

2019-2020

# ANNUAL REPORT



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# CLUB DIRECTORS

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**BRIAN CLONEY**  
PRESIDENT

Brian has lived in the Menai area for over 30 years and has volunteered countless hours across community and sporting roles, including as a member of the Holy Family Church and Choir. Brian remains actively involved in community development through mentoring and supporting local sporting clubs, businesses, charities, churches and schools. He is a proud Ambassador for Beyond the Badge, a not-for-profit supporting former first responders. Professionally, Brian has over 30 years' experience in general management, sales and management consulting and mentoring across Australia and internationally. He is a Certified Speaking Professional and trainer. Brian joined Illawarra Catholic Club in 1997 and is a Life Member. He was elected as a Director in 2005, appointed Vice President in November 2009 and President in May 2016.



**MARGARET STARKS**  
VICE PRESIDENT

Margaret has lived in Hurstville since 1985 and is a member of St Michael's Parish. She is passionate about the community and the many organisations and charities delivering services in the local area. Margaret played netball in the St George District and practised BJP Physical Culture for over 45 years, as well as volunteering for the clubs in secretarial and treasury roles. Margaret is a strong supporter of grassroots sport and was recognised with Life Membership of Kingsgrove Cricket Club. Professionally, Margaret worked in the finance & insurance industry for over 40 years across multiple disciplines. She has achieved industry qualifications for business analysis and IT project management and senior leadership qualifications from the Macquarie Graduate School of Management. Margaret joined Illawarra Catholic Club in 2008 and was elected as a Director in 2018. She was elected as Vice President in 2019.



**SANDRA COOGAN**  
DIRECTOR

Sandra is a life-long resident of the Hurstville area. She worked in the travel industry for over 40 years and is heavily involved in volunteering and supporting the local Catholic community. Sandra was appointed honorary Vice President of the St George District Cricket Club in 2020 in recognition of her volunteer service. Sandra joined Illawarra Catholic Club in 1970 and was made a Life Member in 2019. She was appointed as a Director in 2007 and is a member of the Membership Committee.



**KEVIN GREENE**  
DIRECTOR

Local to the Georges River Area for 52 years, Kevin was elected as inaugural Mayor of Georges River Council in 2017 and is involved in many aspects of community life. A former teacher and Principal from 1981-1998, Kevin holds a Bachelor of Education and Diploma of Teaching. Kevin served as a Member of Parliament from 1999-2011 and was a Cabinet Minister from 2007-2011. He is a Director of Racing NSW and Cricket NSW, President and Life Member of St George District Cricket Club, Patron and Life Member of ICC Cricket Club and St George District Cricket Association. Kevin has been a Member of Illawarra Catholic Club since 1976 and is a Life Member. He served as a Director from 1989-2007 and was elected again in 2016. He is currently a Member of the Finance and Membership Committees and has previously served as Vice President and Chair of Finance from 1991-2005 and as President from 2005-2007.



### **BRIAN ROBERTS DIRECTOR**

Brian has lived in Lugarno for 41 years. In 2018 he retired as the Regional Director of the Edmund Rice Education Australia (EREA) Eastern Region and member of the EREA National Leadership Team. Brian is a former Principal of Marist College, Kogarah; De La Salle College, Revesby; St Patrick's College, Strathfield and Christian Brothers, Lewisham. Brian has been a member of Illawarra Catholic Club since 1981 and is a Life Member. He was elected as a Director in July 2005 and served as Vice President from 2016 to 2019. He has been a Member of the Finance Committee since July 2005.



### **STEVEN SIMPSON DIRECTOR**

Steve served in the Army from 1966-1988. He was formerly the Bluescope Steel National Safety Manager. Steve is actively involved in community life, a strong supporter of the Rural Fire Service and a long-time resident of Sutherland Shire. He was elected to Sutherland Shire Council in 1995 and served as Mayor of Sutherland Shire from 2013-2014, Deputy Mayor from 2019-2020 and was elected as Mayor in 2020. He was Director of the Southern Sydney Waste Board from 1996-1999. Steve joined Illawarra Catholic Club in 1997 and is a Life Member. He is a member of the Finance Committee.



### **PHIL STANTON DIRECTOR**

Phil worked in the finance industry for over 40 years. He has a long family association with the Illawarra Catholic Club, with his father Jack Stanton (dec.) a Life Member who served 11 years as a Director. Phil has a Graduate Diploma in Financial Planning and has been a member of the ICC Cricket Club since 1968. Phil joined Illawarra Catholic Club in 1977 and has been a Director since November 2008. He has served as Chairman of the Company's Finance Committee since February 2018, is a member of the Audit & Risk Committee and the Building Committee.



### **FATHER CHRISTOPHER RYAN**

Father Christopher Ryan is the Chaplain of Illawarra Catholic Club. He is currently the Parish Priest at St Declan's Catholic Church in Penshurst and Our Lady of Fatima Catholic Church in Peakhurst. In 2007-2008 he was the coordinator of the pilgrimage of the World Youth Day Cross and Icon throughout Australia in preparation for World Youth Day 08. He is the author of *In the Light of the Cross*, a series of reflections on the Catholic faith using reflections from the Journey of the Cross and Icon. Fr. Chris has been involved in youth ministry in parishes, schools and new communities and is a popular speaker for youth and young adults.

# MANAGEMENT REPORT

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Dear Members,

The 2019/20 financial year came to a rather tumultuous end due to the ongoing COVID-19 pandemic. The global health crisis has had a significant impact on our Clubs, our team, and you, our members, and looks set to continue to do so for some time to come. On behalf of the team, a very big thank you for your support over this time.

Being able to adapt and overcome these challenges has been paramount to our ability to continue operating in a changing world. Our lives have been transformed in many ways, and the way we operated just 12 months ago now seems like a distant memory.

Despite these significant and life changing impacts, I am extraordinarily proud of the results that the Illawarra Catholic Club has achieved on behalf of members. I believe it highlights the continued hard work by our people, across our frontline, back of house, facilities and administration teams as well as the Senior Leadership team. We seized the opportunity to upgrade our facilities, lessening the impact on you, our members.

Despite the 70-day government-imposed shut down of Clubs and other hospitality venues in March 2020, and the fear and uncertainty in the months prior, we are pleased to present an operating profit for the ICC Group of \$9,502,801 before income tax of \$779,213 and including donations of \$911,136, and depreciation of \$5,041,509. Your continued patronage and loyalty is greatly appreciated and we are immensely grateful to have reopened in June and to welcome members and guests back through our doors.

One of the most significant achievements for our organisation is that despite the impact of the shut-down, we have managed to retain all full time and permanent part time staff. In addition, the vast majority of our casual team members were supported through the JobKeeper program. With unanimous support from the Board, the ability to continue providing employment to our team who are part of the Hurstville and Menai communities is testament to how highly they are valued for the wonderful job that they do.

## COMMUNITY SUPPORT

Despite the challenges that our communities are continuing to face, I would like to thank all members who have supported our Corporate Social Responsibility initiatives. Through your support we were able to make significant contributions to a number of organisations who continue to do such important work within our local communities. Many of our partners have reported higher demand than ever before, particularly in recent months with the devastation caused by COVID-19. Our support is focussed on several areas including the health and wellbeing of our community, children and young people as well as services to assist victims of domestic violence, hardship and homelessness.

Our financial support has ranged from significant financial grants to organisations such as Calvary Health Care - \$135,000, Project Youth - \$42,000, Learning Links - \$30,000, Clever Care NOW - \$41,000 and Kingsway Community Care \$35,000, to smaller grants

to Georges River Life Care - \$9,000, Dandelion Support Network - \$7,000 and Sutherland Shire Carer Support Service - \$12,000. We are proud to be able to give back and make a difference in our local area and you will find more comprehensive reporting on our collective achievements on pages 26 to 33.

Local sport has always been an important part of our Club's community support program and remains close to our hearts. Our support extends across 35 local sporting clubs with football, cricket, rugby league and rugby union, social golf, netball, basketball among the sporting codes that benefitted from \$105,750 in financial sponsorship as well as over \$18,900 in in-kind support.

## SUSTAINABILITY

Throughout the year, our Green Team has been working on a Sustainable Procurement Policy and Strategy, which is part of our efforts to build a better business, a better planet and better communities.

We are also looking at every part of our business as we set our sustainability goals and targets across operations, gender representation, procurement and energy and waste streams. It is our intention to continue to play a leading role in our industry in approaching the environmental and social challenges before us, both locally and globally. More information about our sustainability initiatives is on page 31. These initiatives are headlined by the solar energy production at Menai.

## STANDING STRONG TOGETHER

The success of our Clubs relies on the harmonious and co-operative relationship between the Board, the Senior Leadership team and you, our members. We all appreciate the support as we go about our daily duties, particularly with the changes in recent months.

Despite the disruptions to normal operations, our team has worked hard to continue to build on the enhancement of member services both big and small. At Menai some significant improvements were made over the past 12 months including 225 comfortable new gaming chairs, bi-fold doors to open the Terrace area as well as the introduction of a new bar snack menu.

The expansion and redevelopment project at our Hurstville property has continued to progress. The early works program was completed in August 2019 with construction commencing soon after. During the shut-down, a large program of refurbishment works on the existing Hurstville premises was brought forward. Taking place during this period reduced the impact on members and guests and meant that when our doors officially reopened on 1 June 2020, there were some pleasant surprises. These included a spectacular new reception and entry area and refreshed gaming areas with the centrepiece being a stunning new marble bar and 5m x 3m big screen TV.

In response to the COVID-19 pandemic we have focussed on ensuring our health and hygiene standards are first-rate, introducing hygiene attendants and temperature testing on entry to our clubs. Throughout this period and as we look ahead, our highest priority is the health and safety of our members and

employees and ensuring that our Clubs are well protected and managed to best support the needs of members and guests.

I extend my thanks to the many service contractors, business consultants and agents, who maintain our buildings, commercial tenancies, Club facilities, entertainment and product services throughout the year. A special mention to our accomplished caterers Myriam & Richard Facer (Terrace Bistro and Cafe, Menai), John Lim (Imperial Dynasty Chinese Restaurant, Hurstville) and their wonderful staff and Lino Parrottino at Fox & Jones.

## THANK YOU FOR YOUR SUPPORT

Membership for the 2019/20 year totalled 58,327. In support of this our marketing team continued to deliver great promotional initiatives, weekly events, school holiday activities, shows and entertainment until the shutdown in March 2020. The team also worked extremely hard on the design of a refreshed and modern new logo and stylish new staff uniform.

As we navigate this time of change, I thank you for your continuing loyalty in returning to our Clubs and renewing your membership. You might also consider providing a gift of "membership" to a family member or friend. Just visit the Club or sign up online. Your support means that we can continue to provide facilities for you to enjoy, employ local residents and make a difference in our communities.

As always, our Club websites are the place to visit for the most up to date information, and any announcements that may enhance your membership experience.

Thank you for the support of the team over the past year and we all look forward to welcoming you back into the Club in the very near future.



PAUL RICHARDSON  
Chief Executive Officer

# PRESIDENT'S REPORT

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## A YEAR OF CHALLENGES AND CHANGE

On behalf of your Board of Directors, it is my pleasure to present the 60th Annual Report and Financial Statements for Illawarra Catholic Club as at 30 June 2020.

This has been a year like no other in our Club's history. The COVID-19 global pandemic has had a significant impact on our lives and will no doubt lead to long term shifts in the way we live and work. Plans and goals, both personal and professional, were forced to abruptly change over the course of a few short weeks.

Whilst almost all sectors of society and the economy have been hit hard by the pandemic, government shutdowns, and restrictions on the way we live and work, the hospitality industry has undoubtedly been one of the hardest hit. I am proud that despite the hurdles we have faced, we have managed to retain all full time and permanent part time members of the Club Central team, along with many of our casual staff who have been supported through the initial JobKeeper payment.

With all of this in mind, I am extremely proud to present the 2019/20 trading results for Illawarra Catholic Club. Despite the enormous challenges our operations have faced, including a 70-day government-imposed shutdown between March and June 2020, the ICC Group returned a profit of \$9,502,801 before income tax of \$779,213 and including donations of \$911,136, and depreciation of \$5,041,509.

I commend our Leadership team, led by CEO Paul Richardson, as well as our frontline and administration teams for their commitment, care and loyalty. With our team continuing to work in partnership with our caterers and suppliers, we have produced these results in an environment where so many have struggled. It has only been possible to achieve this because of the solid foundation that has been built with our business partners over many years.

## CORPORATE SOCIAL RESPONSIBILITY

We are immensely proud to have continued to support our Community Partners in the charity and welfare space throughout this tough year. We look forward to continuing to build on these strong relationships into the future and provide some level of certainty for the local groups serving and supporting our community. Our commitment to making a difference to our communities remains as strong as ever during these difficult times.

Recipients of donations and grants this year include many community welfare groups, sporting bodies and charity organisations which are listed on page 26. ClubGRANTS totalling \$398,475 and \$129,467 were made to Hurstville and Sutherland areas respectively, under the Club GRANTS Scheme (1 September 2019 to 31 August 2020). This does not include the \$44,194.94 in additional donations that were provided to the community throughout the course of the year as well as the \$59,813 in in-kind support provided through room hire waivers, dining vouchers and event services, bring the total donations and grants to \$911,136 for the year.

The Board is always very mindful of the need to maintain high

standards of corporate governance, accountability and due diligence across all aspects of our operations. It gives us great peace of mind to witness the strong adoption of these principles and standards at all levels in our business.

## MEMBERS COME FIRST

Our primary focus must always be the satisfaction of you, our members. You are top of mind in every decision made for the betterment of the clubs. We have had all of you in our thoughts throughout this trying time in recent months, and our team have taken the time to reach out to many members over the phone during the shutdown to check in and stay in touch.

My sincere sympathy is extended to the relatives and friends of those other members who have passed away during the last twelve months. May they rest in peace.

## LOOKING BACK

Club Central Hurstville is again the dominant contributor to our profitability, primarily through gaming. The delicious Yum Cha offered at Imperial Dynasty is always a popular choice year-round.

Much progress has been made on our exciting redevelopment plans at Hurstville, including our new Hotel. With the flexibility of our lead contractor, Belmadar, we were able to bring forward a significant amount of internal works during the shutdown, which minimised the impact on our trade and patrons. This saw a magnificent new reception area, level 2 bar and refreshed floor plan delivered for our reopening on 1 June 2020 and a taste of what's to come with the rest of the renovation and expansion project. The installation of a big screen at Hurstville on level 2 is also a fantastic addition to the space.

Club Central Menai continues to provide high quality food offerings through The Terrace Bistro under Richard and Myriam Facer. During the shut-down period, we also made the most of the time by installing a new non-slip floor in the Terrace Bistro kitchen as well as opening up the Terrace itself with the addition of large bi-fold doors. This has proven a very popular change.

Our commercial space at Menai has been fully leased with new tenant and NDIS facilitator, Living My Way, making a positive impact on the lives of those with a disability in the area.

Our conference and function centres at both clubs are another important element of our operations being popular with our members, community groups, sporting bodies and local businesses. This part of the business has of course taken a considerable hit with the shutdown and continued restrictions on gatherings. Even so, our team continues to look for innovative ways to work within the new rules to adapt and provide a much-needed community hub.

Throughout most of the year, our Marketing team continued to deliver terrific shows, bingo, poker, trivia and other events on a weekly basis. Unfortunately, once again the shutdown in March forced the cancellation of these events. Despite this, the team continued to stay in touch with our members through weekly giveaways that aimed to provide a highlight during the lockdown period as well as working hard on the rebrand and new uniform

for our team.

## HOLIDAY CENTRES

A reminder to our members that the holiday centres have been upgraded and are a terrific option for family holidays at Fingal Bay (Port Stephens), Urunga (mid north coast) and Sussex Inlet (south coast).

I encourage all Club members planning a family holiday to enter the respective ballots for these holiday sites. Enquiries may be made at reception at both Hurstville and Menai.

## YOUR BOARD

I take this opportunity to acknowledge and personally thank the wonderful group of Directors many of whom have been involved now for many years and bring strong skills to our leadership team.

I can assure you that there is robust discussion of all issues raised and your board members work tirelessly for the benefit of the Club. The diversity of backgrounds of our accomplished Board of Directors ensures healthy debate and an array of experience to draw upon. The Board is also very conscious of the need to put in place strategies that provide for the continual growth and strengthening of your Clubs.

The Board enjoys a very harmonious relationship with the CEO and his Executive Team which only further strengthens our future success.

## OUR TEAM

Our accomplished staff will always be the foundation to our success as they are the face of the Club. A sincere thank you all for your contribution, particularly in a year that has delivered many challenges. Details of the number of employees and staff costs for the year ending 30 June 2020 follow:

|                         | Menai              | Hurstville         | 2020               | 2019               |
|-------------------------|--------------------|--------------------|--------------------|--------------------|
| Permanent               | 19                 | 42                 | 61                 | 54                 |
| Permanent/<br>Part Time | 14                 | 21                 | 35                 | 19                 |
| Casual                  | 20                 | 27                 | 47                 | 65                 |
| <b>Totals</b>           | <b>53</b>          | <b>90</b>          | <b>143</b>         | <b>138</b>         |
| Total Wages             | \$3,141,551        | \$3,945,662        | \$7,087,213        | \$7,796,630        |
| Wages on Cost           | \$531,550          | \$762,547          | \$1,294,097        | \$1,434,408        |
| <b>Totals</b>           | <b>\$3,673,101</b> | <b>\$4,708,209</b> | <b>\$8,381,310</b> | <b>\$9,231,038</b> |

## FINANCIAL REPORT

The STATUTORY ANNUAL REPORTS and associated FINANCIAL STATEMENTS for the financial year ended 30 June 2020 follow. These reports appear through pages 34 to 63 inclusive. The major items of revenue and expense of the two clubs at Hurstville and Menai are listed as follows along with a comparison of the year 2019.

|                                 | Hurstville<br>2020 | Hurstville<br>2019 | Menai<br>2020     | Menai<br>2019     |
|---------------------------------|--------------------|--------------------|-------------------|-------------------|
| Gaming<br>Net<br>Revenue        | 26,824,447         | 33,796,086         | 8,780,944         | 10,692,485        |
| Bar Sales                       | 571,708            | 686,488            | 1,814,793         | 2,345,421         |
| Food Sales                      | 141,273            | 196,822            | 119,929           | 191,209           |
| Other<br>Income                 | 328,607            | 320,373            | 211,850           | 212,388           |
|                                 | <b>27,866,035</b>  | <b>34,999,769</b>  | <b>10,927,516</b> | <b>13,441,503</b> |
| Wages                           | 3,945,662          | 4,477,039          | 3,141,551         | 3,319,591         |
| State<br>Taxation               | 6,449,322          | 8,319,253          | 1,830,236         | 2,267,625         |
| Cost of<br>Goods<br>Sold        | 231,761            | 245,918            | 705,589           | 851,734           |
| Entertainment<br>& Promotions   | 1,527,370          | 1,616,883          | 733,456           | 906,223           |
| Depreciation/<br>Amortisation   | 2,174,846          | 2,167,972          | 1,838,987         | 1,923,753         |
| Repairs &<br>Replacements       | 523,858            | 554,653            | 530,040           | 385,090           |
| Energy                          | 171,919            | 212,959            | 221,448           | 307,000           |
| Staff<br>Amenities/<br>Training | 159,627            | 103,159            | 116,526           | 83,078            |
| Interest<br>& Bank<br>Charges   | 8,998              | 10,595             | 13,321            | 15,090            |
| Cleaning                        | 323,946            | 352,529            | 243,712           | 281,404           |
| Insurance                       | 194,153            | 184,102            | 171,153           | 159,024           |
| Rates                           | 73,081             | 65,251             | 48,281            | 54,290            |
| Security                        | 281,744            | 275,788            | 209,880           | 190,448           |
| Superannuation                  | 444,981            | 486,705            | 321,058           | 326,538           |
| Other<br>Expenses               | 3,745,300          | 3,761,288          | 1,401,228         | 1,765,508         |
|                                 | <b>15,681,425</b>  | <b>22,834,094</b>  | <b>10,308,682</b> | <b>12,836,396</b> |
| <b>Operating<br/>Profit</b>     | <b>7,609,467</b>   | <b>12,165,675</b>  | <b>(598,950)</b>  | <b>605,107</b>    |

## CONCLUSION

The 2019/20 financial year has simultaneously been one of the most challenging, but also one of the most exciting years for our organisation with much change and improvement taking place. I thank you for continuing to show your support, for returning to our clubs after our 70-day shut down, and your flexibility in adapting to the changes that have come our way.

You can feel proud that your clubs have made important contributions to the community, have been financially well-managed and have overcome some of the most challenging business conditions in living memory.

A common trait of human nature is that during times of uncertainty, we look for things that make us feel safe. I believe that community clubs like ours play an important role in providing this comfort and connection for our members and guests.

As we move towards our 60th anniversary year in 2022, my thoughts have begun to turn to what the founding Directors of ICC would think of the progress and change over the past 58 years. Could they have possibly imagined the dynamic metropolis that Hurstville has become and that the suburb of Menai, once dense bushland, would now be a thriving community? I'm sure they would be immensely proud that the small club of like-minded individuals seeking to better their community has blossomed into two successful clubs serving their communities today.

I know I speak on behalf of my fellow Directors when I say that we take great pride in not only honouring the past but doing what we can to secure the future of our Clubs for our members. On behalf of the ICC Board, we feel honoured to have once again served you over the past 12 months.



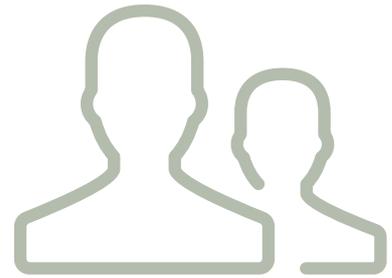
BRIAN CLONEY  
President



# OUR CLUBS

**NUMBER OF VISITORS IN 2019/20**

**404,181**  
**HURSTVILLE**  
**324,992**  
**MENAI**



**PROFIT**  
**\$9,502,801**

## LOOKING BACK, MOVING FORWARD

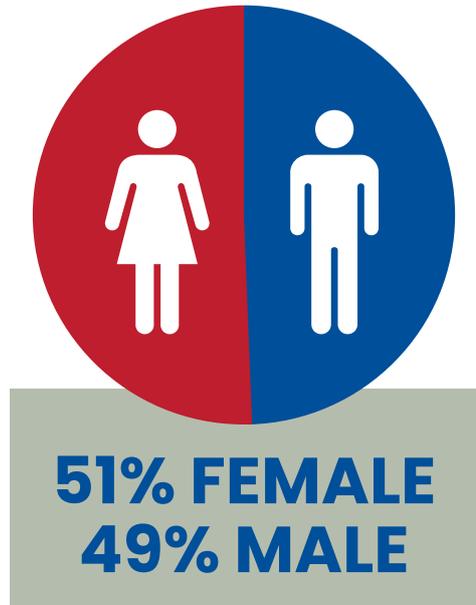
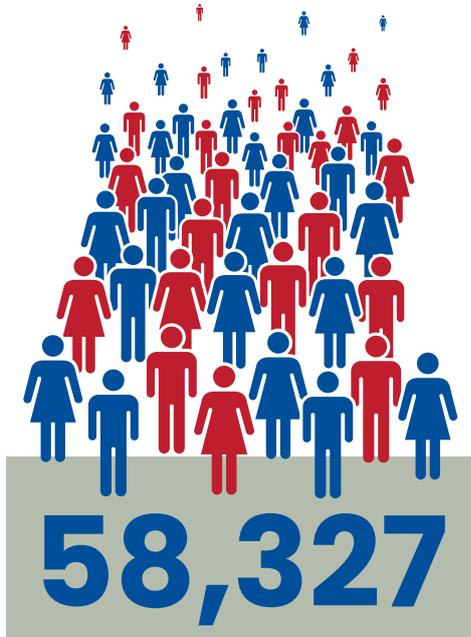
After opening on the first floor of the dance hall on Diments Way in 1962, the Illawarra Catholic Club, or Club Central as it is now known, has come a long way. Expanding across two venues and employing more than 140 people, the club has reached another milestone in its 58-year history with the launch of a new brand and uniform for its team.

The refreshed corporate brand reflects Club Central's desire to evolve with its members and ensure it is seen as modern and relevant, whilst still retaining a connection to its proud heritage.

In reference to its origins as a Catholic Club, the 't' in the word Central resembles a religious cross. The icon is emblematic of a four-leaf clover, which in many parts of the world represents good luck and its circular appearance also references the shape of the infinity symbol – a line that never ends.



# OUR MEMBERS



**AVERAGE AGE 67 YEARS OLD**



# LIFE MEMBERS

| YEAR | NUMBER | NAME                             | YEAR | NUMBER | NAME                         |
|------|--------|----------------------------------|------|--------|------------------------------|
| 1966 | 1      | * Walsh, Monsignor M E           | "    | 36     | * Dechow, Fran               |
| 1967 | 2      | * Bleakley, Edward C             | "    | 37     | * Farrell, Bryan             |
| 1974 | 3      | * Mullane, Patrick J             | "    | 38     | * Ivamy, Arthur              |
| "    | 4      | * Harley, Bernard J OAM          | "    | 39     | * Seaborn, Marge             |
| "    | 5      | * McCarthy, Terence P            | "    | 40     | * Ryan, Frank                |
| "    | 6      | * Gibb, Pat A                    | 1990 | 41     | * Holt, Robert               |
| 1976 | 7      | * Ross, Gregory                  | "    | 42     | Greene, Kevin                |
| "    | 8      | * Condon, Cecil S                | "    | 43     | * Jagelman, Ray              |
| "    | 9      | Rayment, Brian P                 | 1992 | 44     | * Jacobs, Rev Father Paul    |
| 1978 | 10     | *Macauley, John E (Jack)         | "    | 45     | McCarthy, Rev Father Michael |
| "    | 11     | * Webster, Donald A              | "    | 46     | * Colbourne, James           |
| "    | 12     | * O'Shea, Helen (Nell)           | "    | 47     | Frawley, Michael             |
| "    | 13     | * Cruikshank, Harold E           | "    | 48     | * Bresnahan, Frank           |
| "    | 14     | * Joils, Harold T                | "    | 49     | Martin, Dorothy              |
| "    | 15     | * Paranthoiene, Francis          | "    | 50     | * Mullins, Edna              |
| "    | 16     | * Lynch, Mervyn V                | 1993 | 51     | * Stanley, Clare             |
| "    | 17     | * McCarthy, Brian D              | "    | 52     | * Cook, Mary                 |
| 1979 | 18     | * Lander, Rev. Father John E OAM | 1994 | 53     | * Galvin, Therese            |
| "    | 19     | * Ewers, John R                  | "    | 54     | * Macauley, Jean             |
| 1987 | 20     | Cremin, Bishop David             | "    | 55     | Weinert, Denise              |
| "    | 21     | * Lyne, Monsignor John           | 2000 | 56     | * Briscoe, Alf               |
| "    | 22     | * Jansen, Rev. Father Basil L    | "    | 57     | Jones, Lee                   |
| "    | 23     | *Stanton, Jack J                 | "    | 58     | * Kelly, Terry               |
| "    | 24     | * Dearing, Richard (Dick)        | "    | 59     | Svenson, Alf                 |
| "    | 25     | * Trainor, Edward (Ted)          | "    | 60     | Trainor, Chris               |
| "    | 26     | * Barker, Phylis                 | 2001 | 61     | Ohlin, John                  |
| "    | 27     | * Jopson, Bernard                | 2002 | 62     | Clift, Doreen                |
| "    | 28     | * Gillard, Patricia              | 2015 | 63     | * Holdsworth, Bernard        |
| "    | 29     | * Stanley, Robert (Bob)          | 2015 | 64     | Cloney, Brian                |
| "    | 30     | * Sheedy, Leonard                | 2015 | 65     | Roberts, Brian               |
| "    | 31     | * Macks, Lloyd                   | 2015 | 66     | Simpson, Steve               |
| "    | 32     | * Little, Enid V                 | 2017 | 67     | Coogan, Sandra               |
| 1989 | 33     | * Arkey, Reda                    | 2018 | 68     | Stanton, PJ                  |
| "    | 34     | * Chounding, Allan               | 2018 | 69     | Walker, Michael              |
| "    | 35     | * Condon, Tom                    |      |        | * Denotes Deceased           |

# OUR MISSION & VALUES

## MISSION

*“To make a difference”*

Our mission is “to make a difference” in our interactions with all who encounter Club Central. Whether it be members, guests, staff, or our local community, our aim is to ensure their experience with us is a positive one. Whatever our operational tasks are, we will endeavour to exceed expectations. We will embody our values and ensure that our Clubs are represented with excellence, sincerity and quality.

## VALUES



**INTEGRITY**

We do what we say we're going to, when we say we will



**HUMAN DIGNITY**

We speak to people and treat them with respect



**COHESION**

We openly communicate and share knowledge, projects and ideas for the greater benefit of the Club and its members



**COMMUNITY MINDFULNESS**

We support the people and communities we are part of



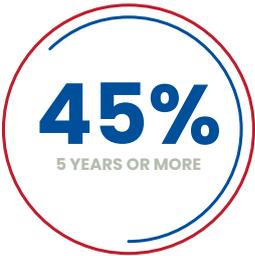
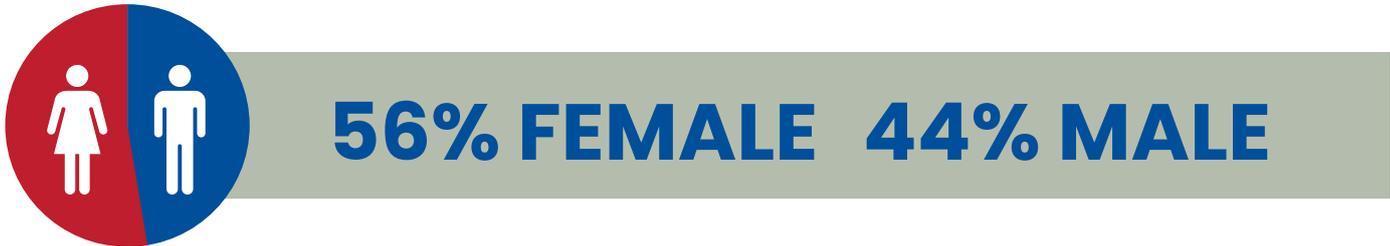
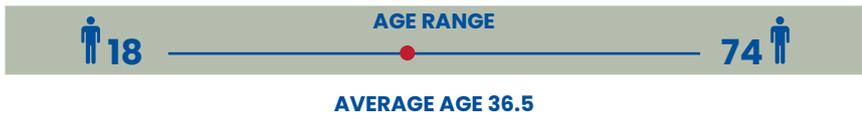
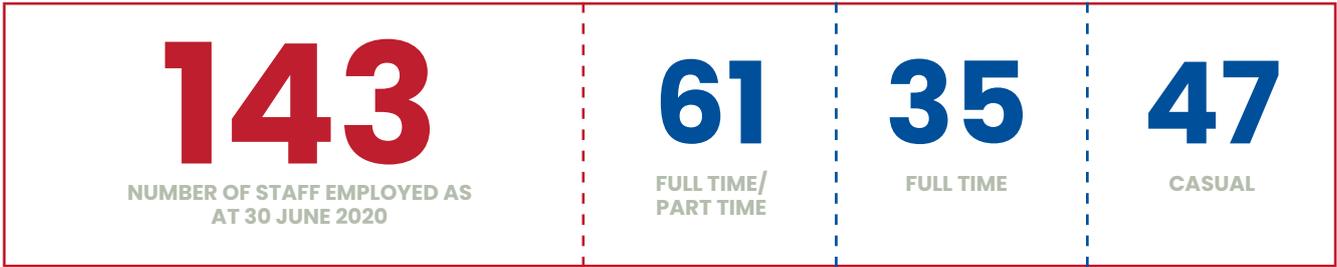
**ACCOUNTABILITY**

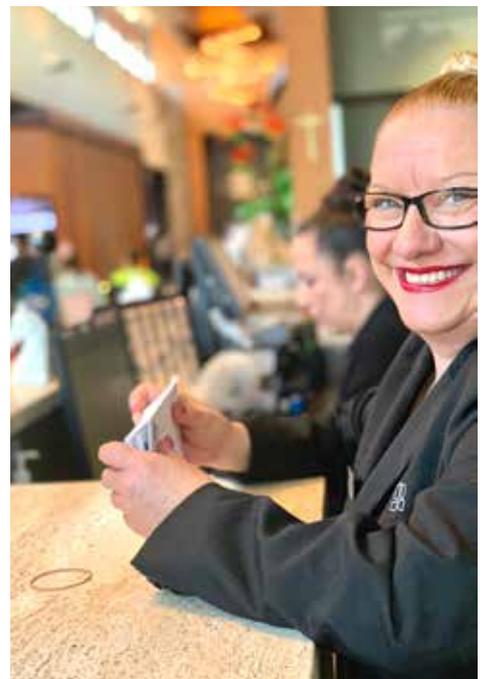
We can be relied upon to consistently deliver and provide great service



# OUR PEOPLE

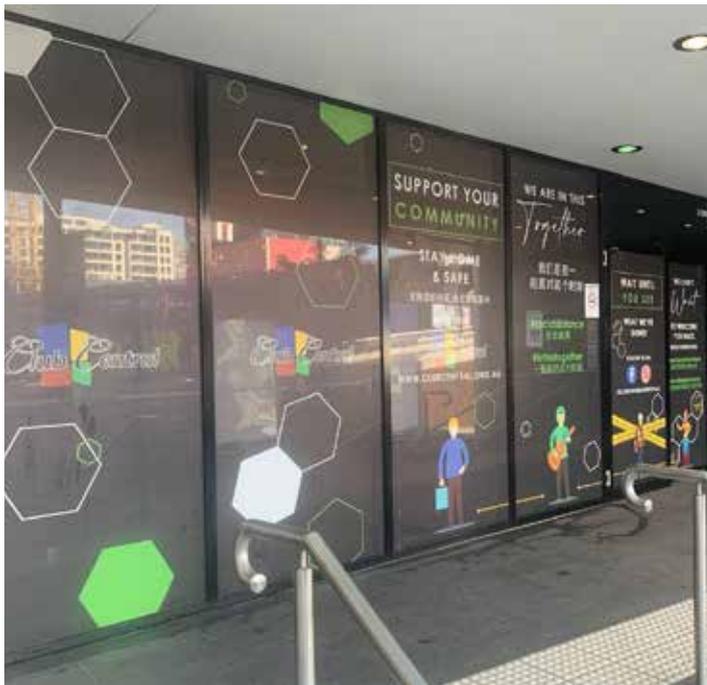
We consider our valued team as our biggest asset and ambassadors who live and breathe our mission to make a difference for our members. Working at Club Central means you are service-oriented and look to help others. We recognise the value in investing in our people through learning and development opportunities, health and wellbeing initiatives and rewards and recognition.





# THE IMPACT OF COVID-19

Over the course of the first six months in 2020, the world as we knew it changed dramatically. The far-reaching impacts of a global pandemic brought change to even the most basic of interactions between members and our team. In dealing with the challenges, our whole team, from our frontline staff, to maintenance, administration and management has had to be flexible and adaptable to ensure the health and safety of all.



## GOVERNMENT SHUT DOWN

On Monday 23 March the Federal Government implemented Stage 1 restrictions on social gatherings due to the COVID-19 pandemic which forced the closure of Club Central Hurstville and Menai for the first time in the Clubs' history.

One of the priorities for management was to ensure that our Clubs were ready to reopen as soon as we were given permission. During the closure a number of internal renovations works at Club Central Hurstville to be completed in 2021 were brought forward, which minimised the potential disruption to operations. Members and guests were pleasantly surprised by the changes including a new reception desk and foyer renovation, a new main bar and refreshed floorplan, once we reopened on 1 June 2020.

At Club Central Menai, the time was also put to good use to install bi-fold doors to open up the Terrace Bistro and re-surface the Bistro kitchen floor with a new non-slip surface.

## PROTECTING THE HEALTH AND WELFARE OF OUR PEOPLE

Aside from not being allowed to host members, our team was also impacted by the government shut down. The health and safety of the Club Central team came first with personal protective equipment, hand sanitiser and social distancing encouraged.

In recognition of the high regard that the ICC Board places on the Club Central team, after the shut down was ordered on 23 March 2020, the Board voted to continue to pay full time and permanent part time staff in full until 20 April 2020.

In the interim, the Federal Government's JobKeeper package was introduced and all eligible staff were transitioned. The Club also provided the option to have JobKeeper payments topped up with annual leave to maintain usual earnings.

Upon reopening, the Club's Leadership team made a commitment that no new staff would be employed until such time as all existing staff had been utilised in line with operational demands.



### STAYING CONNECTED AND IN TOUCH

Our staff took initiative to ensure that members were not forgotten and over the course of the shutdown in excess of 370 calls were made to members to check on their welfare and maintain a social connection with many who would otherwise have been isolated. Our reception staff were also available during business hours throughout the closure to ensure that our members could reach out to a friendly voice at the other end of the phone. A member survey was conducted to ensure that members' needs were being fulfilled.

Another important initiative was our weekly giveaways which saw over 250 gifts and vouchers awarded in member draws. The giveaways were broadcast live on our social media channels and provided some light-hearted entertainment to those who tuned in, along with some handy gifts. In a first for Club Central, we gave away toilet paper as a prize. A total of 56 mega rolls of toilet paper were given away, which proved very popular during the early days of the COVID-19 crisis, along with Corona 6-packs, board games and puzzles, fitness equipment, chocolates, wine, Uber Eats and Wish Gift Cards.



### A NEW NORMAL – REOPENING POST COVID-19

The welcome news that the government restrictions were being eased signalled a busy two weeks for our team to prepare the Clubs for reopening after 70 days of lock down. Stock was reordered, menus were streamlined, gaming machines and seating was spaced to provide 1.5m of social distance. Our team completed the Federal Department of Health's eLearning course on Infection Control for COVID-19 so they were fully prepared to return to work.

Initially with the Clubs restricted to approximately 180 visitors (not including staff) on reopening, we limited entry to members-only. As the number of patrons increased to 300 we were thrilled to open the doors to members and guests once more.

The whole Club Central team worked hard to ensure that our venues were refreshed, clean and ready to reopen. The response from members and guests was overwhelmingly positive with patrons required to adapt to changes such as remaining seated, widely spaced furniture, additional hygiene measures and limited numbers within the clubs.

# CLUB PROJECTS

## CLUB CENTRAL HURSTVILLE EXPANSION, REFURBISHMENT & NEW HOTEL

The \$75 million project to carry out a major refurbishment of our existing 3 storey club facilities is progressing at an impressive rate. Upon completion in the second half of 2021, the existing club facilities will seamlessly link to expanded spaces built out across neighbouring land at 6-8 Cross Street and include a 124-room hotel and rooftop restaurant with views over Botany Bay.

Located at the centre of Hurstville's bustling commercial core the project will deliver a new 170+ seat brasserie with outdoor terrace,

expanded function centre with 600 seat capacity, extended indoor and alfresco gaming and lounge areas, five levels of underground parking and new administration and retail space.

The 124-room Travelodge Hotel will be a first for the Hurstville area, positioned on top of the expanded club premises on Cross Street on levels 4 to 8 with a central atrium. Conveniently situated close to the airport, city and all local medical facilities it will support the local visitor economy, including guests with business and conference needs.

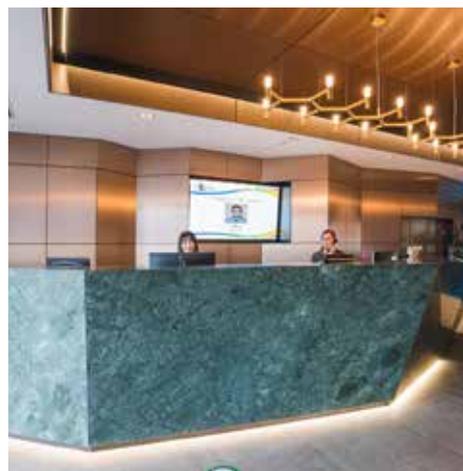
## CLUB CENTRAL HURSTVILLE RENOVATION HIGHLIGHTS



*New marble-sided lounge bar*



*MEGA 5m x 3m screen on level 2*



*Redesigned entry and reception desk*



*New information screens at the Crofts Ave entry and in reception*



*Non-combustible cladding installed on exterior of existing club*



Work in progress: the new build

## CLUB CENTRAL MENAI

Numerous individual projects and capital upgrades have vastly improved functionality, safety and amenity at Club Central Menai including:

- Replacement of the kitchen floor with new non-slip surfacing - \$65,000
- Stunning new bi-fold doors link the Terrace with the indoor Bistro seating area - \$25,000
- A cash recycling machine to provide better security and efficiency with till prepping and balancing - \$80,000
- Our function rooms were refreshed with new internal painting
- 225 plush new chairs were purchased for the gaming lounge - \$130,000
- A ride-on scrubber for carpark cleaning - \$40,000
- Two new 75-inch screens were installed in the Terrace Bistro - \$5,000
- 3 Phase power was installed in the outdoor carpark to accommodate the NSW BreastScreen Van - \$10,250



*New Bi-fold Doors*



*Kitchen floor with new non-slip surfacing*



*Carpark Scrubber*

## GROUP PROJECTS

In addition to site specific renovations, new equipment, and furniture, several projects were implemented across the Club Central Group throughout the year:

- The Ivy Events Management system, a cloud-based solution, was rolled out to streamline management of our function spaces and provide a better experience for clients booking their next function.
- We invested in a larger transit van to enable easier transportation of large-scale equipment and gaming machines between venues.
- Five new cash redemption machines were purchased providing patrons with a quick and easy way to claim their winnings.

# CLUB CENTRAL EVENTS

Club Central Hurstville and Menai hosted a range of high profile events, as well as countless personal celebrations with birthdays, christenings, naming days and celebrating the life of loved ones who have passed. We extend free room hire and professional, caring service to members holding a celebration of life at our Clubs

- 4 Stars Children's Foundation Fundraising Dinner
- Illawarra Catholic Club Annual Mass
- Georges River Council Expo Series
- 2020 Southern Sydney Wedding Expo
- Hands and Feet Foundation Fundraising Dinner
- iCare Community Charity Gala Dinner
- McWilliams Wine Dinner
- St George Dragons Grand Final Dinner
- Make A Wish Gala Dinner



McWilliams Wine dinner



St George Dragons



iCare Awards



Annual Mass



Wedding Expo



State of Origin

# YOUR CLUB IN NUMBERS



**\$912,561.80**

in Pitstop gift vouchers redeemed



**\$9,502,801**

profit



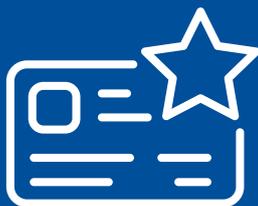
**729,173**

patrons welcomed



**76,398,995**

member reward points



**58,327**

members



**5m X 3m**

MEGA screen at Hurstville



**8899**

Kids Meals

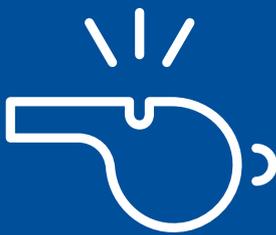


**\$330,106**

in membership prize promotions

**35**

Sporting Clubs supported



**798**

Functions hosted



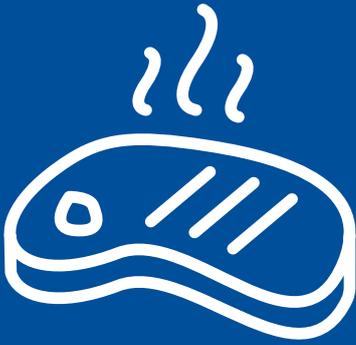
**500**

WeChat reads (since 31 May)



**\$911,136**

in Grants and Donations



**577**

meat trays won



**290**

Christmas hams won

**\$88,754**

in promotional prizes



**445**

tickets to kids shows

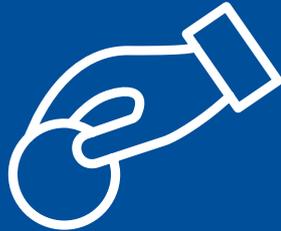


**181,324**

schooners sold

**\$61,613**

in-kind support



**9507**

Chicken schnittys

**32,000**

guests in the Club Central Events Function Centre



**20.1%**

increase in recycling



**f 4406**

Facebook followers



**1359**

Instagram followers

**Finalist in Club & Community Awards**

# COMMUNITY IMPACT

## TOTAL DONATIONS TO THE COMMUNITY IN 2019/2020 WERE \$911,136

Club Central's mission to make a difference extends to the communities it is part of. Members can be proud that their clubs give back and provide much needed support through funding provided to local charities, not-for-profits and community organisations. Our contributions to the community extend across ClubGRANTS, donations, sponsorships, in-kind support and volunteering.

## COMMUNITY PARTNERSHIP HIGHLIGHTS



### CELEBRATING 60 YEARS OF COMMUNITY NURSING

On 6 November 2019, Club Central was proud to support and host the 60th anniversary celebrations for Clever Care NOW (formerly Nurses on Wheels).

Since 2013, Club Central Hurstville and Menai has provided financial support to Clever Care NOW and in 2015 began funding its mobile nursing fleet which operates in the St George & Sutherland Shire seven days a week, 365 days a year.

More recently, Club Central began supporting the Clever Care NOW Day Tripper bus which provides much-needed social interaction and outings for socially isolated people over 65 years as well as hardship packages for home nursing patients who may not be able to afford the basic dressings and items needed for their in-home care.



### DELIVERING NEW HOPE FOR HOMELESSNESS IN THE GEORGES RIVER

Reducing homelessness and supporting victims of domestic violence are two areas that Club Central has prioritised by providing grant funding to Platform Nine and Kingsway Community Care.

An initial ClubGRANT of \$25,000 contributed to providing 707 nights of accommodation for 31 homeless males in the Hurstville area.

In early 2020, a \$10,000 grant assisted in finalising work on the first homelessness project for victims of domestic violence in the Georges River Area. The facility will provide a supportive space for women and their children affected by domestic violence and sends a clear message that domestic violence will not be tolerated in our community.



### HELPING FIRST RESPONDERS FIND A NEW PATH

Club Central is a proud partner of Beyond the Badge, a coaching and mentoring program developed by former Police Officers, Simon Bradstock and Sean Haran, to support members of the first responder community from NSW Police, Ambulance, or Fire Brigade.

The Beyond the Badge program shows first responders how their valuable skills and experience can be matched with new roles and challenges in private or public sector roles as well as providing networking, practical advice and training on how to approach the recruitment process.

Pilot funding from Club Central Hurstville and Menai supported two programs for first responders in 2019/20. The program is now being rolled out in regional NSW and Beyond the Badge is seeking further support to provide it to other first responders across NSW.



# MAKING A DIFFERENCE

Through the 2019/2020 financial year many community groups and charities made fantastic use of our financial grants in supporting the Menai and Hurstville communities and made a positive impact on our communities:

- **Reducing domestic violence, homelessness, hardship and isolation**
- **Health, wellbeing & disability services**
- **Children, young people & families**

## REDUCING DOMESTIC VIOLENCE, HOMELESSNESS, HARDSHIP & ISOLATION

- Helped provide 707 nights of accommodation for 31 homeless males in the Hurstville area through Platform Nine & Kingsway Community Care
- Funded an online community safety workshop for migrant women in Hurstville area through The Kogarah Storehouse
- Provided emergency food parcels, and personal protective equipment to families in need through The Kogarah Storehouse
- 21 newly arrived Chinese women provided with Conversational English classes through Asian Women at Work
- Assisted 46 families from Georges River Area with 15 cots, 15 prams and 20 car seats for newborns through Dandelion Support Network
- 15 Carers attended monthly workshops to reduce isolation and improve wellbeing through carer support service



*Crisis accommodation in Hurstville*



*Emergency food parcels*



*Safe sleep and travel for babies and kids*



*Supporting our carers*

# MAKING A DIFFERENCE

## HEALTH, WELLBEING & DISABILITY SERVICES

- Funded 44 patients to attend weekend dementia respite care at Mary Potter House at Calvary
- Supporting work placement for two Georges River residents with an intellectual disability through JobSupport
- Supported 19 Hurstville residents with blindness and low vision providing a white cane and assistance in learning to navigate their local area safely and remain independent through Vision Australia
- Funded 30 people with dementia and their carers to participate in a wellbeing program using fitness, group therapy, music & art therapy and recreational activities through 3Bridges
- Funded hardship nursing care to patients in the Menai & Hurstville areas through Clever Care NOW
- Funded materials to produce 500 Zonta Cushions for breast cancer patients in the St George & Sutherland Hospitals
- Funded Clever Care NOW's home nursing fleet to enable 35,000+ in home care visits in St George & Sutherland Shire
- Helped fund 460 meals for homeless on Christmas Day at the John Franklin Christmas Lunch in Sutherland



*Orientation and mobility support*



*Hardship care packs*



*Breast Care cushions*



*Christmas lunch*

# MAKING A DIFFERENCE

## CHILDREN, YOUNG PEOPLE & FAMILIES

- Funded a numeracy program for 10 children from Hurstville Public School through Learning Links
- Funded a literacy program for 10 children at Bexley Public School through Learning Links
- Supported 80 at risk young people in Hurstville area with certificates or training in horticulture, RSA/RCG, Special Effects training, Photography and job readiness through Project Youth
- Funded five music lessons for young people with disabilities through Chinese Parents for Children with Disabilities
- Funded a wish to be granted to a critically ill child through Make a Wish
- Funded 800 toiletry bags and personal hygiene items to children attending Kookaburra Kids camps
- Funded the Max Potential leadership program for students at Beverly Hills Girls High School, Kingsgrove North High School, Moorefields Girls High School, Dulwich High School of Visual Arts & Design, Sydney Technical High School
- Funded a speech therapist to attend Peakhurst South and Peakhurst Public Schools to support 40 children with speech or language difficulties through Learning Links
- Breakfast program for disadvantaged students at John Berne School
- Funded a numeracy program for 10 children at Menai Primary School through Learning Links
- Funded Max Potential Leadership program for students at Menai High School, Lucas Heights Community School and Aquinas College
- Funding 46 at risk young people to enrol in Certificate II in Hospitality through Project Youth



Helping improve numeracy



Training and Job readiness



Providing the basics



Our future leaders

# GIVING BACK TO THE COMMUNITY

- **\$2,500** worth of chocolate donated to St George & Sutherland Hospital staff as a result of our mega Easter raffle being cancelled due to the COVID-19 shutdown
- **\$2,500** in sponsorship for the ShireAbility Film Festival celebrating International Day of People with a Disability
- **369** mammograms provided by the BreastScreen NSW Mobile Van during PINK month at Club Central Menai
- **TEN** women living in transitional housing at Platform Nine participated in our Christmas Wreath Workshop
- **ONE** Clean Up event was held at Menai Conservation Reserve for Clean Up Australia Day with our fabulous team and club members
- **\$2187.25** raised by Club Central staff for men's health through Movember
- Over **2000** baby and children's clothing and care items donated by patrons and staff to Dandelion Support Network for National Children's Week
- **\$300** donation to provide morning tea at St George Hospital on International Nurses Day
- **FREE** bottle of wine and discounted club membership to all first responders on the inaugural #FirstRespondersDay
- Over **60** hampers created with items donated for St Vincent De Paul Christmas hampers in Menai and Hurstville
- **\$2,000** donated to Shire Salvos and Hurstville Salvation Army for the Red Shield Appeal



# FINANCIAL SUPPORT

## THE FOLLOWING GROUPS BENEFITED FROM THE CLUB.

|                                     |                                     |   |  |
|-------------------------------------|-------------------------------------|---|--|
| Advance Diversity Services          | Diversity & Disability Alliance     | Living My Way                           | Sporties @ Kareela                         |
| Adopt Change Ltd                    | East Hills Child Care Centre        | Lucas Heights Community School          | South Hurstville Carss Park Junior Cricket |
| Alfords Point Ladies Golf Club      | Engadine Community Services         | Make-A Wish Foundation                  | Southside Family Services                  |
| Aquinas College                     | Engadine Zone Primary School Ass.   | Marist Brothers Reunion                 | Southern Sydney Early Holden Car Club      |
| Aquinas Colts Junior RLC            | 1st Wearne Bay Sea Scouts           | Menai Bangor Social Golf Club           | Sutherland Shire Business Chamber          |
| Asian Women at Work                 | Flames Netball Club                 | Menai Dance Centre                      | Sutherland Shire Carer Support             |
| Bangor Football Club                | Fiestaville Multicultural Choir     | Menai Dental                            | Sutherland Shire Council                   |
| Bangor Tigers JAFC                  | Georges River Council               | Menai District Rugby League Club        | Sutherland Shire Football Club             |
| Bangor Primary School               | Georges River Physical Culture Club | Menai Dragons Basketball Club           | Sutherland Shire Art Society               |
| Bangor Barden Ridge Cricket Club    | Georges River Life Care             | Menai Hawks Netball Club                | Sutherland Shire & Menai Oztag Ass.        |
| Barden Ridgebacks Football Club     | Glory Football Club                 | Menai Hawks Football Club               | Sydney Central Badminton Association       |
| Barden Ridgebacks Netball Club      | GyMEA Women's Bowling Club          | Menai Rugby Union                       | Sylvanvale Foundation                      |
| Barringtons Group Australia         | Hands & Feet Foundation             | Menai Toastmasters                      | Tharawal Public School                     |
| Beverly Hills Primary School        | Holy Family Parish                  | Our Lady Star of the Sea School         | The Point Physical Culture Club            |
| Beyond the Badge                    | Hepatitis NSW                       | Penshurst West Youth Club               | The Salvation Army                         |
| Bonnet Bay Football Club            | Hurstville Rotary Club              | Polio NSW                               | The Knights of St George Heart Association |
| Bonnet Bay Sports Club              | Hurstville Toastmasters             | Project Youth Incorporated              | 3Bridges Community                         |
| Bowel Cancer Australia              | Hurstville Weekend Toastmasters     | Rotary Club of St George Next Gen       | The Kogarah Storehouse                     |
| Calvary Health Care                 | Hurstville Grove Infants School     | Rebu Tsui Soo Chung Leung               | Toastmasters International                 |
| Carlton Public School               | Illawong Athletics Club             | Renown United JRLFC                     | Uniting Church Georges River Presbytery    |
| Catholic Education Foundation       | Illawong Baseball Club              | St George Basketball Association        | WayAhead Mental Health Association         |
| Chinese Parents Association         | Illawong Little Athletics Club      | St George Creative Art & Craft          | Woronora River RSL Sub Branch              |
| Chinese Australian Services Society | Illawong Menai Cricket Club         | St George Cycling Club                  | Wibroc Social Golf Club                    |
| ClubsNSW                            | Illawong Softball Club              | St George District Cricket Club         | Zonta Club of Botany Bay Inc.              |
| Clever Care NOW                     | Inaburra School                     | St George District Cricket Association  |  |
| Combined Probus Club of Engadine    | Intellectual Disability Foundation  | St George District Netball Club         |  |
| Connells Point Netball Club         | Jannali Comets Baseball Club        | St Joseph's Catholic Primary School     |  |
| Connells Point Rovers Football Club | Jenko Sutherland Shire Pony Club    | St Luke's Catholic Church               |  |
| Council for Intellectual Disability | Kingsway Community Care             | St George & Sutherland Medical Research |  |
| CREATE Foundation Limited           | Kogarah High School                 | St Mary's Star of the Sea School        |  |
| Dandelion Support Network Inc       | Koori Kids                          | St Vincent de Paul Society              |  |
| Department of Education - Miranda   | Kyle Bay Netball Club               | Sharks Ladies Golf Club                 |  |
|                                     | Learning Links                      |   |  |

# SUPPORTING LOCAL SPORT

## \$105,750 IN FINANCIAL GRANTS TO 35 LOCAL SPORTING GROUPS

We recognise that local grassroots sport only happens because of dedicated volunteers. We are proud to support 35 local sporting clubs in the Hurstville and Menai areas with financial grants valued at \$105,750, as well as in-kind support through vouchers and room hire waivers for committee meetings and club events.

In a year when many sporting codes were dealt a harsh blow with COVID-19 restrictions impacting the sporting seasons, we were determined to provide financial assistance to our local clubs.

Prior to COVID we also provided further opportunities for clubs to undertake further fundraising through Friday night meat raffles at Club Central Menai. Over 450 meat trays were raffled off with a different sporting club taking home the profits each month.



## 15TH ANNUAL MENAI DISTRICT SPORTS AWARDS

Hosted by AFL great, Robert 'Dipper' DiPierdomenico, a spectacular awards dinner was held at Club Central Menai in October 2019 to celebrate the best in local sport across individual and team categories. In its 15th year, the Menai District Sports Awards saw individual and team success acknowledged as well as the significant contributions from club executives and volunteers.

Awards were presented in twelve categories ranging from junior and rookie sports stars, senior individuals and teams as well as hard working club representatives and volunteers.

Cody Fuz from Aquinas Colts Junior Rugby League Club was crowned the 2019 Sports Star of the Year, beating out a strong field of finalists across physical culture and soccer.

The 2019 Sporting Club of the Year was a hard-fought battle between five sporting clubs. Illawong Little Athletics Club and Bonnet Bay Football Club were awarded joint winners.

The Sporting Club Person of the Year was Margaret Daley representing the Menai Hawks Netball Club, with Andrew Matheson from the Aquinas Colts JRLFC declared the runner up amongst a large field of eleven finalists representing seven different sports.



# SUSTAINABILITY

## CLUB CENTRAL HURSTVILLE

5% reduction in electricity use



16% reduction in natural gas use



5.5% reduction in waste to landfill



12.5% increase in recycling



Introduced biopak paper straws

## CLUB CENTRAL MENAI

22% reduction in electricity use

13% reduction in water consumption

9.4% reduction in waste to landfill

7.6% increase in recycling

All downlights throughout the Club were changed to LED



## SUSTAINABLE PROCUREMENT STRATEGY

Club Central is committed to operating in a responsible manner to create positive impact on the community we serve and contribute to a sustainable future. Between November 2019 and March 2020, a cross section of Club Central team members participated in several Sustainability Advantage workshops to develop a sustainable procurement policy and strategy.

Beyond achieving quality and cost-effectiveness for all goods and services procured by the Club, we expect our staff, suppliers and contractors to support us in meeting the sustainability commitments we set ourselves. Through our selection and management practices, we will encourage our suppliers and contractors to improve their performance and develop their competencies in this field. We recognise that 'no one size fits all' and will adapt our approach to each procurement. The draft Procurement Policy & Strategy covers three main themes – our Planet, Our Business and Our Community. It is our aim to meet, and where possible exceed, industry best practice across environmental, human rights and safety aspects in these areas.



# DIRECTORS' REPORT

The directors present their report together with the financial statements of Illawarra Catholic Club Limited (the Company) for the financial year ended 30 June 2020 and the auditor's report thereon.

## I. DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

| Name, qualifications  | Experience  | Special responsibility |
|---|---|------------------------|
| CLONEY,<br>Brian Anthony  | Member of the Company since 1997 and Director since July 2005. Life Member. Appointed Vice President on 19 November 2009 and President on 26 May 2016.  | President              |
| STARKS,<br>Margaret Anna  | Member of the Company since 2008 and Director since 2018. Appointed Vice President in November 2019.  | Vice President         |
| ROBERTS,<br>Brian Thomas  | Member of the Company since 1981 and Director since July 2005. Life Member. Served as Vice President from 2016 to 2019. Member of the Company's Finance Committee since July 2005.  | Director               |
| COOGAN,<br>Sandra Mary  | Member of the Company since 1970 and Director since November 2007. Life Member. Member of the Company's Membership Committee  | Director               |
| STANTON,<br>Phillip John  | Member of the Company since 1977 and Director since November 2008. Chairman of the Company's Finance Committee since February 2018, member of the Company's Risk and Audit Committee, member of the Company's Building Committee.   | Director               |
| SIMPSON,<br>Steven John   | Member of the Company since 1997 and Director since November 2003. Life Member. Member of the Company's Finance Committee.  | Director               |
| GREENE,<br>Kevin Patrick<br><i>Mayor of<br/>Georges River Council</i> | Member of the Company since 1976 and Director since 2016. Life Member. Member of Company's Finance and Membership Committees. Previously served as Director from 1989 to 2007, Vice President and Chair of the Company's Finance Committee, 1991-2005, President of the Company, 2005-2007. Patron and Life Member of the ICC Cricket Club. | Director               |

## 2. DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

| Director    | Regular Board Meetings | Audit Committee Meetings | Membership Committee Meetings | Finance Committee Meetings |
|-------------|------------------------|--------------------------|-------------------------------|----------------------------|
|             | A/B                    | A/B                      | A/B                           | A/B                        |
| B A Cloney  | 12/12                  | 3/3                      | 1/4                           | 12/12                      |
| S M Coogan  | 11/12                  | -                        | 3/4                           | 11/12                      |
| K P Greene  | 12/12                  | 3/3                      | 2/4                           | 12/12                      |
| B T Roberts | 12/12                  | -                        | -                             | 10/12                      |
| S J Simpson | 11/12                  | -                        | -                             | 11/12                      |
| P J Stanton | 12/12                  | 3/3                      | 1/4                           | 12/12                      |
| M A Starks  | 12/12                  | -                        | 1/4                           | 12/12                      |

A - Number of meetings attended

B- Number of meetings held during the time the director held office during the year

All directors are welcome to attend Finance Committee meetings and quite often do so, even though they may not be assigned to that Committee - non attendance denoted by (-).

## 3. PRINCIPAL ACTIVITIES, OBJECTIVES AND STRATEGIES

The principal activities of the Company during the course of the financial year were the conduct and promotion of a licensed social club for members of the Company.

There were no significant changes in the nature of the activities of the company during the year, except forced closure of registered clubs in NSW on 23 March 2020 by order of the Federal Government due to COVID 19.

The Company's short term objective is to protect and guard the catchment areas in which the Company is established, in terms of its core business, giving consideration to amalgamations, while updating and upgrading the Company's facilities to maintain and grow membership and to increase commercial property holdings where viable, as an alternate means of revenue. The Company's long term objective is to provide first class social facilities and amenities for the benefit of members and their guests primarily within the St George and Menai districts.

In order to ensure long term objectives are met, the Company will continue to evaluate and action its medium and long term investment and diversification strategies together with continually aligning member facilities with its identified communities.

Following a period of strong growth the Company's short term objectives include consolidating and refining operations at Hurstville and Menai, identifying new opportunities for existing assets and further improvements to the Company's donations policies.

## 4. REVIEW OF PERFORMANCE

The profit after tax of the Company for the year ended 30 June 2020 was \$8,723,588 (2019: \$15,463,895), after accounting for nil impairment (2019: nil), and after charging \$5,041,509 (2019: \$5,050,944) for depreciation and \$779,213 (2019: \$1,132,709) for income tax expense.

Company's performance is constantly measured against internally set KPI's in core business activities being beverage, gaming and commercial rental portfolio.

Additionally, industry benchmarks are used when setting internal KPI's as well as monitoring industry trends.

## 5. MEMBERSHIP

The Company is incorporated and domiciled in Australia as a public company limited by guarantee. In accordance with the Constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$10 per member in the

event of the winding up of the Company during the time that he or she is a member or within one year thereafter. The number of members as at 30 June 2020 and the comparison with the prior year is as follows:

| Number of members | 2020   | 2019   |
|-------------------|--------|--------|
| General           | 2,718  | 3,245  |
| Social            | 51,391 | 51,960 |
| Life              | 18     | 18     |
| Honorary          | 80     | 71     |
| Perpetual         | 989    | 440    |
|                   | 55,196 | 55,734 |

As at 30 June 2020, the total amount that members of the Company are liable to contribute if the Company is wound up is \$551,960 (2019: \$557,340).

## 6. EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

## 7. IMPACT OF COVID 19

Since January 2020, the world has become aware of COVID-19 as it has spread out around the globe. The significance of the economic and financial impacts from the downturn in trade and the related quarantine and isolation practices resulting from COVID-19 that entities are facing is unprecedented. Further on 23 March 2020, registered clubs in NSW were forced to close by order of the Federal Government and subsequently legislation has been made which gives effect to the club industry's reopening on 1 June 2020, subject to social distancing rules. It is not possible to accurately determine the nature or extent of the impacts or the time over which the company will be impacted, however it's possible that it will be material to the company as the effects and consequences are outside the company's control and far reaching globally. Based on the current available information, the Directors believe that the company will remain a going concern.

## 8. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead auditor's independence declaration is set out on page 29 and forms part of the directors' report for the financial year ended 30 June 2019. This report is made in accordance with a resolution of the directors:

  
 B A Cloney  
 Director/President  
  
 P J Stanton  
 Director

Dated at Hurstville this 27th of August 2020



**LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

I declare that, to the best of my knowledge and belief, in relation to the audit of Illawarra Catholic Club Limited for the financial year ended 30 June 2020 there have been:

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

KPMG

Cameron Roan  
Partner  
Sydney  
27th August 2020

# NOTICE OF ANNUAL GENERAL MEETING

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the sixtieth Annual General Meeting of Illawarra Catholic Club Limited (ABN 68 000 361 660) will be held at Club Central Hurstville premises, 2 Crofts Avenue, Hurstville on Thursday 5 November 2020 at 7:30pm.

## BUSINESS

1. To formally verify the minutes of the fifty-ninth Annual General Meeting held on Thursday 7th November 2019.
2. To receive and consider the Report of the Board of Directors.
3. To receive and consider the Statements of Financial Performance and Financial Position as at 30 June 2020, and supporting Financial Statements for the year then ended, together with the Auditor's Report therein.
4. To consider and, if thought fit, pass the Ordinary Resolutions (set out below) conferring benefits on Directors and members.
5. To declare the elected Directors for the ensuing three years in accordance with Rule 67(a), (b), (c), (d) & (e) of the Triennial System for election of Directors.
6. To transact any other business which may be transacted pursuant to the Club's Constitution.

## FIRST ORDINARY RESOLUTION

Pursuant to the Registered Clubs Act 1976:

- a. That the members hereby approve expenditure by the club in a sum not exceeding \$100,000 for the period preceding the 2020 Annual General Meeting for the following expenses, subject to approval by the Board of Directors:
  - i. Sponsorship of Intra-Clubs; Annual Community Partners' Dinner; Presentations to members or other persons acknowledging service deemed by the Directors as being of benefit to the Club.
  - ii. Reasonable expenses incurred by Directors in travelling to and from Directors or other duly constituted committee meetings, either within the Club or elsewhere, as approved by the Board on production of documentary evidence of such expenditure.
  - iii. The cost of a meal and beverage for each Director at a reasonable time before or after a Board or Committee meeting, on the day of that meeting.
  - iv. Reasonable expenses incurred by Directors either within the Club or elsewhere in relation to such other duties, including entertainment of special guests of the Club and other promotional activities approved by the Board on production of documentary evidence of such expenditure.
- b. The members acknowledge that the benefits in (a) above are

not available to members generally, but only for those who are Directors of the Club and those members directly involved in the above activities, (expenditure for the year ended 30 June 2020 amounted to \$51,844).

## SECOND ORDINARY RESOLUTION

Pursuant to the Registered Clubs Act 1976:

- a. That the members hereby approve expenditure by the Club in a sum not exceeding \$100,000 for the professional development and education of Directors preceding the 2020 Annual General Meeting, including:
  - i. The reasonable cost of Directors attending at the Clubs NSW meetings and seminars.
  - ii. The reasonable cost of Directors attending meetings of other associations of which the Club is a member.
  - iii. The reasonable cost of Directors attending seminars, lectures, trade displays, organised study tours, fact-finding tours and other similar events as may be determined by the Board from time to time.
  - iv. The reasonable cost of Directors attending other Clubs for observing their facilities and methods of operation.
  - v. Attendance at functions with partners where appropriate and required, to represent the Club.
- b. The approval by the members of the following honoraria being conferred for the period up to the next AGM of the Club:
  - President \$16,000
  - Vice President \$10,000
  - Directors \$ 8,000

such amounts being increased by the Consumer Price Index All Groups Sydney percentage to the quarter ending June each year and calculated to the nearest \$100.

- c. The members acknowledge that the benefits in (a) and (b) above are not available to members generally, but only for those who are Directors of the Club, (expenditure for the year ended 30 June 2020 amounted to \$55,624).

## THIRD ORDINARY RESOLUTION

Pursuant to the Registered Clubs Act 1976 & Gaming Machines Act 2001

- a. a. That the members hereby approve of the benefits referred to in the Clubs loyalty program (Central Rewards) being conferred on those members who become eligible to receive those benefits for the period up to the next AGM of the Club.
- b. b. The members acknowledge that the benefits in (a) above are not available to members generally, but only to those members who become eligible to receive those benefits under the Central Rewards.

## NOTES TO MEMBERS

- Members are reminded that, to gain admission to the Annual General Meeting, will be in accordance with Rule 29(a) & (b) of the Constitution and they must present for inspection their current membership card. All members will be entitled to receive a voting card, which will identify them and allow them to vote as permitted by the Constitution of the Club, and the Registered Clubs Act 1976.
- In accordance with Rule 29(a) of the Club's Constitution, all Life members and Ordinary members are entitled to vote on the Ordinary Resolutions.
- To be passed, each Ordinary Resolution must receive votes in its favour from not less than a majority (50%+1) of those members who being eligible to do so, vote in person at the meeting.
- Because of the provisions of the Corporations Act 2001, the Ordinary Resolutions must each be considered as a whole and cannot be altered by motions from the floor of the meeting.
- The Registered Clubs Act prohibits an employee from voting at any meeting of the Club.
- Members should read the proposed resolutions and the Explanatory Notes to Members which explain the nature and effect of each resolution.
- Please direct any questions or concerns about the Ordinary Resolutions to the Chief Executive Officer of the Club, if possible before the meeting.
- Proxy votes are not permitted under the Registered Clubs Act 1976.
- Questions in relation to the Financial Report must be in writing and in the hands of the Chief Executive Officer no later than 5:00pm on Monday 26 October 2020. This requirement is necessary to enable accurate and factual answers to be researched and prepared for members' information prior to the Annual General Meeting.



Paul Richardson  
Chief Executive Officer  
Date: 28 AUGUST 2020

## EXPLANATORY NOTES TO MEMBERS

(To be read in conjunction with the Resolutions set out in the Notice of Annual General Meeting).

### FIRST ORDINARY RESOLUTION

The purpose of the First Ordinary Resolution is to meet the disclosure requirements of the Corporations Act and Registered Clubs Act. It relates to expenditure shown in the Club's Annual Accounts under various headings and approved by the members when the annual accounts are adopted.

The adoption of this Ordinary Resolution by members will confirm and set an upper limit on the amount to be expended.

### SECOND ORDINARY RESOLUTION

The purpose of the Second Ordinary Resolution is again to meet the disclosure requirements of the Corporations Act and Registered Clubs Act. It relates to expenditure by the Club for the professional development and education of Directors as well as ensuring that Directors keep up-to-date with current Club Industry development and that the Club is represented by selected Directors at the various meetings of Associations of which the Club is a member.

The Second Ordinary Resolution also confers an annual honoraria on directors of the Club in the amount specified.

The adoption of this Resolution by members will confirm and set an upper limit on the amount to be expended.

### THIRD ORDINARY RESOLUTION

The purpose of the Third Ordinary Resolution is to meet the disclosure requirements of the Registered Clubs Act. Central Rewards has been the Club's loyalty program since June 2009. Its content and management are based on the principals of Responsible Conduct of Gaming and Harm Minimisation.

Central Rewards is conducted in accordance with the Central Rewards Loyalty Program terms and conditions which are available to members at any time.

The program is tiered based. Access to each tier is based on point accrual and is reviewed every 12 months. The benefits of each tier are available to be utilised by members of that tier without bias. However, the benefits of each tier are only available to those members in that tier, and not to members of the Club generally, and it is for that reason that the members are asked to approve the Third Ordinary Resolution.

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**ANNUAL FINANCIAL REPORT, DIRECTOR'S REPORT AND AUDITOR'S REPORT** Consistent with section 314 of the Corporations Act 2001 the annual financial report, the directors' report and the auditor's report are available for inspection on the Club's website at [www.clubcentralhurstville.com.au](http://www.clubcentralhurstville.com.au) and [www.clubcentralmenai.com.au](http://www.clubcentralmenai.com.au)

#### **ELECTION OF DIRECTORS**

Nominations for the offices of Director of Illawarra Catholic Club Limited must be in the hands of the Secretary no later than 5pm on Monday 5th October 2020 as previously notified on Club Notice boards, in the Leader Newspaper and in the Club brochure. Group 1 of the Triennial system (two positions) will be up for election this year.

#### **VOTING**

In the event of a ballot being necessary, the ballot shall be conducted at the Club Central Hurstville and Club Central Menai premises, between the hours of 10:00am and 6:00pm on the following dates:

|           |                 |
|-----------|-----------------|
| Thursday  | 29 October 2020 |
| Friday    | 30 October 2020 |
| Monday    | 2 November 2020 |
| Tuesday   | 3 November 2020 |
| Wednesday | 4 November 2020 |

# PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| <i>in AUD</i>  | NOTE    | 2020              | 2019              |
|--|---------|-------------------|-------------------|
| Revenue  | 4       | 39,220,527        | 48,738,519        |
| Changes in inventories of finished goods                               |         | (49,521)          | (9,720)           |
| Raw materials and consumables used                                     |         | (773,887)         | (994,355)         |
| Donations  |         | (911,136)         | (1,250,529)       |
| Directors' expenses  |         | (72,804)          | (67,421)          |
| Personnel expenses   | 5       | (9,097,479)       | (9,725,742)       |
| Entertainment, marketing and promotional expenses                      |         | (2,833,574)       | (3,462,881)       |
| Legal and consultancy fees   |         | (102,115)         | (78,858)          |
| Poker machine compliance costs   |         | (8,242,614)       | (10,548,165)      |
| Property expenses  |         | (2,829,460)       | (3,670,340)       |
| Net gain/(loss) on disposal of property, plant and equipment           |         | (147,062)         | 1,049,860         |
| Other expenses   |         | (1,101,765)       | (778,575)         |
| <b>Profit before depreciation, impairment and finance costs/income</b> |         | <b>13,059,111</b> | <b>19,201,793</b> |
| Depreciation   | 13 & 15 | (5,041,509)       | (5,050,944)       |
| <b>Results from operating activities</b>                               |         | <b>8,017,602</b>  | <b>14,150,849</b> |
| Finance income   |         | 1,604,616         | 2,679,963         |
| Finance costs  | 6       | (119,416)         | (43,208)          |
| <b>Net finance income</b>  |         | <b>1,485,200</b>  | <b>2,636,755</b>  |
| <b>Profit before income tax</b>  |         | <b>9,502,801</b>  | <b>16,787,604</b> |
| Income tax expense   | 7       | (779,213)         | (1,323,709)       |
| <b>Profit for the year</b>   |         | <b>8,723,588</b>  | <b>15,463,895</b> |
| Other comprehensive income   |         | -                 | -                 |
| <b>Total comprehensive income for the year</b>                         |         | <b>8,723,588</b>  | <b>15,463,895</b> |

The notes on pages 45 to 58 are an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

| <i>in AUD</i>                        | NOTE | 2020               | 2019               |
|--------------------------------------|------|--------------------|--------------------|
| <b>Assets</b>                        |      |                    |                    |
| Cash and cash equivalents            | 8    | 6,307,524          | 5,240,066          |
| Trade and other receivables          | 9    | 663,696            | 1,107,851          |
| Inventories                          | 10   | 185,294            | 135,773            |
| Other investments                    | 11   | 21,000,000         | 59,976,147         |
| Other financial assets               | 12   | 31,299,601         | 20,843,997         |
| Prepayments                          |      | 784,239            | 571,686            |
| Current tax asset                    |      | 219,233            | 189,872            |
| <b>Total current assets</b>          |      | <b>60,459,587</b>  | <b>88,065,392</b>  |
| Investment property                  | 13   | 21,417,101         | -                  |
| Deferred tax assets                  | 14   | 197,923            | 97,514             |
| Property, plant and equipment        | 15   | 105,634,821        | 88,922,557         |
| Intangible assets                    | 16   | 7,842,043          | 5,638,646          |
| <b>Total non-current assets</b>      |      | <b>135,091,888</b> | <b>94,658,717</b>  |
| <b>Total assets</b>                  |      | <b>195,551,475</b> | <b>182,724,109</b> |
| <b>Liabilities</b>                   |      |                    |                    |
| Trade and other payables             | 17   | 6,088,103          | 2,411,008          |
| Employee benefits                    | 19   | 1,137,091          | 961,708            |
| Provisions                           | 20   | 320,151            | 293,622            |
| Income received in advance           |      | 572,119            | 416,931            |
| <b>Total current liabilities</b>     |      | <b>8,117,464</b>   | <b>4,083,269</b>   |
| Employee benefits                    | 19   | 398,643            | 372,108            |
| Income received in advance           |      | 111,274            | 68,227             |
| <b>Total non-current liabilities</b> |      | <b>509,917</b>     | <b>440,335</b>     |
| <b>Total liabilities</b>             |      | <b>8,627,381</b>   | <b>4,523,604</b>   |
| <b>Net assets</b>                    |      | <b>186,924,093</b> | <b>178,200,505</b> |
| <b>Members' funds</b>                |      |                    |                    |
| General funds                        |      | 186,924,093        | 178,200,505        |
| <b>Total members' funds</b>          |      | <b>186,924,093</b> | <b>178,200,505</b> |

The notes on pages 45 to 58 are an integral part of these financial statements.

# STATEMENT OF MEMBER FUNDS

| <i>in AUD</i>                                  | GENERAL FUNDS | TOTAL MEMBERS' FUNDS |
|--|---------------|----------------------|
| Balance at 1 July 2018                         | 162,736,610   | 162,736,610          |
| <b>Total comprehensive income for the year</b> |               |                      |
| Profit for the year                            | 15,463,895    | 5,463,895            |
| Other comprehensive income                     | -             | -                    |
| <b>Total comprehensive income for the year</b> | 15,463,895    | 15,463,895           |
| <b>Balance at 30 June 2019</b>                 | 178,200,505   | 178,200,505          |
| Balance at 1 July 2019                         | 178,200,505   | 178,200,505          |
| <b>Total comprehensive income for the year</b> |               |                      |
| Profit for the year                            | 8,723,588     | 8,723,588            |
| Other comprehensive income                     | -             | -                    |
| <b>Total comprehensive income for the year</b> | 8,723,588     | 8,723,588            |
| <b>Balance at 30 June 2020</b>                 | 186,924,093   | 186,924,093          |

The notes on pages 45 to 58 are an integral part of these financial statements.

# STATEMENT OF CASH FLOWS

| <i>in AUD</i>  | NOTE | 2020         | 2019         |
|--|------|--------------|--------------|
| <b>Cash flows from operating activities</b>          |      |              |              |
| Cash receipts from customers                         |      | 43,784,970   | 53,506,068   |
| Cash paid to suppliers and employees                 |      | (26,099,388) | (35,038,597) |
| Cash generated from operating activities             |      | 17,685,582   | 18,467,471   |
| Finance costs paid                                   |      | (119,416)    | (43,208)     |
| Income tax paid                                      |      | (908,983)    | (1,895,627)  |
| <b>Net cash from operating activities</b>            |      | 16,657,183   | 16,528,637   |
| <b>Cash flows from investing activities</b>          |      |              |              |
| Proceeds from sale of property, plant and equipment  |      | 100,598      | 6,623,596    |
| Acquisition of property, plant and equipment         |      | (22,194,984) | (10,465,548) |
| (Acquisition of)/Proceeds from other investments     |      | 29,127,172   | (37,000,000) |
| Acquisition of investment property                   |      | (21,436,768) | -            |
| Acquisition of intangible assets                     |      | (2,203,397)  | (720,000)    |
| <b>Interest received</b>                             |      | 1,017,653    | 1,726,056    |
| <b>Net cash from investing activities</b>            |      | (15,589,726) | (39,835,896) |
| Net (decrease)/increase in cash and cash equivalents |      | 1,067,457    | (23,307,260) |
| Cash and cash equivalents at beginning of year       |      | 5,240,067    | 28,547,327   |
| <b>Cash and cash equivalents at end of year</b>      | 8    | 6,307,524    | 5,240,067    |

The notes on pages 45 to 58 are an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. REPORTING ENTITY

Illawarra Catholic Club Limited (the Company) is a not-for-profit company domiciled in Australia as a public company limited by guarantee. The address of the Company's registered office is 2 Crofts Avenue, Hurstville, NSW 2220. The financial statements are as at and for the year ended 30 June 2020.

The Company is primarily involved in the conduct and promotion of a licensed social club for members.

## 2. BASIS OF PREPARATION

### a. Statement of compliance

In the opinion of the directors, the Company is not publicly accountable. A Company is publicly accountable if its debt or equity is traded in a public market or if it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses. The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board and the Corporations Act 2001 and the Registered Clubs Amendment Act 2006. These financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements

The financial statements were authorised for issue by the Board of Directors on 27 August 2020.

### b. Basis of measurement

The financial statements have been prepared on the historical cost basis except the movement in fair value items through profit or loss.

### c. Functional and presentation currency

The financial statements of the Company are presented in the currency of the primary economic environment in which the entity operates (its functional currency). These financial statements are presented in Australian Dollars, which is the Company's functional currency, rounded to the nearest dollar.

### d. Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial report or estimates with a significant risk of material adjustment in the next year.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### e. Financial Instruments

#### i. Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of a financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### ii. Classification and measurement of financial assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

#### iii. Subsequent measurement of financial assets

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the purposes of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through profit or loss (FVTPL);
- Debt instruments at fair value through other comprehensive income (FVTOCI); and
- Equity instruments at FVTOCI

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

*a. Financial assets at amortised cost*

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Company's receivables fall into this category of financial instruments.

Receivables comprise cash and cash equivalents, term deposits and trade and other receivables.

*b. Financial assets at fair value through profit or loss (FVTPL)*

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

*c. Debt investments at FVOCI*

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in OCI. On derecognition, gains and losses accumulated are reclassified to profit or loss.

*d. Equity investments at FVOCI*

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery part of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

*iv. Impairment of financial assets*

In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Company has the following types of financial assets that are subject to AASB 9's expected credit loss model: • Trade and other receivables

Trade and other receivables do not contain a significant financing element and therefore expected credit losses are measured using the simplified approach permitted by AASB 9, however no material impact to the financial statement based on the expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, there has been no identification of any impairment loss.

*a. Trade and other receivables and contract assets*

Trade and other receivables and contract assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indicators that a debtor or issuer will enter bankruptcy.

As most of these instruments have a high credit rating, the likelihood of default is deemed to be small. However, at each reporting date the Company assesses whether there has been a significant increase in the credit risk of the instrument. In assessing these risks, the Company relies on readily available information such as the credit ratings issued by the major credit rating agencies for the respective asset. The Company only holds simple financial instruments for which specific credit ratings are usually available. In the unlikely event that there is no or only little information on factors influencing the

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

ratings of the asset available, the Company would aggregate similar instruments into a portfolio to assess on this basis whether there has been a significant increase in credit risk. In addition, the Company considers other indicators such as adverse changes in business, economic or financial conditions that could affect the borrower's ability to meet its debt obligation or unexpected changes in the borrowers operating results. Should any of these indicators imply a significant increase in the instrument's credit risk, the Company recognises for this instrument or class of instruments the lifetime expected credit losses.

## v. *Non-derivative financial liabilities*

Financial liabilities are recognised initially on the date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classified non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise interest bearing loans and borrowings and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

## vi. *Compound financial instruments*

Compound financial instruments issued by the Company comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest, dividends, losses and gains relating to the financial liability are recognised in profit or loss. On conversion, the financial liability is reclassified to equity; no gain or loss is recognised on conversion.

## vii. *Derivative financial instruments, including hedge accounting*

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

On initial designation of the derivative as the hedging instrument, the Company formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Company makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to hedged risk, and whether the actual results of each hedge are within a range of 80 - 125 percent.

For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred.

### *Cash flow hedges*

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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risk associated with a recognised asset or liability or a highly probable forecast transaction that could effect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is a non-financial asset, the amount recognised in equity is included in the carrying amount of the asset when the asset is recognised. In other cases the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified in profit or loss.

## **b. Property, plant and equipment**

### *i. Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net in profit or loss.

### *ii. Subsequent costs*

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-today servicing of property, plant and equipment are recognised in profit or loss as incurred.

### *iii. Depreciation*

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated.

The depreciation rates for the current and comparative years are as follows:

- freehold buildings 2.5% - 10%
- plant and equipment 10% - 40%

Depreciation methods, depreciation rates and residual values are reviewed at each reporting date and adjusted if

## **c. Intangible assets**

### *Other intangible assets*

#### *Poker machine entitlements*

Poker machine entitlements that are acquired by the Company, which have infinite useful lives, are measured at cost less accumulated impairment losses.

#### *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

#### *Amortisation*

Poker machine entitlements have indefinite useful lives as they have no expiry date. Accordingly, such intangible assets are not amortised but are systematically tested for impairment at each reporting date.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## d. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised on a straight-line basis over the estimated useful lives of each component of investment property.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. Subsequent cost is recognised in the carrying amount of the investment property.

## e. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, and other costs incurred in 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.

## f. Employee benefits

### i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

### ii. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

### iii. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profitsharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

## g. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

### Link jackpots

The provision for gaming links relates mainly to the amounts payable in the event of players winning the jackpot on the poker machine as at 30 June 2020. The provision is based on the jackpot output on poker machines.

## h. Revenue

### i. Goods solds and services rendered

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods. Sales revenue is recognised when the control of goods passes to the customer which is at the time that the goods are physically transferred. Revenue from services rendered comprises revenue from gaming facilities together with other services to members and patrons of the Company. It is measured at the fair value of the consideration received or receivable and is recognised in profit or loss as the services are provided. Under the previous accounting standard, revenue was recognised when an entity transferred the significant risks and rewards of ownership to the customer.

### ii. Rental income

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

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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## **i. Finance income and finance costs**

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and bank charges.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

## **j. Income tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are

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

## **k. Leases**

### **Policy applicable from 1 July 2019**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

### **Policy applicable before 1 July 2019**

For contracts entered into before, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
- the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
- the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
- facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

i. *As a Lessee*

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and plus any initial direct costs incurred.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments; Changes in significant accounting policies
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise an extension option, and

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment and lease liabilities in 'loans and borrowings' in the statement of financial position.

Under IAS17

In the comparative period, as a lessee the Company classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments, Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to the asset.

Assets held under other leases were classified as operating leases and were not recognised in the Company's lease statement of financial position. Payments made under operating leases were recognised in profit or loss on a straightline basis over the term of the lease. Lease incentives received were recognised as an integral part of the total expense, over the term of the lease.

ii. *As a Lessor*

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies AASB 15 to allocate the consideration in the contract.

The Company recognises lease payments received under operating lease as income on a straight-line basis over the lease term as part of 'rental income'.

## I. Changes in significant accounting policies

The Company has initially adopted AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-profit Entities* and AASB 16 *Leases* from 1 July 2019.

The adoption of these Accounting Standards did not have a significant impact on the financial performance or position of the Company.

### AASB 15 Revenue from Contracts with Customers

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration.

Revenue is recognised by applying a five step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine transaction price
4. Allocate the transaction price
5. Recognise revenue

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

#### Goods sold

Revenue from sales of goods comprises revenue earned from the provision of food, beverage and other goods. Sales revenue is recognised when the control of goods passes to the customer which is at the time that the goods are physically transferred.

#### Services Rendered

Revenue from services rendered comprises revenue earned from gaming facilities together with other services to members and patrons of the Company. Sales revenue is recognised when the service obligation has been met.

AASB 15 did not have a significant impact on the Company's accounting policies with respect to the Company's revenue. The table below shows the amount of revenue recognised under AASB 118 (previous accounting standard) and AASB 15.

|                                     | AASB 118          | AASB 15           |
|-------------------------------------|-------------------|-------------------|
| <i>In dollars</i>                   |                   |                   |
| Sale of goods - beverage and snacks | 2,647,702         | 2,647,702         |
| Rendering of services               | 33,499,621        | 33,499,621        |
| Investment property rentals         | 3,073,204         | 3,073,204         |
| <b>Total</b>                        | <b>39,220,527</b> | <b>39,220,527</b> |

### AASB 1058 Income of Not-for-profit Entities

AASB 1058 introduced major changes to the income recognition by public and private sector not-for-profit (NFP) entities. Rather than accounting for all contribution transactions under AASB 1004 Contributions, NFPs will now need to determine whether a transaction is a genuine donation (accounted for under AASB 1058) or a contract with a customer (accounted for under AASB 15).

Where transactions do not meet the requirements of AASB 15 as noted above, the comparison will need to assess if these transactions should be accounted for under AASB 1058. AASB 1058 establishes principles for Not-for-profit entities, which will more

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

closely reflect the economic reality of transactions that are not contracts with customers.

AASB 1058 did not have a significant impact on the Company's accounting policies with respect to the Company's income that do not meet the criteria of AASB 15.

## **AASB 16 Leases**

AASB 16 replaces existing leases guidance, including AASB 17 Leases. AASB 16 introduces new requirements with respect to lease accounting by removing the distinction between operating and finance leases, requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases except for short-term leases, being less than 12 months and leases of low-value assets.

### *Definition of a lease*

The change in definition of a lease mainly relates to the concept of control. AASB 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration.

### *As a Lessor*

The Company is not required to make any adjustments on transition to AASB 16 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with AASB 16 from the date of initial application. The Company leases out its investment property. The Company has classified these leases as operating leases. Future expected operating lease income is disclosed in Note 21.

## **4. REVENUE**

| <i>In AUD</i>                       | <b>2020</b>       | <b>2019</b>       |
|-------------------------------------|-------------------|-------------------|
| Sale of goods - beverage and snacks | 2,647,702         | 3,419,940         |
| Rendering of services               | 33,499,621        | 41,732,550        |
| Investment property rentals         | 3,073,204         | 3,586,029         |
|                                     | <b>39,220,527</b> | <b>48,738,519</b> |

## **5. PERSONNEL EXPENSES**

| <i>In AUD</i>                               | <b>2020</b>      | <b>2019</b>      |
|---|------------------|------------------|
| Wages and salaries                          | 6,838,850        | 7,502,102        |
| Contributions to defined contribution plans | 766,129          | 813,243          |
| Payroll tax                                 | 324,325          | 467,440          |
| Workers compensation insurance              | 113,895          | 115,056          |
| Other employment expenses                   | 1,054,280        | 827,901          |
|   | <b>9,097,479</b> | <b>9,725,742</b> |

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6. FINANCE INCOME AND FINANCE COSTS

| <i>In AUD</i>   | 2020      | 2019      |
|---|-----------|-----------|
| Interest income on held-to-maturity and other deposits  | 1,027,515 | 1,791,758 |
| Finance income from held-to-maturity and other deposits | 1,027,515 | 1,791,758 |
| Realised losses from financial assets                   | (251,803) | (49,666)  |
| Unrealised gains from financial assets                  | 79,452    | 6 80,963  |
| Interest income   | 15,593    | 19,200    |
| Dividend income   | 476,658   | 129,324   |
| Bond income   | 237,189   | 119,404   |
| Foreign exchange gain                                   | 31,954    | (6,700)   |
| Management fees   | (131,358) | (47,529)  |
| Net finance income/(expense) from financial assets      | 457,685   | 844,997   |
| Net finance income                                      | 1,485,200 | 2,636,755 |

## 7. INCOME TAX EXPENSE

| <i>In AUD</i>                                    | 2020      | 2019        |
|--|-----------|-------------|
| <b>Current tax expense</b>                       | (672,647) | (1,006,423) |
| Current year                                     | (206,975) | 106,180     |
| Adjustment for prior year over/(under) provision | (879,622) | (900,243)   |
| <b>Deferred tax expense</b>                      |           |             |
| Change in temporary differences                  | 100,409   | (423,466)   |
|  | 100,409   | (423,466)   |
| Total income tax expense                         | (779,213) | (1,323,709) |

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## Numerical reconciliation between tax expense and pre-tax accounting profit

| <i>In AUD</i>  | 2020        | 2019        |
|--|-------------|-------------|
| Proportion of income attributable to non-members                     | 4,275,995   | 5,427,462   |
| Less: Proportion of expenses attributable to non-members             | (3,440,414) | (3,957,489) |
|  | 835,581     | 1,469,973   |
| Add: Other taxable income  | 6,144,342   | 7,836,641   |
|  | 6,979,924   | 9,306,614   |
| Less: Other deductible   | (4,737,767) | (5,951,873) |
| Net income subject to income tax                                     | 2,242,157   | 3,354,741   |
| Income tax using the Company's statutory tax rate of 30% (2019: 30%) | 672,647     | 1,006,423   |
| Change in temporary differences                                      | (100,409)   | 423,466     |
| (Over)/under provided in prior years                                 | 206,975     | (106,180)   |
|  | 779,213     | 1,323,709   |

## 8. CASH AND CASH EQUIVALENTS

| <i>In AUD</i>       | 2020      | 2019      |
|---------------------|-----------|-----------|
| Cash on hand        | 2,016,141 | 1,968,586 |
| Bank balances       | 1,232,048 | 7 27,009  |
| Short-term deposits | 3,059,335 | 2,544,471 |
|                     | 6,307,524 | 5,240,066 |

## 9. TRADE AND OTHER RECEIVABLES

| <i>In AUD</i>     | 2020    | 2019      |
|-------------------|---------|-----------|
| Current           |         |           |
| Trade receivables | 14,004  | 37,336    |
| Other receivables | 649,692 | 1,070,515 |
|                   | 663,696 | 1,107,851 |

## 10. TRADE AND OTHER RECEIVABLES

| <i>In AUD</i> | 2020    | 2019    |
|---------------|---------|---------|
| Bar stock     | 166,789 | 112,152 |
| Other stock   | 18,505  | 23,621  |
|               | 185,294 | 135,773 |

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 11. OTHER INVESTMENTS

| <i>In AUD</i>              | 2020       | 2019       |
|----------------------------|------------|------------|
| <i>Current investments</i> |            |            |
| Term deposits              | 21,000,000 | 59,976,147 |
|                            | 21,000,000 | 59,976,147 |

## 12. OTHER FINANCIAL ASSETS

Other financial assets are held in the form of either debt instruments, convertible securities, equities, alternative investments and/or cash and cash equivalents

| <i>In AUD</i>   | 2020       | 2019       |
|---|------------|------------|
| Financial assets - fair value through profit and loss | 31,299,601 | 20,843,997 |
|   | 31,299,601 | 20,843,997 |

## 13. INVESTMENT PROPERTY

Investment properties comprise a number of commercial properties that were leased to third parties. These are held at cost value.

| <i>In AUD</i>                                     | 2020       | 2019        |
|---|------------|-------------|
| Balance at 1 July 2019                            | -          | 4,931,999   |
| Additions   | 21,436,768 | -           |
| Depreciation charge for the year                  | (19,667)   | -           |
| Reclassification to property, plant and equipment |            | (4,931,999) |
| Balance at 30 June 2020                           | 21,417,101 | -           |

### Acquisitions

During FY20, the Company acquired two investment properties - bare land at Bardon Ridge and a block of 24 units on Empress Street in Hurstville. DA has been approved for the construction of 22 town houses on the land in Bardon Ridge.

## 14. DEFERRED TAX ASSETS AND LIABILITIES

### Recognised deferred tax assets and liabilities

Deferred tax assets have been recognised in respect of the following items:

| <i>In AUD</i>           | 2020    | 2019   |
|-------------------------|---------|--------|
| Provisions              | 148,040 | 54,438 |
| Employee benefits       | 49,883  | 43,076 |
| Balance at 30 June 2020 | 197,924 | 97,514 |

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 15. PROPERTY, PLANT AND EQUIPMENT

| <i>In AUD</i>             | Freehold land | Buildings  | Plant and equipment | Capital WIP | Total       |
|---------------------------|---------------|------------|---------------------|-------------|-------------|
| <b>Cost</b>               |               |            |                     |             |             |
| Balance at 1 July 2019    | 9,531,882     | 73,921,615 | 40,321,784          | 8,891,460   | 132,666,741 |
| Additions                 | -             | 101,182    | 2,157,135           | 19,646,080  | 21,904,397  |
| Disposals                 | -             | (95,968)   | (1,671,520)         | (205,928)   | (1,973,416) |
| Transfers                 | -             | -          | 2,835               | 287,752     | 290,587     |
| Balance at 30 June 2020   | 9,531,882     | 73,926,829 | 40,810,234          | 28,619,364  | 152,888,309 |
| <b>Depreciation</b>       |               |            |                     |             |             |
| Balance at 1 July 2019    | -             | 18,207,673 | 25,536,511          | -           | 43,744,184  |
| Disposals                 | -             | ( 5,642)   | (1,506,896)         | -           | (1,512,538) |
| Depreciation for the year | -             | 1,857,249  | 3,164,593           | -           | 5,021,842   |
| Balance at 30 June 2020   | -             | 20,059,280 | 27,194,208          | -           | 47,253,488  |
| <b>Carrying amounts</b>   |               |            |                     |             |             |
| At 30 June 2019           | 9,531,882     | 55,713,942 | 14,785,273          | 8,891,460   | 88,922,557  |
| At 30 June 2020           | 9,531,882     | 53,867,549 | 13,616,026          | 28,619,364  | 105,634,821 |

### Valuation

The independent valuations of the Company's freehold land and buildings at 30 June 2018, on the basis of open market value for existing use, resulted in a valuation of land and buildings of \$116,825,000. As land and buildings are recorded at cost, the valuation has not been brought to account.

### Core and non-core properties

Pursuant to Section 41J of the Registered Clubs Amendment Act 2006, the Company defines property core and noncore.

The core property of the Company shall comprise the defined premises of the Club as approved from time to time by the Licensing Court of New South Wales or the Liquor Administration Board and endorsed on the Club's Certificate of Registration and the holiday accommodation units held under Deed of Licence with the Federation of Community, Sporting and Workers Clubs inc. All other properties held are considered non-core.

## 16. INTANGIBLE ASSETS

| <i>In AUD</i>                     | 2020      | 2019      |
|-----------------------------------|-----------|-----------|
| <b>Poker machine entitlements</b> |           |           |
| <b>Cost</b>                       |           |           |
| Balance at 1 July 2019            | 5,638,646 | 4,918,646 |
| Additions                         | 2,203,397 | 720,000   |
| Balance at 30 June 2020           | 7,842,043 | 5,638,646 |

Poker machine entitlements are stated at cost less accumulated impairment losses. Poker machine entitlements have an indefinite useful life given they have no expiry date, and accordingly are not amortised but are to be assessed annually for impairment.

As at 30 June 2020, the company estimated the value in use amount exceeds the carrying amount of poker machine entitlements. In assessing value in use, the estimated future cash flows were calculated for a period of 5 years, and a pre-tax discount rate of 2.68% and a growth rate of 1% were applied in the calculation.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 17. TRADE AND PAYABLES

| <i>In AUD</i>                           | 2020      | 2019      |
|---|-----------|-----------|
| <b>Current</b>                          |           |           |
| Trade payables                          | 461,462   | 539,730   |
| Non-trade payables and accrued expenses | 5,626,641 | 1,623,457 |
| Non-trade payables and accrued expenses | -         | 247,822   |
| Goods and services tax payable          | 6,088,103 | 2,411,008 |

## 18. EMPLOYEE BENEFITS

| <i>In AUD</i>                    | 2020      | 2019    |
|----------------------------------|-----------|---------|
| <b>Current</b>                   |           |         |
| Liability for annual leave       | 752,628   | 599,671 |
| Liability for sick leave         | 60,000    | 60,000  |
| Liability for long service leave | 324,463   | 302,037 |
|                                  | 1,137,091 | 961,708 |
| <b>Non-current</b>               |           |         |
| Liability for long service leave | 398,643   | 372,108 |
|                                  | 398,643   | 372,108 |

## 19. PROVISIONS

| <i>In AUD</i>                         | Link jackpots |
|---------------------------------------|---------------|
| Balance at 1 July 2019                | 293,622       |
| Movement in provision during the year | 26,529        |
| Balance at 30 June 2020               | 320,151       |
| Current                               | 320,151       |
| Non-current                           | -             |
|                                       | 320,151       |

### Link jackpots

The provisions for poker machine link jackpots represents the Company's estimated present obligation to members and visitors in respect of poker machine link payouts. The provisions are expected to be realised within 12 months of reporting date.

## 20. MEMBERS' FUNDS

The Illawarra Catholic Club Limited is incorporated and domiciled in Australia as a public company limited by guarantee. In accordance with the Constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$10 per member in the event of the winding up of the Company during the time that he or she is a member or within one year thereafter. At 30 June 2020 there were 55,196 (2019: 55,734 members). The total amount that members of the Company are liable to contribute if the Company is wound up is \$551,960 (2019: \$557,340).

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 21. OPERATING LEASES

### Leases as lessor

The Company leases out its investment property and has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

| <i>In AUD</i>              | 2020       | 2019       |
|----------------------------|------------|------------|
| Less than one year         | 3,595,763  | 3,502,356  |
| Between one and five years | 9,766,100  | 11,999,771 |
| More than five years       | 426,604    | 1,545,154  |
|                            | 13,788,467 | 17,047,281 |

## 22. CONTINGENCIES

### Contingent liabilities considered remote

The directors are of the opinion that provisions are not required in respect of those matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

The Company does not have any contingency liabilities as at this reporting date (2019: nil).

## 23. RELATED PARTIES

### Transactions with key management personnel

Directors received honorariums from the Company during the year totalling \$40,000 (2019: \$35,258).

### Key management personnel compensation

The key management personnel compensation comprised:

| <i>In AUD</i>                | 2020      | 2019    |
|------------------------------|-----------|---------|
| Short-term employee benefits | 1,036,204 | 912,485 |
| Other long-term benefits     | 76,445    | 83,133  |
|                              | 1,112,649 | 995,618 |

### Other key management personnel compensation

From time to time, directors of the Company may purchase goods from the Company or participate in other club activities. These purchases and participations are on the same terms and conditions as those entered into by other Company employees or customers and are trivial or domestic in nature.

Apart from the details disclosed above in this note, no other director has entered into a material contract with the Company during the year or since the end of the previous financial year and there were no material contracts involving other directors' interests existing at year-end.

## 24. SUBSEQUENT EVENTS

There have been no events subsequent to the reporting date which would have a material effect on the Company's financial statements at 30 June 2020.

## 25. IMPACT OF COVID-19

Since January 2020, the world has become aware of COVID-19 as it has spread out around the globe. The significance of the economic and financial impacts from the downturn in trade and the related quarantine and isolation practices resulting from COVID-19 that entities are facing is unprecedented. Further on 23rd March 2020, registered clubs in NSW were forced to close by

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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order of the Federal Government and subsequently legislation has been made which gives effect to the club industry's reopening on 1 June 2020, subject to social distancing rules. It is not possible to accurately determine the nature or extent of the impacts or the time over which the Company will be impacted, however it's possible that it will be material to the Company as the effects and consequences are outside the Company's control and far reaching globally. Based on the current available information, the Directors believe that the Company will remain a going concern.

# DIRECTOR'S DECLARATION

In the opinion of the directors of Illawara Catholic Club Limited (the Company);

- a. the financial statements and notes, set out on pages 45-58 are in accordance with the Corporations Act 2001, including:
  - i. giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
  - ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements 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

Signed in accordance with a resolution of directors.



\_\_\_\_\_  
B A Cloney  
Director/President



\_\_\_\_\_  
P J Stanton  
Director

Dated at Hurstville this 27th of August 2020.

# INDEPENDENT AUDIT REPORT



To the members of Illawarra Catholic Club Limited

## OPINION

We have audited the Financial Report of Illawarra Catholic Club Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the Corporations Act 2001, including:

- giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- complying with Australian Accounting Standards – *Reduced Disclosure Requirements and the Corporations Regulations 2001*.

The Financial Report comprises:

- Statement of financial position as at 30 June 2020
- Statement of profit or loss, Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

## BASIS FOR OPINION

We conducted our audit in accordance with Australian Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code)* that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

## OTHER INFORMATION

Other Information is financial and non-financial information in Illawarra Catholic Club Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL REPORT

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards – *Reduced Disclosure Requirements and the Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting

is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). This description forms part of our Auditor's Report.



KPMG



Cameron Roan  
Partner  
Sydney  
27th August 2020



**PAUL RICHARDSON**  
Chief Executive Officer



**TIM HILDER**  
Chief Financial Officer



**CHRIS WHITE**  
Chief Operations Officer



**CHANTELLE CHAPMAN**  
Executive Manager – Marketing



**BEN WILLIAMSON**  
Executive Manager –  
Human Resources



**MARK BUNYON**  
Executive Manager – Facilities



**KYLIE DI CESARE**  
Executive Manager – CSR



**ALEXANDRA EYEARS**  
Executive Manager – Functions



**COLLEEN PERRY**  
Group Finance Manager



**JOHN HEAD**  
General Manager Hurstville



**SAE-HWAN KIM**  
General Manager Menai



**ROBYN COLANTONIO**  
Events Manager



**ANTE KOVAC**  
Gaming Manager



**OLIVIA KRANJEC**  
Human Resources Officer –  
Rosters and Training



**NAOMI TAYLOR**  
Human Resources Officer



**HENRY MELBOURNE**  
Senior Duty Manager –  
Hurstville



**MATTHEW ELVINS**  
Duty Manager – Hurstville



**VINCENT LEE**  
Duty Manager – Hurstville



**KIRSTY SHAW**  
Duty Manager – Hurstville



**SKEVOS PONIRIS**  
Senior Duty Manager – Menai



**SAMANTHA WEIER**  
Duty Manager – Menai



**PAUL CHATE**  
Duty Manager – Menai

