

Kogarah CLUBHOUSE



Annual Report
2019 – 2020

Korarah Clubhouse

Directors



Brian Brown

Chairman



Megan Barker

Senior Vice Chairman



Chris Blaxland-Walker

Junior Vice Chairman



Todd Dalton

Director



Ken Rawson

Director



Kayleen Samuel

Director



Tom Zdun

Director



Grant Amer

General Manager



NOTICE OF ANNUAL GENERAL MEETING

KOGARAH R.S.L. CLUB LTD

ACN 001 032 355

NOTICE IS GIVEN that the Annual General Meeting of Kogarah RSL Club Limited (ACN 001 032 355) will be held at:

Location: Kogarah Clubhouse
252 Railway Parade Kogarah

Date: Sunday 25th October 2020

Time: 9.00am

BUSINESS

- 1.** To confirm the Minutes of the 2019 Annual General Meeting.
- 2.** To receive and consider the reports of the Board.
- 3.** To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2020.
- 4.** To consider and, if thought fit, pass Ordinary Resolution 1 conferring Directors' benefits.
- 5.** To consider and, if thought fit, pass Ordinary Resolution 2 conferring Honoraria on the Chairman, Welfare Officer and directors.
- 6.** Call for any General Business.

ORDINARY RESOLUTION 1

That pursuant to section 10(6A)(b) of the Registered Clubs Act 1976, the Members hereby approve and agree to the members of the Board during the twelve (12) month period preceding the 2020 Annual General Meeting receiving the following benefits:

- (i)** That the directors be provided with a meal and refreshments upon their attendance at any meeting of the Board of Directors convened;
- (ii)** That Directors may be reimbursed for any reasonable expenses incurred in attending or travelling to Board Meetings or other properly constituted meetings of Directors upon the production of receipts, invoices or other proper documentary evidence of such expenditure from time to time;
- (iii)** The cost of internet access at each directors residence to allow the receipt of Club related correspondence not exceeding \$200 per Director;
- (iv)** The reasonable costs of Directors attending the Clubs NSW Annual General Meeting;
- (v)** The reasonable costs of Directors attending seminars, lectures, trade exhibitions or other similar events as may be determined by the Board of Directors from time to time;
- (vi)** The reasonable costs of Directors attending other Registered Clubs for the purpose of viewing and assessing their facilities and their methods of operation provided such attendances are approved by the Board of Directors as being necessary for the benefit of the Kogarah RSL Club Ltd;
- (vii)** The provision of blazers and associated uniforms for the use of Club Directors when representing the Kogarah RSL Club Ltd;
- (viii)** The reasonable costs of Directors and their partners attending an annual dinner at the Club.

The Members of the Kogarah RSL Club Ltd acknowledge that the benefits conferred by this Ordinary Resolution 1 are not available to Members generally but only to those members specified in the resolution.

ORDINARY RESOLUTION 2

That pursuant to section 10(6)(b) of the Registered Clubs Act 1976, the members of Kogarah R.S.L. Club Limited hereby approve and agree to conferring the following Honoraria:

- Chairman - \$4000 per annum;
- Welfare Officer - \$2000 per annum.

The Members of the Kogarah RSL Club Ltd acknowledge that the benefits conferred by this Ordinary Resolution 2 are not available to Members generally but only to those members specified in the resolution.

Explanatory Message to Members regarding Ordinary Resolution 1

Section 10(1)(i) of the Registered Clubs Act 1976 prohibits the Club from offering a benefit to any member unless it is offered equally to all members of the Club. Section 10(6A) of the Registered Clubs Act 1976 allows a member to receive a benefit where the it is not in the form of money and is approved by an ordinary resolution passed by a general meeting of the members of the Club prior to the benefit being provided.

The First Ordinary Resolution seeks the members' approval for the expenditure by the Club of on the matters referred to in paragraphs (i) to (viii) of Ordinary Resolution 1.

Explanatory Message to Members regarding the Ordinary Resolution 2

Section 10(1)(i) of the Registered Clubs Act 1976 prohibits the Club from offering a benefit to any member unless it is offered equally to all members of the Club. Section 10(6)(b) of the Registered Clubs Act 1976 allows a member to receive a sum of money paid to the member in respect of his or her services as a member of the Board of the Club or of any committee (Honorarium) where that payment is approved by an ordinary resolution passed at a general meeting of the members of the Club prior to the benefit being provided.

The Second Ordinary Resolution seeks the members' approval to confer, as Honoraria, on the Chairman and the Club's Welfare Officer and on each director who performs duties in the Club, the amount specified in Ordinary Resolution 2.

GENERAL NOTES TO MEMBERS

- 1. Please Note:** The Annual General Meeting is being held at Kogarah Clubhouse, 252 Railway Parade Kogarah.
- 2.** Life Members, and financial RSL members and Associate members (except employees of the Club) are entitled to vote on the Ordinary Resolutions.
- 3.** To be passed, each Ordinary Resolution must receive a simple majority (50% + 1) of the votes in favour from those members who being eligible to do so, vote in person at the meeting.
- 4.** Members should read the Explanatory Message to Members following the Ordinary Resolutions, which explains the nature and effect of each resolution.
- 5.** Please direct any question or concerns about the Ordinary Resolutions to the General Manager of the Club, if possible before the meeting.
- 6.** Members of the Club, who are employees of the Club, cannot vote on the Ordinary Resolutions.
- 7.** Proxy Votes are not allowed under the Registered Clubs Act 1972.
- 8.** The Board commends the Ordinary Resolutions to the members.

The Kogarah RSL Annual Report for 2020 will be available online at www.kogarahclubhouse.com.au, alternatively a hard copy will be available on request at Kogarah Club reception.

GRANT AMER
Secretary

CHAIRMAN'S REPORT - 2020

Dear Members,

Firstly I would like to send out our condolences to all the families of members who have passed away since our last AGM, with special mention to the Glover family. Mr Barry Glover OA, a former Board Member and President of the Sub-Branch sadly passed away in June.

The COVID-19 pandemic has taken its toll on everyone worldwide, no one has been left untouched. Fortunately NSW has fared slightly better than some other states, due to the prompt procedures put in place and the general public adhering to them. Clubs, Pubs, Hotels and Cafes in the hospitality industry have been hardest hit, so I would like to take this opportunity to thank our Management and Staff of Blake Street Kitchen, who worked tirelessly to keep the business running during these torrid times.

We have a long way to go, but if we work together, we will overcome and prosper into the future. Thanks to our Welfare officer Marcella Brown for the great job she has done over the last year. Thanks to all the Board of Directors who all have been working very hard. Thanks to Grant Amer and all his management team and staff who I can't thank enough.

On behalf of the Board of Directors, Grant Amer our CEO and myself, I would like to wish you and your families all the very best for the coming festive season, and hope you all have a happy healthy and prosperous New Year .



BRIAN BROWN
Chairman

GENERAL MANAGERS REPORT – 2020

Dear Members,

The Club's financial statements for the year ending 30th June 2020 have been submitted and distributed for your information and consideration. We disclose an overall profit of \$9,894,568. \$11,926,553 is attributable to the finalisation of the development, leaving a trading loss of \$2,031,987. A major contributor to our trading loss for the 2020 financial (aside from COVID 19) were a number of one-off costs associated with the marketing and reopening of the new Club.

The development has proved to be successful with the overall profit from the development being \$14,904,418.

To say that the last 12 months have been busy and full of surprises for everyone associated with Kogarah Clubhouse and the Club industry in general would be a gross understatement.

The launch of the new Club last October was well received by members and guests, with very positive feedback with over 2500 new members joining within the first six months.

An extensive marketing campaign was undertaken to help the club re-connect with the local community, which ended in March 2020, the same time COVID restrictions came into place, which saw the entire Club industry turned upside down. On the 23rd of March 2020 32 staff were stood down due to COVID-related trading restrictions imposed by Government. With the Club only having traded for 6 months prior to COVID restrictions, JobKeeper subsidies were not available for the majority of our staff.

With credit to the Board of Directors, 8 staff members were permitted to remain active during the period of COVID restrictions, providing take-away food & beverage from Blake Street Kitchen, breakfast, lunch & Dinner, 7 Days a week. On the 1st of June, COVID restrictions were partially lifted and the club remains trading under these restrictions presently. With no specific dates provided by the Government regarding the lifting of the remaining trading restrictions, the Board & Management continue to provide regular services to members as best we can, noting that the potential to achieve budgeted revenues will not be achievable under these restrictions. The Board hopes for more clarification from the Government & Clubs NSW and hopes to be able to provide an update to members at the AGM in October.

I would like to take the opportunity to pay thanks to The Board of Directors for their continued support to myself & our management team during these uncertain times, and also to the entire team of staff who have been loyal and dedicated during extremely stressful times. I would also like to thank you, our Members, who have continued to support our new venue.

I would like to take the opportunity to thank Capital Bluestone, our development partner, who have exceeded all of our expectations in regards to the joint-venture property development, Westbourne Constructions, who were responsible for the building of the Veridian complex and did the majority of the fit-out work for the new Kogarah Clubhouse and to Bill Stinson, who

dedicated so much time and effort into assuring the Clubs' best interests were looked after throughout the whole project.

To all the new Members that have joined since we have re-opened and to all our existing Members, on behalf of the Board I thank you for your patience and support during the 3 years that the club was closed and look forward to catching up for a chat at some point in time.

To our fantastic staff that have come on board, with beautiful facilities to be able to work in, I welcome you and encourage you to enjoy your time at Kogarah Clubhouse.

All Members are reminded that Membership renewals are open from 1st November to 31st December 2020 and that all bonus points are extinguished on 31st December 2020.

To all Members, Staff and their families, I wish you very Merry Christmas and Happy New Year.



GRANT AMER
Secretary

Financial Report

Kogarah RSL Club Limited

ABN 75 001 032 355

For the year ended 30 June 2020

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Directors Report

Kogarah RSL Club Limited

For the year ended 30 June 2020

The Directors of Kogarah R.S.L. Club Limited submit herewith the accounts of the Club for the year ended 30 June 2020 and reports as follows:

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

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

Director	Occupation	Board Experience
Brian Brown	Maintenance Contractor	13 years
Ken Rawson	Retired	11 years
Kayleen Samuel	Retired	5 years
Christopher Blaxland-Walker	Banker	1 year
Todd Dalton	Financial Planner	1 year
Tom Zdun	Project Manager	1 year
Megan Barker	Florist	1 year
Barry Clewett (ceased 9/10/19)	Retired	18 years
Russell Osmond (ceased 9/10/19)	Retired	6 years
Neil Pugsley (ceased 9/10/19)	Key Account Manager	4 years
Mitchell Sim (ceased 9/10/19)	Retail Manager	2 years

Special Responsibilities

Mr Brown is the Chair Person. Mr Blaxland-Walker, Mr Dalton and Mr Zdun represent the board as members of the Finance Committee.

Company Secretary

The management team comprises of Grant Amer who is the Club Manager, licensee and company secretary.

Dividends

The Club is limited by guarantee and is prevented by its constitution from paying dividends.

Corporate Information

Kogarah RSL Club Limited is a company limited by guarantee that is incorporated and domiciled in Australia.

The registered office is c/- Jigsaw Tax & Advisory, Level 1, 189 Auburn Street, Goulburn NSW 2580 and the principal place of business is 254 Railway Parade, Kogarah.

Membership

The Club is a company limited by guarantee and without share capital. The number of members as at 30 June 2020 and the comparison with last year is as follows:

	2020	2019
Ordinary Members	3216	1170
Honorary Life Members	2	3
Veteran Members	64	55
Total	3282	1228

In accordance with the Company's constitution, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of winding up the company during the time that they are member or within one year thereafter.

Short Term Objectives

The short term objectives of the Club are to position the services offered by the Club to be effective in meeting the needs of its members and the community within the context of a competitive marketplace.

Long Term Objectives

The long term objectives of the Club are to provide the right infrastructure necessary to effectively meet the short term objectives on an ongoing basis and to provide a commercial result that ensures the longevity of its operations.

Strategy

In order to meet the short and long term objectives stated above the Club will continue to manage the potential risk to the organisation from legislative changes and continuously assess the performance of its assets to maximise the ability of the Club to meet its objectives.

Principal Activities

On 29 September 2019 the Club recommenced trading as a registered club following the completion of the redevelopment which commenced in May 2016. As such, the principle activities of the Club were to provide social and entertainment activities and amenities to the members and guests by conducting the business of a licenced social club.

Performance Measurement

The Club uses the Club Data Online system to measure its performance within industry participants to ensure services offered are contemporary and appropriate. The Club will continue to evaluate and assess the effectiveness of its commercial operations

and assess its financial performance consistently. A finance committee has been elected by the board to review the financial operating results on a monthly basis.

Review and Results of Operations

As noted above, the club ceased trading as a registered club in May 2016 and undertook the redevelopment of the site. The operating profit for the year ended 30 June 2020 was \$9,894,568 compared to a \$1,976,536 profit for the 2019 year.

A summary of the operating results are as follows: -

	<u>2020</u>	<u>2019</u>
Unit Sales	27,886,437	105,982,368
Development costs - unit sales	(15,939,882)	(103,004,503)
Development Profit	11,946,555	2,977,865
Trading Income	1,487,233	
Cost of Goods Sold	(974,284)	
Trading Profit	539,949	
Other Revenue	670,738	154,919
Administrative Costs	(3,262,674)	(1,156,248)
Operating Profit/Loss	(2,591,936)	(1,001,329)
Total Profit /(Loss)	9,894,568	1,976,536

Going Concern

The Board is confident the Club can meet its liabilities as and when they fall due.

Likely Developments and Expected Results

The Club has been impacted by the general COVID-19 closures and was unable to trade for the months of April and May, except for a limited food service for the Blake Street restaurant. The trading results upon reopening have been profitable, however the impacts of COVID-19 in the future are unknown.

The Club has hired a consultant who has suggested some changes in the services offered and it is anticipated that this will increase the Club's trading results in the coming year.

Directors' Meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Club during the financial year are:

Director	Attendance	Eligible to attend
Brian Brown	16	18
Ken Rawson	17	18
Kayleen Samuel	16	18
Christopher Blaxland-Walker	10	10
Todd Dalton	10	10
Tom Zdun	10	10
Megan Barker	10	10
Barry Clewett	7	7
Mitchell Sim	7	7
Neil Pugsley	5	7
Russell Osmond	3	7

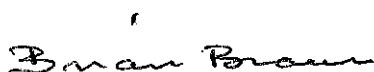
Related Party Disclosures

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements, or the fixed salary of a full-time employee of the Club or a related corporation), by reason of a contract made by the Club or a related corporation with the Director or with a firm of which they are a member, or with a Club in which they have a substantial financial interest. This statement excludes a benefit included in the aggregate amounts of emoluments received or due and receivable by Directors shown in Note 6 to the Club's financial statements prepared in accordance with the Corporations Law.

Auditor Independence

The auditor's independence declaration is included in this annual report.

Signed in accordance with the resolution of the Board of Directors.



BRIAN BROWN

Chairman

Dated at Kogarah this

KOGARAH R.S.L. CLUB LIMITED
A.B.N. 75 001 032 355

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF KOGARAH RSL CLUB LIMITED

I declare that, to the best of my knowledge and belief, during the year 30 June 2020 there have been no contraventions of:

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

Name of Firm: FRANK CLUNE & SON
Chartered Accountants

Name of Partner:


Frank Catanzariti

Address: Level 8, 60 Carrington Street, Sydney, NSW 2000

Dated this 29th day of September 2020

Directors Declaration

Kogarah RSL Club Limited

For the year ended 30 June 2020

In accordance with a resolution of the directors of Kogarah RSL Club Limited, the directors declare that:

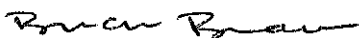
1. The financial statements and notes included as part of the financial statements are in accordance with the *Corporations Act 2001* and

- comply with Australian Accounting Standards; and
- give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Club

2. In the directors' opinion there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

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

Director:



Sign date:

20/9/2020

Statement of Profit or Loss and Comprehensive Income

Kogarah RSL Club Limited

For the year ended 30 June 2020

	NOTES	2020	2019
Revenue from Ordinary Activities			
Trading Income			
Sale of goods	4	1,487,233	-
Cost of Sales		(947,284)	-
Total Trading Income		539,949	-
Total Revenue from Ordinary Activities		539,949	-
Other Revenue			
Sale of Development Units	4	27,886,437	105,982,368
Other revenue	4	670,738	154,919
Total Other Revenue		28,557,175	106,137,287
Total Income		29,097,124	106,137,287
Expenses			
Development Costs - Unit Sales		15,939,882	103,004,503
Provision for Doubtful Debts		40,139	-
Depreciation & Amortisation		488,607	196,183
Promotions & Entertainment		109,082	18,317
Occupancy		291,484	5,986
Administration and General Expenses		2,333,362	935,762
Total Expenses		19,202,556	104,160,751
Profit/(Loss) from Ordinary Activities before Taxation		9,894,568	1,976,536
Profit/(Loss) from Ordinary Activities after Taxation		9,894,568	1,976,536
Comprehensive Income			
Increase in Revaluation Surplus		4,626,042	-
Reduction in Revaluation Surplus		-	(4,946,960)
Total Comprehensive Income		4,626,042	(4,946,960)
Total profit attributable to members of the entity		9,894,568	1,976,536
Total comprehensive income attributable to members of the entity		14,520,610	(2,970,424)

Statement of Financial Position

Kogarah RSL Club Limited

As at 30 June 2020

	NOTES	30 JUN 2020	30 JUN 2019
Assets			
Current Assets			
Cash and Cash Equivalents	8	2,772,011	83,676
Receivables	9	459,553	2,282
Inventories	10	28,499	1,619
Other	11	59,698	75,034
Assets classified as held for sale	12	-	20,595,971
Total Current Assets		3,319,761	20,758,581
Non-Current Assets			
Property, plant and equipment	13	19,024,436	11,314,774
Intangibles	14	1,312,756	1,300,000
Right of Use of Leased Assets		1,003,290	-
Total Non-Current Assets		21,340,482	12,614,774
Total Assets		24,660,243	33,373,355
Liabilities			
Current Liabilities			
Trade and Other Payables	15	376,633	73,025
Borrowings	16	202,825	10,915,931
Provisions	17	147,525	96,490
Current Tax Liabilities	15	-	721,327
Other Liabilities	18	42,626	-
Current Lease Liabilities		666,476	-
Rent received in Advance - Current	18	53,500	53,500
Other Liabilities - Accrued Development Costs		-	17,562,639
Total Current Liabilities		1,489,585	29,422,914
Non-Current Liabilities			
Interest Bearing Loans and Borrowing		4,416,292	-
Non Current Lease Liabilities		336,814	-
Rent Received in Advance - Non-Current	18	604,957	658,457
Total Non-Current Liabilities		5,358,063	658,457
Total Liabilities		6,847,648	30,081,371
Net Assets		17,812,595	3,291,984
Equity			
Reserves		7,498,747	2,872,705
Retained Earnings		10,313,848	419,280
Total Equity		17,812,595	3,291,984

Statement of Changes in Members Funds

Kogarah RSL Club Limited

For the year ended 30 June 2020

	General Reserves \$	Revaluation Surplus \$	Retained Earnings \$	Total \$
Balance 1 July 2018	72,777	7,746,888	(1,557,257)	6,262,406
Attributable to Members				
Profit (Loss)			1,976,536	1,976,536
Other Comprehensive Income		(4,946,960)		(4,946,960)
Balance 30 June 2019	72,777	2,799,928	419,278	3,291,983
Attributable to Members				
Profit(Loss)			9,894,568	9,894,568
Other Comprehensive Income		4,626,042		4,626,042
Balance 30 June 2020	72,777	7,425,970	10,313,846	17,812,593

Statement of Cash Flows

Kogarah RSL Club Limited

For the year ended 30 June 2020

	30 June 2020 \$ Inflows / (Outflows)	30 June 2019 \$ Inflows / (Outflows)
Cashflows from operating activities		
Receipts from operations	29,665,626	10,322
Payment to suppliers and employees	(17,422,076)	(4,099,304)
Interest Received	313,828	10,086
Reimbursements		79,982
Net cash provided by operating activities	12,557,378	(3,998,914)
Cashflows from investing activities		
Payments for plant, equipment and refurbishments	(3,572,228)	(2,829,727)
Proceeds from sale of assets		
Net cash flows from investing activities	(3,572,228)	(2,829,727)
Cashflows from financing activities		
Proceeds from borrowings	4,699,212	6,899,063
Repayment of borrowings	(10,996,026)	-
Net cash provided by (used in) financing activities	(6,296,814)	6,899,063
Net increase/ (decrease) in cash held	2,688,336	70,422
Cash at start of financial year	83,675	13,253
Cash at close of financial year	2 772,011	83,675

Notes to the Financial Statements

Kogarah RSL Club Limited

For the year ended 30 June 2020

1. Corporate Information

The financial report of Kogarah RSL Club Limited for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of directors, dated 22nd September 2020. Kogarah RSL Club Limited is a company limited by guarantee ('the Company') that is incorporated and domiciled in Australia. In accordance with the Company's constitution, every member of the Company undertakes to contribute an amount limited to \$2 per member in the event of winding up of the Company during the time they are a member or within one year thereafter. As at 30 June 2020 there were 3,282 members.

The Company recommenced trading as a registered club on 29 September 2019 following the redevelopment of the site. The Club had previously been closed since May 2016.

The registered office of the company is located at : c/-Jigsaw Tax and Advisory, Level 1, 189 Auburn Street, Goulburn NSW 2580.

2. Statement of Significant Accounting Policies

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and associated regulations and the Corporations Act 2001, as appropriate for company entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in this note 2.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

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

AASB 9 Financial Instruments

The Company has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on

equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers

The company has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption

AASB9 and AASB 15 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2018.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Following are additional recognition criteria:

Sales Revenue: Sales revenue comprises revenue earned from the Company's trading activities, including poker machine takings and bar sales. It is recognised when goods and services are provided.

Subscriptions: Subscription fees are taken into account on a cash basis, and the portion relating to the ensuing year is transferred to subscriptions in advance.

Interest Income: Interest income is recognised as it accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Commission Revenue: Commission revenue is recognised when control of a right to receive consideration for the provision of services has been attained.

Donations : Donations are recognised at the time the pledge is made.

Grants: Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Poker Machine Revenue: Poker Machine revenue is recognised net of payouts.

Rent Revenue: Rent revenue is recognised on a straight line basis over a period of the lease term.

Other Revenue : Other revenue is recognised when it is received or when the right to receive payment is established.

Residential Unit Sales: Unit sales are recognised as revenue when the units settle.

All revenue is stated net of the amount of goods and services tax (GST).

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and Cash Equivalents

Cash and Cash Equivalents include cash on hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses

Inventories

Inventories are valued at the lower of cost and net realisable value

Contract Assets

Contract assets are recognised when the Company has transferred goods or services to the customer but where the Company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Property Plant and Equipment

The Club stratum and Commercial stratum are measured using the valuation report prepared by BMT Tax Depreciation Pty Ltd and adopted by the Board in a resolution made on 22 September 2020. Plant and Equipment assets have also been presented in line with the same report.

The carrying amount of buildings, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalue carrying

amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation and Amortisation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freeholdland, is amortised and depreciated over their useful lives to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Buildings & Property Improvements	40 years
Plant and equipment	3-20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to the asset are transferred to retained earnings.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract Liabilities

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

Employee Benefits

Short Term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and services tax and other similar taxes

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to the ATO is included as a current asset (Receivables) or current liability (Account payables) in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Income Tax

Income Tax has been brought to account using the 'tax payable' basis.

Deferred tax assets arising from deductible temporary differences and unused tax losses have not been recognised to the extent that it is not probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised.

Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2020. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Club has adopted this standard from 1 July 2019.

Intangible Assets

Poker Machine Entitlements

Poker machine entitlements are not amortised. Instead, poker machine entitlements are tested for impairment annual or more frequently if events or changes in circumstances indicate that it might be impaired.

3. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Significant accounting judgements

Poker Machine Licenses

The entity holds poker machines licenses granted for no consideration by the NSW government.

Licenses granted to the entity are recognised at fair value, or director's valuation.

Estimation of useful lives of assets

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

Impairment of non-financial assets other than goodwill and other indefinite life tangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee Benefit provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Taxation

The Company's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgment is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the statement of financial position.

	2020	2019
4. Revenue		
Sale of Goods and Services		
Bar Sales	366,643	-
Catering Sales	282,816	-
Poker Machine Revenue	832,953	-
Other Gaming Commissions	4,821	-
Total Sale of Goods and Services	1,487,233	-
Other Income		
Unit Sales - Joint Venture	19,564,137	105,982,368
Profit from Share in Joint Venture Unit Sales	8,322,300	-
Total Other Income	27,886,437	105,982,368
Other Revenue		
Rental Income	96,208	54,529
Interest Income	313,828	10,086
Other Revenue	120,679	87,712
Members Subscriptions	14,523	2,591
COVID-19 Cashflow Boost	62,500	-
COVID-19 Jobkeeper Subsidy	63,000	-
Total Other Revenue	670,738	154,919
Total Revenue	30,044,408	106,137,287

5. Income Tax

(a) Under the income tax convention known as 'mutuality' Registered Clubs are not taxed on subscriptions or trading profits derived from members. However, profits from operations derived from visitors to the Club including guests of members are subject to income tax. Further, income of the Club from outside sources (for example interest on investments and the profits generated for the sale of residential units) are taxed at normal company rates.

	Accounting Income (Loss) \$	Taxable Income (Loss) \$
Net Income (loss) not taxable	13,006	13,006
Income Taxable in Full	11,946,555	11,946,555
Income Taxable partially due to guests and visitors	-1,993,242	-6,353,766
Total Income	9,966,319	5,605,795
Income Tax after Carried Forward Losses are applied		0

6. Directors' Emoluments

	2020	2019
Amounts received or due and receivable by directors of Kogarah RSL Club. The directors did not receive any further remuneration from the company	\$6,000	\$6,000
The number of directors whose income was within the following bands:		
\$1,001-\$2,000	1	1
\$3,000-\$4,000	1	1
\$5,001-\$6,000		

2020 2019

7. Remuneration of Auditors

Audit Fees	15,500	9,000
Other Services	13,000	8,500
Total Remuneration of Auditors	28,500	17,500
	2020	2019

8. Cash & Cash Equivalents

Bank Accounts	2,274,847	81,676
Cash on Hand	176,164	2,000
Short Term Deposits	321,000	-
Total Cash & Cash Equivalents	2,772,011	83,676

	2020	2019
9. Receivables		
Current		
Trade Debtors	100,515	2,282
Less Provision for Doubtful Debts	(44,153)	-
GST Receivable	403,191	-
Total Current	459,553	2,282
Total Receivables	459,553	2,282
	2020	2019

10. Inventory		
Inventories	28,499	1,619
Total Inventory	28,499	1,619
	2020	2019

11. Other Current Assets		
Leasehold Wesley Deposit	-	75,034
Prepayments	59,698	-
Total Other Current Assets	59,698	75,034
	2020	2019

12. Assets Classified as held for sale		
Residential Units	-	20,595,971
Total Assets Classified as held for sale	-	20,595,971

Assets classified as held for sale represent the carrying value of the 45 residential units constructed as part of the development that had not settled as at 30 June 2019.

	2020	2019
13. Property Plant and Equipment		
Land and Buildings at fair value		
Land and Buildings		
Land as per Director's Valuation		
Land at Directors Valuation Lot 1/DP1251807	2,695,000	-
Land at Directors Valuation Lot 2/DP1251807	365,000	-
Total Land as per Director's Valuation	3,060,000	-
Buildings		
Buildings at Director's Valuation		
Club Stratus - Lot 1	10,715,890	-
Club Stratus - Lot 2	2,814,653	-
Club Stratum	-	6,590,000
Commercial Stratum	-	1,400,000

	2020	2019
Accumulated Depreciation Club Stratum	(231,979)	-
Total Buildings at Director's Valuation	13,298,564	7,990,000
Total Buildings	13,298,564	7,990,000
Total Land and Buildings	16,358,564	7,990,000
Leasehold Improvements		
Leasehold improvements at cost		
Leasehold improvements at cost		
Leasehold Improvements for Wesley Mission	-	451,656
Total Leasehold improvements at cost	-	451,656
Total Leasehold improvements at cost	-	451,656
Accumulated amortisation of leasehold improvements	-	(98)
Total Leasehold Improvements	-	451,558
Total Land and Buildings at fair value	16,358,564	8,441,558
Plant and Equipment		
Plant and equipment - Club	2,550,482	24,206
Accumulated depreciation of plant and equipment	(256,473)	(21,603)
Plant & Equipment - Wesley Mission	393,621	-
Accumulated depreciation of plant and equipment Wesley Mission	(21,759)	-
Total Plant and Equipment	2,665,871	2,603
Fitout of New Premises		
New Premise Fitout at Cost	-	2,870,614
Total Fitout of New Premises	-	2,870,614
Total Property Plant and Equipment	19,024,436	11,314,774

Movements in Carrying Amounts

Movement in carrying amounts for each class of property plant and equipment	Freehold Land \$	Club Stratum \$	Commercial Stratum \$	Plant & Equipment \$	Total \$
Balance as at 1 July 2018	9,000,000		207,977	1,281	9,209,258
Revaluation/Reduction	(6,446,888)	1,206,317	293,611		(4,946,960)
Conversion to Stratums	(594,005)	477,728	116,277		
Additions		7,776,568	1,441,767	2,151	9,220,486
Disposals	(1,959,107)		(12,722)		(1,971,829)
Depreciation			(195,353)	(830)	(196,183)
Carrying Amount at 30 June 2019	-	9,460,613	1,851,557	2,602	11,314,772
Revaluation/Reduction	3,060,000	209,326	1,356,716		4,626,042
Conversion to Stratums					
Additions or Reclassifications		1,045,951	(393,620)	2,919,898	3,572,229
Disposals					
Depreciation		(183,722)	(48,256)	(256,629)	(488,607)
Carrying Amount at 30 June 2020	3,060,000	10,532,168	2,766,397	2,665,871	19,024,436

Asset Revaluations

The land component of the Club Stratums have been revalued by the directors and is based on the Statutory Land Value assessed by the NSW Valuer General for December 2019 rating purposes. The Club Stratums have been revalued by the directors and the values are based on the BMT Quantity Surveyors report dated 9 September 2020. The valuation resulted in a revaluation increment of \$4,626,042 being recognised in the revaluation surplus for the year ended 30 June 2020.

When revaluing the land and club stratums the directors reviewed the key assumption made by the Valuer General and BMT Quantity Surveyors at 30 June 2020 and agreed to adopt those values. The directors are satisfied that the carrying amount does not exceed the recoverable amount of land and buildings as at 30 June 2020.

2020 2019

14. Intangibles**Other Intangible Assets**

Poker Mcs Entitlements @ D Val	1,300,000	1,300,000
Borrowing Costs	14,719	-
Borrowing Costs - Written Off	(1,963)	-
Total Other Intangible Assets	1,312,756	1,300,000
Total Intangibles	1,312,756	1,300,000

At 30 June 2018 the directors performed a directors valuation of the gaming entitlements. The directors believe the carrying amount of the gaming entitlements is not in excess of the recoverable amount.

	2020	2019
15. Trade & Other Payables		
Current		
Trade and Other Payable	376,633	73,025
GST	-	721,327
Total Current	376,633	794,353
Total Trade & Other Payables	376,633	794,353

Trade and other payables are non interest bearing and normally settle on 30-60 day terms. Due to the short term nature of these payable, their carrying amount is assumed to approximate their fair value.

	2020	2019
16. Borrowings		
Current		
CBA Fitout Financing - Current	473,175	-
CBA Fitout Financing Unexpired Interest - Current	(271,313)	-
CBA Mastercard	964	-
Loan- Bluestone Capital Ventures(Kogarah) Pty Ltd	-	10,915,931
Total Current	202,825	10,915,931
Non Current		
Secured		
CBA Fitout Financing - Non Current	5,539,375	-
CBA Fitout Financing Unexpired Interest - Non Current	(1,123,083)	-
Total Secured	4,416,292	-
Total Non Current	4,416,292	-
Total Borrowings	4,619,117	10,915,931

	2020	2019
17. Provisions		
Provisions		
Provision for Annual Leave	75,827	49,738
Provision for Long Service Leave	21,323	9,845
Provision for Sick Leave	50,375	36,907
Total Provisions	147,525	96,490
Total Provisions	147,525	96,490

	2020	2019
18. Other		
Current		
Rent received in Advance - Current	53,500	53,500
Subscriptions in Advance	42,626	-
Total Current	96,126	53,500
Non Current		
Rent Received in Advance - Non-Current	604,957	658,457
Total Non Current	604,957	658,457
Total Other	701,083	711,957
	2020	2019

19. Equity

Reserves		
Revaluation Surplus		
Poker Machine Entitlements Reserve	1,300,000	1,300,000
Revaluation Stratum	6,125,970	1,499,928
Total Revaluation Surplus	7,425,970	2,799,928
Asset Realisation Reserve		
Capital Profit Reserve	72,777	72,777
Total Asset Realisation Reserve	72,777	72,777
Total Reserves	7,498,747	2,872,705

The revaluation surplus records revaluation of non-current assets.

The asset realisation reserve records realised gains on sale of non-current assets.

20. Reconciliation of Cashflows from Operations

Reconciliation of Cash Flow from Operations with Operating Profit before Income Tax	2020	2019
Operating profit (loss) before income tax	9,894,568	1,976,536
Non-cashflows in operating profit from ordinary activities		
Depreciation and amortisation	488,607	196,182
Loss on disposal of assets		12,721
Gain on disposal of assets	-	-
Changes in assest and liabilities		
(increase)/decrease in trade receivables & inventory	(484,152)	(3,900)
(increase)/decrease in prepayments	2,580	23,590
increase/(decrease) in trade payables	(417,720)	782,782
increase/(decrease) in non current liabilities	(53,500)	(54,530)
Increase /(decrease) in employee provisions	51,035	37,996
Increase/(decrease) other creditors	(17,520,013)	17,562,640
Increase/(decrease) other assets	20,595,873	(24,532,931)
Net cash provided by operating activities	12,557,378	(3,998,913)

Reconciliation of Cash	2020	2019
Cash at the end of the financial year as shown in the Statements of Cash Flow is reconciled to the related items in the balance sheet as follows:		
Cash on hand	176,164	2,000
Cash at bank	2,595,847	81,675
Total	2,772,011	83,675

Cash flows presented on a net basis

Cash flows arising from poker machines, Keno and Tab trading are presented on a net basis in the statement of cash flows.

21. Financial report by segment

The entity operates predominately in one industry only, with the principle activity being that of a licensed Club. The licenced club was closed for redevelopment until September 2019.

The Company operates in one geographic area only, being Kogarah of New South Wales.

The Company derives income mainly from the following activities:

- Sale of residential units as part of the redevelopment
- Providing poker machines for members and guests;
- Acting as an agent for providing Keno to members and guests; and
- Providing beverages through its bars.

22. COVID-19

The Club was impacted by COVID-19 due to the forced closure of registered clubs and other hospitality venues by the Prime Minister from Monday 3 March 2020. The Club recommenced trade under restrictions on 1 June 2020. During the closed period the Blake Street restaurant was able to remain open for trade according to rules applicable at the time. The seven permanent staff were eligible for the COVID-19 Jobkeeper Payment and the Club received the COVID-1 Cashflow Boost which is a non-taxable income based on the level of PAYG Withheld on staff wages. The anticipated total Stimulus support from the Australian Government by the end of September 2020 is \$136,500 in Jobkeeper Payment and \$100,000 in Cashflow Boost. The proportion received in the current financial year has been recognised as Other Revenue in Note 4.

Other assistance was provided through suspended payments or reduced fees on some services while the Club was shut down, The loan from the Commonwealth Bank of Australia for the premise fitout was suspended for 6 months. The capitalised interest on these suspended payments is included in the accounts.

The Club continues to abide by the restrictions in place and is able to operate due to its COVID-19 Safe Plan.

23. Contingent Liabilities

There are no contingent liabilities that the Club is aware of.

24. Related Party Disclosures

a. Directors

The Company's directors in office during the financial year and until the date of this report are as follows:

- Brian Brown
- Ken Rawson
- Kayleen Samuel
- Christopher Blaxland-Walker
- Todd Dalton
- Tom Zdun
- Megan Barker

Apart from the details disclosed in this note, no director has entered into a material contract with the Club since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at year end.

b. Directors' transactions with the Company

From time to time directors of the Company may purchase goods from the Company or participate in other Company activities. These purchases and participation are on the same terms and conditions as those entered into by any other member of the Company.

Details relating to key management personnel, including remuneration paid, are included below.

c. Key Management Personnel

The total of remunerations paid to key personnel of Kogarah RSL Club Limited during the year are as follows:

Compensation of key management personnel	30 June 2020 \$	30 June 2019 \$
Short-term employee benefits	294,594	127,923

25. Events after Balance Date

There have been no significant events occurring after balance date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

26. Capital Leasing and Gaming Service Commitment

(a) Operating Lease

Future minimum rentals payable under non-cancellable leases as at 30 June 2020

	2020	2019
Within <1 year		13,133
Within 1-2 years		13,133
Within 2-5 years		30,772
Total		57,038

(b) Gaming Machine Service Commitment Payable

	2020	2019
Within <1 year		664,907
Within 1-2 years		664,907
Within 2-5 years		664,907
Total		1,994,720

27. Core Property and Non-Core Property of the Company

Core Property

Pursuant to clause 41J of the Registered Clubs Act 1976, the core property of the Company is the defined premises of the following property:

Club Stratum Lot 1 DP 1251807

Non-core properties

The non-core properties of the Company consists of Commercial Stratum Lot 2 DP 1251807

28. Financial Risk Management

Financial Instruments	Within 1 Year		1-5 Years		Over 5 Years		Total Contractual Cashflow	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Liabilities due for payment								
Bank overdrafts and loan facilities	202,825	8,295,307	2,481,839		1,934,453		4,619,117	8,295,307
Hire Purchase Liabilities								
Trade and other payables (excluding annual Leave est)	376,633	794,353					376,633	794,353
Financial Guarantees								
Rent Received in Advance	53,500	53,500	267,500	267,500	283,957	337,457	604,957	658,457
Total Contractual outflows	632,958	9,143,160	2,749,339	267,500	2,218,410	337,457	5,600,707	9,748,117
Less bank overdrafts and loan facility	-202,825	-8,295,307	2,481,839	-	1,934,453		-4,619,117	-8,295,307
Total Expected outflows	430,133	847,853	267,500	267,500	283,957	337,457	981,590	1,452,810
Financial Assets								
Cashflows Realisable								
Cash and cash equivalents	2,772,011	83,675					2,772,011	83,675
Trade and other receivables	459,553	3,035,612					459,553	3,035,612
Total Anticipated Inflows	3,231,564	3,119,287	-	-	-	-	3,231,564	3,119,287
Net (outflow)/inflow on financial instruments	2,801,431	2,271,434	267,500	267,500	283,957	337,457	2,249,974	1,666,477

FRANK CLUNE & SON

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INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE KOGARAH R.S.L CLUB LIMITED A.B.N. 75 001 032 355

Opinion

We have audited the accompanying financial report of Kogarah RSL Club Limited which comprises the statement of financial position as at 30 June 2020 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory information and the directors' declaration.

In our opinion,
the financial report of Kogarah RSL Club Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Kogarah RSL Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF THE KOGARAH R.S.L CLUB LIMITED
A.B.N. 75 001 032 355**

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

**INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF THE KOGARAH R.S.L CLUB LIMITED
A.B.N. 75 001 032 355**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the company or business activities within the company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

Name of Firm: FRANK CLUNE & SON
Chartered Accountants

Name of Partner:



Frank Catanzanti

Address:

Level 8, 60 Carrington Street, Sydney NSW 2000

Dated this

 day of September 2020

