires and equipment for AGM and Board Meeting		836
Nov 2021-June 2022	Legacy Club Of Canberra	8 x Monthly Room and Equipment Hire for Legacy Ladies meetings		1,573
Feb-June 2022	Legacy Club Of Canberra	5 x Room and Equipment Hire for Monthly meetings		964
July 2021- June 2022	Lung Life Support	6 x Room Hires for support group meetings		818
Dec 2021	Diabetes ACT	Room and Equipment Hire		364
28 July 2021	Parkinson's ACT	In-kind printing of newsletter for charity distribution		180
25 March 2022	Ricky Stuart Foundation	Charity Bowls Day Venue Hire and greens		3,790
27 June 2022	Ricky Stuart Foundation	Charity Donation for development of Autism program	12,000	
10 June	Toora Women Inc	Funding to support and encourage healthy lifestyle options for vulnerable women in the ACT	15,000	
30 June 2022	Volunteering and Contact ACT Limited	Depreciation on Fitout of Office Space Level 2 / 222 City Walk Long term agreement of office space- Level 2 / 222 City Walk Long term agreement of office space Level 3 / 222 City Walk	26,970	170,053 112,760
Subtotal - Supporting Charitable Causes			\$63,970	\$292,246
TOTAL - Supporting Charitable Causes				\$356,216

CATEGORY - PROVIDING RECREATIONAL OPPORTUNITIES

Date	Recipient	Purpose	Amount Monetary (\$)	Amount In-Kind (\$)
Jan – Jun 2022	ACT Hang-gliding & Paragliding Assoc	5 x Room Hires for committee meetings		682
17 July 2021	Canberra BMX	Room & Equip Hire for fund-raising trivia night		418
July 2021 – June 2022	Capital Bridge Club	38 x Room Hires for recreation club meetings		9,209
14 Jul 21 & Feb-Jun 2022	Mercedes Benz Club of the ACT	6 x Room Hires for club meetings		818
Subtotal - Providing Recreational Opportunities		-		\$11,127
Total - Providing Recreational Opportunities				\$11,127

CATEGORY - PROVIDING EDUCATIONAL OPPORTUNITIES

Date	Recipient	Purpose	Amount Monetary (\$)	Amount In-Kind (\$)
18 May 2022	UC Lake Ginninderra P&C Assoc	Room hire for school P&C to determine school resourcing and objective		181
4 May 2022	Friends of ACT Trees	Room hire for educational seminar evening for ACT community		136
Subtotal - Providing Recreational Opportunities				\$317
-				
Total - Providing Recreational Opportunities				\$317

CATEGORY - BENEFITTING OR INCREASING PARTICIPATION IN COMMUNITY SPORT

Date	Recipient	Purpose	Amount Monetary (\$)	Amount In-Kind (\$)
27 July 21	Belwest Foxes Soccer Club	Room Hire for club AGM and teams meeting		455
1 Mar 22	Belwest Foxes Soccer Club	Funding towards increasing participation in community sport and to assist to support women and disadvantaged players	5,000	
21 Mar 22	Central Hockey	Funding towards the development of school hockey programs and to provide recreational opportunities by increasing participation in community sport	6,000	
21 Mar 22	Ginninderra Rats Basketball Club	Funding towards development of men's and women's teams and assistance with uniforms	3,000	
10 Mar 22	Marist College	Discounted Green fees for school sport		232
22 Mar 22	Molonglo Juggernauts AFL	Funding towards women's and indigenous sport and increasing participation in community sport	6,000	
Jul 21 - Dec 2021	Royal Life Saving Society Australia - ACT	7 x Room & Equipment Hires for Bronze Medallion Lifesaving training		2,582
13 May 22	UC Hockey	Room hire and equip for fundraising Trivia night for club resources and equipment		555
29 Mar 22	WC Molonglo Wildcats - Junior AFL	Funding towards equipment, registration, uniforms and coaching accreditation	6,700	
1 Dec 2021	WC Men's Bowling Club	Funding towards providing recreational opportunities in the provision of equipment and services and facilities for community use	20,000	
Jul 21 - Jun 22	Weston Creek Bowling Club	50 days * Discounted Green Fees for Bowls Competition (Thursday and Saturday)		10,100
Nov 21 - Jun 22	Weston Creek Bowling Club	24 days * Discounted Green Fees for Club Social Bowls		2,934
Mar 22 - May 22	Weston Creek Bowling Club	Free Greens Hire for ACT Men's Pennants		10,692
Jul 21 - Jun 22	Weston Creek Bowling Club	19 days * Discounted Green Fees for Travelling Bowlers		2,320
Feb 22	Weston Creek Bowling Club	Green Fee - Club Championships		1,296
29 Jan 22	Weston Creek Bowling Club	Green Fee - Men's Fours Championships		344
21 Jul 21	Weston Creek Cricket Club	Room Hire club AGM meeting		136
Jul 2021 - Jun 2022	Weston Creek Labor Club	Cost of Maintaining Bowling Greens available to the Public		
		-Promotions	1,707	
		-Water	5,498	
		-Repairs and Maintenance	146,992	
		-Depreciation on Synthetic Greens	5,227	
		-Wages	72,487	
		-Green Income	-40,853	
		Net Spending	Total \$191,058	
	Subtotal - Benefitting or Increasing Participation in Community Sport		\$237,758	\$31,646
	Total - Benefitting or Increasing Participation in Community Sport			\$269,404

CATEGORY - BENEFITTING OR INCREASING PARTICIPATION IN WOMEN'S SPORT (ADJUSTED)

Date	Recipient	Purpose	Amount Monetary \$	Amount In-kind \$		
			Actual Amount	Adjusted Amount	Actual Amount	Adjusted Amount
10 Jun 2022	Aust Women's Beach Handball Assoc	Funding towards equipment and uniforms for women's team	5,200	6,933		
27 May 2022	Belwest Soccer Club	Funding towards encouragement and development of female soccer teams	5,000	6,666		
21 Mar 2022	Hockey ACT	Funding towards development of women's hockey pathway program and increasing participation in women's sport	17,500	23,333		
3 Jun 2022	Central Hockey	Funding towards development of women's teams and increasing participation in women's sport	2,000	2,666		
Nov 2021 – Jun 2022	Evatt Calisthenics	5 x Room Hire for Monthly Committee meetings			1,000	1,333
24 Apr 2022	Ginninderra Rats	Funding towards development of women's teams and increasing participation in women's sport	2,000	2,666		
26 May 22	Molonglo Jugger-nauts AFL	Funding to encourage participation in women's AFL in the Weston Creek region	1,500	2,000		
1 Dec 2021	Weston Creek Women's Bowling Club	Funding to increase participation in women's lawn bowls in ACT and assistance to provide equipment and community facilities	15,000	20,000		
Jul 2021 - Jun 2022	Weston Creek Women's Bowling Club	29 * Discounted Green Fees for Weekly Tuesday Social Bowls			5,202	6,936
21 Dec 21	Weston Creek Molonglo Cricket Club	Funding to assist with the delivery and maintenance of girls and women's cricket teams in ACT and provision of equipment and services	20,000	26,666		
25 May 22	Weston Creek Molonglo Wildcats Junior AFL	Funding to assist the development and encouragement of participation in junior girls AFL	3,300	4,400		
Subtotal - Benefitting or Increasing Participation in Women's Sport (Adjusted)			\$71,500	\$95,330	\$6,202	\$8,269
Total - Benefitting or Increasing Participation in Women's Sport (Adjusted)						\$103,599

CATEGORY - IMPROVING SOCIAL INCLUSION, EQUALITY OR CULTURAL DIVERSITY

Date	Recipient	Purpose	Amount Monetary (\$)	Amount In-Kind (\$)
5/7/21; 2/5/22; 6/6/22	Australian Cuban Friendship Society	3 x Room Hires for Cuban Cultural Group meetings		500
5 Mar 2022	Initiatives for Women in Need	Room Hire to organise fundraising event		182
Mar – May 2022	Italian Carers Seniors	2 x Room hires + tea/ coffee for seniors group meetings		691
Jan – Jun 2022	National Seniors Aust – Canberra South Branch	6 x Room hires for club member meetings		1,655
July 2021 – Dec 2021	Spanish Seniors Group	5 x Room and equipment Hires for cultural seniors group meetings		6,179
Jul 21 – Jun 22	Toastmasters - Bruce	11 x Room and equip Hires for Monthly and Fortnightly meeting		3,573
1 Mar 2022	Welsh Society of Canberra	Room Hire for St David's Day Celebration		136
Subtotal - Improving Social Inclusion, Equality or Cultural Diversity	-			\$12,916
Total - Improving Social Inclusion, Equality or Cultural Diversity				\$12,916

CATEGORY - POLITICAL

Date	Recipient	Purpose	Amount Monetary (\$)	Amount In-Kind (\$)
Jul 21 – Jun 22	ALP ACT - Belconnen Sub-Branch	7 x Room Hire for monthly meetings		1909
Jul 21 – Jun 22	ALP ACT – Mount Rogers Sub-Branch	10 x Room Hire for monthly meetings		3,500
Jul 21 – Apr 22	ALP ACT - Federal Election	3 x Room & Equip hire for Federal Election night		418
Jul 21 – Jun 22	ALP ACT - Weston Creek Molonglo Sub-Branch	9 x Room Hire for monthly meetings		1,227
Sub Total for Political		-		\$7,054
Total for Political				\$7,054

NOTES