



ANNUAL
REPORT
2020



MittagongRSL

MITTAGONG RSL CLUB LTD

ABN 69 001 069 674





Celebrating 65 Years

On August 5 1955 at a specially convened meeting of the Mittagong RSL Sub Branch, a motion was carried that an application be submitted for the licensed formation of the Mittagong RSL Club.

From modest beginnings in the old Mittagong Town Hall on Regent Street, the local community has always embraced Mittagong RSL Club, which has allowed our Club continuous and substantial growth, and with hard work and dedication from too many people to name our Club has gone from strength to strength.

The success of our Club is only possible through the continued support of our Members and the local community, and as we look to the future and continue to evolve and improve our Club we do so as we have always done - with a community first approach.





BEYOND
EXPECTATION





good community.
good people.
good times.

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What sets the Mittagong RSL Club apart from other clubs?

We believe it's our commitment to and care of our community and members.

Mittagong RSL Club strives to be acknowledged and respected by our members, our community and our industry for these three major commitments:

1

**Excellence in service,
facilities & member benefits**

2

**Professional
corporate management
& governance**

3

**Contributing to the economic
& social well-being
of our community**

We strive to achieve this acknowledgment and respect through:

VALUES

The Club will continue to embrace and reflect its founding values and constitution. The Club will maintain its commitment to satisfying member needs and expectations, and ensure these standards will be foremost in the decision making process.

COMMUNITY RECOGNITION

The Club will continually monitor community values and expectations and Club strategies and policies will reflect those values and expectations. The Club will develop a “Community Awareness” program, which will promote and reinforce the value of Clubs within the Community.

GROWTH & PROSPERITY

The Club will acknowledge, respect and embrace change and adjust strategies and policies to reflect change. The Club will maximise operational efficiencies and financial security by professional financial management.

PROFESSIONALISM & INTEGRITY

The governance of the Club will at all times be of the highest ethical and moral integrity. Transparency and accountability is crucial to the Club’s integrity. Education will be critical to the Club’s continuing professionalism.

STAFF DEVELOPMENT

The Club will create a workplace, which attracts, develops and retains the highest calibre of personnel, supporting teamwork, honesty and respect with our workforce.

CUSTOMER FOCUS

The Club is committed to the primary purpose of serving our members with respect and consistency, engaging them through the provision of facilities, services and products that are beyond expectation.

President's Report



2020 will be a year that we will never forget, with the bushfires at the start of the year and then Covid 19 impacting the World. To be honest, it would be great to just forget about what happened, but that would be undervaluing the efforts of the great people we have at the Club who have done a fantastic job in trying times.

As part of the State Government C19 infection control process the Club entered a 10-week lockdown, which caused us some concern but was alleviated to some extent by the Federal Governments Jobkeeper Program. During the forced closure we managed to do some essential maintenance to our non-slip kitchen floor coatings and completely renewed the pot wash area, work that would be very difficult to achieve during normal operations.

During the shutdown, our staff did over 3500 welfare phone calls to our more mature aged members who we thought may be at risk of loneliness during isolation with the pandemic. We also managed to do some odd jobs for some of these members including shopping, cooking, moving furniture even hanging blinds, but mostly just to talk and offer reassurance while they were house bound.

Earlier in the year we had the horrendous bushfires where again the generosity and brilliance of our staff shone through, many turning up to help in their own time. During the emergency the Club provided 6985 meals to the RFS, 592 meals over 4 days to the community and accommodation for over 1200 evacuees with 748 on the worst night of the fires.

As a result of his untiring efforts and commitment to the community, our CEO Craig Madsen was a Citizen of the Year nominee for the Southern Highlands for 2020. Although he did not win, what a great honour for a man who has a massive heart when someone is in need. Congratulations Craig, well deserved.

20 years ago I had a visit from a young man's father wondering if his son would be able to get a start

at the Club. Being familiar with the quality of the family, I had no hesitation in asking our then CEO, Rod Desborough if this young man could get a start. Daniel Marmont was duly appointed a role at the bar and as a young man has progressed up the ladder to that of Operations Manager. Congratulations on your 20 years at the Club Dan, you have certainly been an asset to Mittagong RSL Club and hopefully there are many more years to come.

The Club produced a bottom line of \$1,294,746 for the financial year end 31st December 2020. This bottom line result was underscored by Federal Government support to the value of \$2,287,500 through the Jobkeeper Program. You don't have to be a maths wiz to understand that without Jobkeeper to support the business and ultimately the majority of our staff, we would have been a lot worse off.

At the time of writing this report, our Tabatinga project has been placed on the backburner until we are confident that we can go ahead without any interruptions, such as another Government mandated shutdown. In the meantime, we will continue to operate the Club in line with Government C19 requirements, which will hopefully let us build up cash reserves to assist with the financing of Tabatinga when the time comes to build.

Lillian Wareing, one of our "next generation" of employees has been promoted to Marketing and PR Coordinator after displaying outstanding ability and initiative over the preceding 12 months. Congratulations Lil, we are all looking forward to working with you and seeing you progress further through the Club.

To our wonderful staff, I cannot speak highly enough of the way you go about your duties in such a dedicated manner in good times and when you are faced with difficult times you continue to excel. On behalf of the Board of Directors thank you so much. It would be remiss of me not to mention that our

Catering Manager, Alan Cunynghame received Life Membership of the Club at the last AGM, for his outstanding contribution during his 40 years at the Club. Alan is the first non-board member to receive life membership. Congratulations Alan, well done. To Craig our CEO thanks again for your efforts during a difficult 12 months, your leadership and business sense is outstanding and the Board and I thank you sincerely.

To the Board of Directors, thank you also for your input and guidance over the past 12 months, it has been a hell of a ride, with another chapter to be written in 2021.

To any of our members that were doing it tough and are in need of a hand or a friendly ear for a yarn, please do not hesitate to get in touch with a member of staff, or anyone on the Board of Directors, we are only a phone call away. You are the people that make our club the success it is so a big thank you to all our members.

Graham Millbank

PRESIDENT

Mittagong RSL Club Limited

Sub-Branch President's Report



I would like to commence my report by paying our respects and farewells to those members and their families, that have left the parade ground for the last time. Phillip Badcock, John Crisp, and Keith Cheetham. The passing of each of these members leaves a void within our organisation that only time can fill, however their time with us certainly built on our legacy of service to our veterans.

Members of the Sub-Branch also conducted and attended several funeral services for other Veterans within the area. To all those families who have experienced the loss of a loved one during the year we extend our deepest sympathy.

I would like to thank the Board and staff of the Mittagong RSL Club Ltd. for the tremendous support they have provided to the Sub-Branch. The year 2020 saw them having to manage under continually changing rules determined and set by others, which effected all aspects of the business. Despite all of this we continued to receive continual support through the use of the Club's facilities, financial considerations and as always, the wonderful attitude and assistance given unreservedly by all staff. This support ensures we continue to maintain a healthy and viable Sub-Branch, which in turn allows us to provide the necessary quality of service and support to our members and the wider veteran community in our area.

There is no doubt that 2020 was a year like no other, we started with bushfires, then experienced heavy rain resulting in areas of flooding, followed by ten months of Covid 19, the ramifications of which were unprecedented. The inability to fundraise due to Covid 19 restrictions, with the exception of one Bunnings BBQ, effected our bottom line substantially and if not for previously sound financial management, our situation would have been much worse.

Probably the greatest impact was not being able to conduct our two Anzac Day Services. This was the first time this had happened since 1919 which remarkably, was also the result of an epidemic, being the Spanish Flu. However, to ensure that due tribute was still paid to our veterans, both the Australian and New Zealand flags were flown at half-mast at the Mittagong Memorial, accompanied by the sounding of the Last Post and Reveille, followed by reciting of the Ode and laying of

wreaths. The tribute was attended by only a handful of veterans and it was pleasing to see that members of the public attended the memorial during the day to leave their own tributes. The flags were also flown at half-mast at the memorial at the front of the RSL Club.

It was also very pleasing to witness the number of residents who embraced the idea of standing at their front gate with a candle at dawn and hearing the Last Post being sounded from many and varied sources. A tribute that was very much appreciated by veterans and one which may well become a fixture.

Fortunately, we were able to conduct a Remembrance Day service on the 11th of November, at the RSL Club, which was very well attended. We were once again supported by members of the Air League and I thank them for their continued attendance. Once again this was only possible due to the outstanding support from club staff.

Also, the Sub-Branch monthly meetings had to be abandoned with only the five members which make up the executive, managing to meet and keep the Sub-Branch active. These meetings resulted in the members being contacted electronically to keep them involved and informed. Another first experienced in 2020 was State Branch conducting nearly all of their board meetings via Zoom. This format was also utilised for the annual RSL NSW State Congress. The election of board members for RSL NSW was conducted with acting president Mr. Ray James being elected as president for the ensuing three years.

One of our music scholarship recipients, Ms. Emily Wanczura, reached the end of her association with the Sub-Branch and on behalf of all of our members I would like to thank Emily for her excellent contribution to all of our functions that she attended. Emily is another testament to the success of the decision to offer the scholarship, and we wish her every success for the future. Further testament to the scholarships is the fact that Emily's place has already been filled by another young talent Liam Nyholm, who was to commence with us in 2021, however 2020 struck again and Liam was asked

to step in on very short notice to sound the Last Post and Reveille. Liam never hesitated and his first appearance was a resounding success, resulting in many favourable comments from our veterans. It was also very pleasing to see Liam fully supported by his parents and grand parents.

Our membership has maintained a steady footing with new membership keeping pace with those that we have lost. As all members would be aware the current membership cards are a permanent issue and will only be replaced in the future if lost or damaged.

The work of Pension Officer Lynne Kuschert, and Welfare Officer Ray Kuschert, continued throughout the year despite all the constraints of Covid 19 and is greatly appreciated by all members, as is the time spent by Ken Sparrow visiting veterans in hospital when the restrictions allowed.

To the Secretary Megan Kain, Treasurer Tony Holbrook, Vice Presidents Ray Kuschert and Ian Humby and the Editor of the Lion Review Phillip Moscatt, thank you all for the time and effort you have put into the Sub-Branch during a very different and challenging year, without you the Sub-Branch would not function.

To all the Sub-Branch members, thank you for your support during a very difficult year, and I wish you all a healthy and a much more normal 2021.

Stephen Spence
SUB-BRANCH PRESIDENT
Mittagong RSL Club Limited

General Manager's Report



As we reflect on 2020, it would be remiss that we not acknowledge the passing of two staff members. Both Sheila Forman and Mark 'Buster' Noble were with us for many years and contributed greatly to the organisation. Sheila, a wiz with the accounts for many years before transitioning to a reduced role within administration, has left a profound impact on the day to day operation of our Club – a trusted advisor and a loyal friend, she will be very missed. Buster, one of our most seasoned bar staff was always willing to have a chat and share a laugh, known by many and loved by all, Buster will be greatly missed by staff and patrons alike.

In formulating my report to the members regarding the year that has just passed I thought it would be worthwhile reflecting on a couple of quotes that have been attributed to Winston Churchill, which could well be used to describe our outcomes in 2020:

"Success is never found. Failure is never fatal. Courage is the only thing." and "Attitude is a little thing that makes a big difference."

Generally, in my report to the members you would typically find me discussing financial key performance indicators such as Debt to Equity, Working Capital, Return on Equity, Cashflow and Consolidated Profit.

Whilst all of the above financial indicators are still very relevant, in 2020 through the challenges our Club, Staff and Members have been through, we have found another set of indicators that I believe we have excelled at. They are the Determination, Compassion, Tenacity, Integrity and Courage indices which can only be measured by the goodwill of the people who we are relevant to in our community.

The start of 2020 for us as a community in the Southern Highlands is well documented due to the devastation of the bushfires that encapsulated the area. The Club as a formal Emergency Evacuation Centre was opened for 15 days to assist the provision of emergency shelter and meeting area and 27 days

as a refuge for animals. We managed to assist the Red Cross and NSW Human Services with over 1200 people in total that were affected or displaced by the fires. It was also a privilege to provide nearly 7,000 meals to the volunteers of the RFS at this time. The majority of this work being carried out in a voluntary basis by off duty staff, Directors, Management and their partners. The compassion, determination and tenacity shown by all of these people in serving our community during this time of crisis was exceptional.

As life in the Southern Highlands and particularly at Mittagong RSL Club started to return to normal in the latter half of February 2020, word about Covid 19 started to filter through to Australia and the World was put on notice. By mid-March it became apparent that C19 was going to be a major concern for the Federal and State Governments. Restrictions were beginning to be imposed on business and the hospitality sector was being placed under stringent control.

On 23rd March 2020, with very little warning, the Hospitality Industry in NSW was effectively shut down, with it being mandated that Clubs in NSW had to shut their doors to assist with the control of the spread of the C19 virus. This shutdown would continue until early June 2020.

The immediate fear that we had on shutdown was the welfare of our staff members and their ability to be able to draw an income. As part of our planning process to cocoon the Club, staff, and members against the shock of the shutdown, we drew down \$1.5M in additional funds from an active loan account with the CBA to bolster our available cash reserves in the event of a protracted shutdown. It was anticipated that if there was no significant government assistance offered, we would at least be in a position to pay out all staff entitlements if required. We had also negotiated the extension of payment terms with our major creditors. With these actions in place, our cashflow

projections indicated that the Club would survive for at least 12 months via our cash reserves if totally locked down for that period of time.

On 30th March 2020 the Federal Government announced the Jobkeeper package which would run initially from 1st April 2020 to October 2020. The Club qualified for the Jobkeeper package and this enabled us to claim support for 130 employees out of a workforce of 155 at a time when the club was drawing no income at all. The implementation of this support package was a massive relief to myself, the management team and the Directors. Our primary concern in the initial stages of the shutdown was always the welfare of our employees. Every one of us breathed a collective sigh of relief when Jobkeeper hit the bank accounts. Personally, I believe the Federal Government has done a brilliant job in financially supporting Australian's who have been impacted by the shutdowns. We know from first-hand experience how much tougher it would have been without their assistance.

During the initial shutdown period in April there was minimal staff activity on the premises apart from our maintenance team of Derek Haase and Luke Rostron. I would like to single both people out for special mention as they kept the premises in top shape both inside and out. Due to their input there were minimal issues with the premises when it came time to open up again in June.

After the initial decision to shutdown was properly digested and Government had given direction in what we could and could not do in shutdown, we felt it was appropriate to determine the best way we could serve our members with limited operations. It was at this time we began take away food operations, set up a coffee station in the foyer, and started ringing members to enquire about their health and wellbeing, and to offer assistance in any way required.

From a food and coffee sales point of view, the take away operation was quite small, but what it did was give a number of our staff a sense of purpose in coming back to work on designated days, giving them interaction and activity that was taken away from them by the pandemic shutdown. It was a small but significant step forward to the eventual full reopening of the Club.

At Board level it was suggested that it would be worthwhile to start doing welfare calls to our mature aged members, who would no doubt be feeling vulnerable at this time. An assessment of the member database indicated that we had in excess of 3000 members who were over the age of 75. This age group was particularly vulnerable to C19 if it spread and they were told to stay at home by the health authorities to avoid physical contact.

We mobilised a small collective of staff to ring and touch base with our more vulnerable members to enquire about their well-being, to see if there were any way we could be of assistance. This team made over 3000 phone calls from the middle of April through to today and they could not have been more welcome by the recipients. The feedback we had each day from our team of callers was one of caring, determination, courage. Some calls were heartbreaking and others were filled with joy that the Club would care that much to give "me" a call. We helped our members with shopping, day to day errands and some home maintenance. Derek managed to hang curtains and move furniture for one particular lady. Thank you to all the staff involved in making the welfare calls, it was a job that was more than worthwhile doing.

At the end of May 2020, it became apparent that the C19 outbreak in NSW was controllable with the State Government allowing hospitality operations to recommence in June 2020. The reopening came with strict health guidelines and C19 social distancing requirements in place, of which the Club fully complied.

There was a massive amount of work to be done

to bring the premises up to reopening standard which included the required C19 health initiatives. Our workforce was mobilised to reopen the Club and it was brilliant to see the smiles on everyone's faces they came back to work with a renewed sense of purpose.

When we reopened the Club in June to our members and visitors it was a very different landscape to prior to shut down. We were not allowed to have Functions, social distancing of 1.5m was in place, 1 person per 4sqm, you had to sit to have a drink and no entertainment or dancing was the order of the day. These restrictions severely inhibited the ability to generate revenue, but the main thing was that we were open and operating.

From June to December trading revenues ebbed and flowed due to the small outbreaks of C19 in Sydney. More localised C19 recordings at Liverpool, Bargo, Bowral and Moss Vale impacted the business severely and in each case it took approximately 2 weeks before trading levels would come back to a more "normal" level.

We constantly monitored our main revenue generating departments in comparison to the previous year. Due to the social distancing restrictions in place, particularly our inability to be able to stage functions or events, Food and Beverage revenues have not returned to pre-Covid levels. Gaming Revenues have been relatively strong in comparison and have underpinned the business recovery that we are currently making.

The Club did not requalify for Jobkeeper at the end of October 2020, as our business recovery at that time had just surpassed the 30% drop in revenue benchmark that qualified for Jobkeeper 2.0. This was a pleasing result for the Club, but meant we stood alone without Federal Government assistance, which put pressure on revenue generation and cost mitigation, which to a large extent was controlled by NSW Health legislation through the amount of people we were allowed at the venue.

During the last quarter of the financial year (Oct-Dec) and without the benefit of Jobkeeper to assist the business, it was pleasing to note that the Club operated on a profitable basis, which gives great hope to a very positive year for 2021, given C19 is kept in check.

As at the 31st December 2020, the Club recorded a bottom line profit of \$1,294,746. Members are advised that this profit is reinforced and supported by Jobkeeper assistance from the Federal Government to the total value of \$2,287,500. This assistance ran from April to October 2020 and covered a 10 week period of total shutdown of the business. We should also recognise the business contribution of our bank the CBA. They worked closely with the Club in managing our ongoing financial commitments and were a major contributor to stabilising our business while in shutdown.

At the date of balance, the Club's current assets had increased by \$2,727,088. Current Liabilities have increased by \$98,669. Non-Current Liabilities have increased by \$876,303. These are relatively healthy changes in the balance sheet given our 10 week shut down and business uncertainty surrounding C19. Again, I will stress that this situation would be far different if our business did not receive the Jobkeeper subsidy.

In projecting what 2021 will look like, we believe that Covid19 will play its part in determining the immediate future of our operations. To date the Federal and NSW State Governments have been instrumental in keeping our population safe, business operating and life as normal as it can be. The positive role they have both played cannot be underestimated. We see 2021 as a year of consolidation after the uncertainty of 2020.

We believe that we may be in a position to move forward with our planned Tabatinga development by the end of 2021. We will also review our plans for carpark expansion and onsite memorial development during this time.

In looking back on 2020 I really can't express adequately enough to the members how brilliant the whole team at Mittagong RSL Club is. During the darkest days leading up to the shutdown of the Club we had a number of staff meetings updating everyone on what was happening. The overwhelming support of the workforce at these meetings instilled a confidence to forge ahead knowing we had their trust to ensure we would be doing the best for them.

The tenacity and determination shown by our staff to get the job done in the most trying of circumstances was exceptional. The most prevalent business partner we have had during 2020 was a thing called "Change". Our staff's ability to be able to handle "Change" no matter how many times it was cast upon us was very special. Thank you so much for contributing to making 2020 just that bit more special.

Special thanks also goes to the management and supervisory team. The work performed by Alan, Dan, Ross, Cynthia, Di, Radar, Donna, Stuart, Kylie, Bek, Leanne, Donna, Sarah, Roland and Brad was simply brilliant considering we were working in some of the most trying circumstances you could find in hospitality. Your ability to lead your teams is not underestimated.

To the Board of Directors, thank you for your support and guidance during 2020. We have managed to come out of it in pretty good shape. The continued success of the Club is always dependent upon the support of our members. Our member's dedication to the Club is our inspiration for us to do the best we possibly can. We would like to extend a thank you to all of our members for being there in 2020 and look forward to serving you in 2021.

Craig Madsen
GENERAL MANAGER
Mittagong RSL Club Limited

Life Members & Patrons



J. P. Cupitt

We take this opportunity to acknowledge the Life Members & Patrons of the Mittagong RSL Club.

The Mittagong RSL Club affords Life Membership as an honour to a member of the Club who has given outstanding service to the Club for a period of time.

The members of the Club at an Annual General Meeting must vote upon life Membership. Life membership is generally determined by a member nominating another member for life membership, with this nomination being seconded by another member.

This nomination for life membership is then considered by the Board of Directors to determine if it should be referred to the next General Meeting of the Club for final approval of the members.



B. F. Smith



A.R. Cunynghame

Membership

2018
19,490
MEMBERS

2019
20,231
MEMBERS

2020
19,894
MEMBERS

LIFE MEMBERS

A R JONES
A E LIPS
R W TOMLIN
V NOLAN
K R JOHNSTON
B G LONG
H S MCNAUGHTON
H C PRITCHARD
E C BISIKER
R J WEBECK
V W ORFORD
V.R. COWLEY
J. P CUPITT
A I PIKE
G J MILLBANK
R F COLE
R M CARTER
B F SMITH
A.R. CUNYNGHAME



**It is our mission
to strive to recognise and
understand problem gambling
and to guide those individuals
who do have a problem so they
may obtain the help
they require**

Responsible Conduct of Gaming

The Mittagong RSL Club offers gambling and gaming services to our members and as such, we have an obligation to provide a healthy and safe gaming environment. The majority of players enjoy gaming machines as a recreational activity in our setting, which is conducive to harm minimisation legislation and practices.

For those individuals that do have issues it is our mission to strive to recognise and understand problem gambling and to guide those individuals who do have a problem so that they may obtain the help they require.

The Club has adopted the “ClubSafe Code of Practice and Guidelines” acknowledging our commitment to provide members with a safe and responsible gambling environment.

It is a requirement that all staff who work in the gaming area are trained and certified in the Responsible Conduct of Gaming to enable them to recognise risk factors that exist in relation to the provision of gaming services. The Club offers Multi Venue Self Exclusion to patrons that have indicated that they have an issue with their gaming practices.



FINANCIALS

2020

Mittagong RSL Club Ltd
ABN 69 001 069 674

Financial Statements

FOR THE YEAR ENDED
31 DECEMBER 2020

Mittagong RSL Club Ltd
ABN 69 001 069 674



Notice of Annual General Meeting

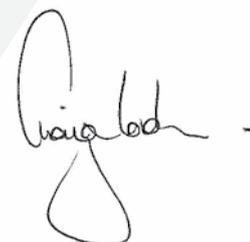
Notice is hereby given that the 49th Annual General Meeting of Members of the Mittagong RSL Club Limited will be held in the Clubhouse on Sunday 28th March, 2021 at 10.00 am.

BUSINESS

1. Apologies.
2. A minutes silence to acknowledge all members that have passed away during the year.
3. To confirm the Minutes of the previous General Meeting on Sunday 26th July 2020.
4. To receive, consider and adopt the report of the President & General Manager
5. To receive, consider and adopt the Financial Statement of the Company for the year ended 31st December, 2020 together with the Reports therein of the Directors and Auditors.
6. Notice of Ordinary Resolutions.
7. Appointment of Patron or Patrons.
8. Declaration of Ballot for the Board of Directors
9. Deal with any business of which due notice has been given.
10. General Business: to transact any other business that may be lawfully brought forward.

BY THE ORDER OF THE BOARD

Dated this 10th February 2021



CRAIG MADSEN

General Manager



SHALL GROW NOT OLD, AS WE TH
SHALL NOT WEARY THEM, NOR TH
E GOING DOWN OF THE SUN AND
ILL REMEMBER THEM.

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FOR THE YEAR ENDED 31 DECEMBER 2020

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Declaration of **Core** and **Non-Core** Property FOR THE YEAR ENDED 31 DECEMBER 2020

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 31 December, 2020:

- (a) The following properties are core property of the Club;
 - (i) The land upon which the Club's licensed premises are located;
 - (ii) The land upon which the Club's car parking areas are located other than the 10 car parking spaces adjacent to the northern wall of the Springs Resorts Mittagong RSL Motel.

- (b) The following properties are non-core property of the Club;
 - (i) The land upon which the Mineral Springs Motel behind the Club's licensed premises are located;
 - (ii) The land in lot 3 DP 365917 on Old Hume Highway containing the residential property on the corner of the Old Hume Highway and Bessemer Street Mittagong;
 - (iii) The land in Lot 1 DP 1086496 upon which the Springs Resorts Mittagong RSL Motel is located including the ten car parking spaces which are adjacent to the northern wall of the motel; and
 - (iv) The land in Lot 1 DP 237330 on Henderson Avenue containing the residential property situated at 26 Henderson Avenue, Mittagong.
 - (v) The land in Lot 3 DP 237330 on Henderson Avenue containing the residential property situated at 22 Henderson Avenue, Mittagong.

Declaration of **Core** and **Non-Core** Property

FOR THE YEAR ENDED 31 DECEMBER 2020

Notes to Members

1. Section 41J(2) of the registered Clubs Act requires the annual report to specify the core and non-core property of the Club as at the end of the financial year to which the report relates.
2. Core property is any real property owned or occupied by the Club that comprises:
 - (a) The defined premises of the Club; or
 - (b) Any facility provided by the Club for use of its members and their guests; or
 - (c) Any other property declared by a resolution passed by a majority of the members present at a general meeting of Ordinary members of the Club to be core property of the Club.
3. Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of Ordinary members of the Club not to be core property.
4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
 - (a) The property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and
 - (b) The disposal has been approved at a general meeting of the Ordinary members of the Club at which the majority of votes cast support the approval; and
 - (c) Any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.
5. These disposal provisions and what constitutes a disposal for the purposes of section 41J are to some extent modified by regulations made under the Registered Clubs Act and by Section 41J itself. For example, the requirements in paragraph 4 above do not apply to:
 - Core property that is being leased or licensed for a period not exceeding 10 years on terms that have been subject of a valuation by a registered valuer;
 - Core property that is leased or licensed to a telecommunications provider for the purposes of a telecommunications tower.

Ordinary Resolutions

“That pursuant to the Registered Clubs Act, the members hereby approve and agree to the members of the Board during the twelve (12) months preceding the 2022 Annual General Meeting receiving the following benefits, and the members further acknowledge that the benefits outlined in the sub paragraphs (1) to (10) are not available to members generally but only to those members who are elected Directors of the Club”.

1. A reasonable meal if required and refreshments to be associated with each Board meeting of the Club.
2. Provision for seven car parking spaces to be reserved for the exclusive use of Directors.
3. The reasonable cost of Directors, and their spouses, attending the Registered Clubs Association Annual General Meeting.
4. The reasonable cost of Directors and their spouses attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time.
5. The reasonable cost of Directors and their spouses attending other registered clubs for the purpose of viewing and assessing their facilities and the method of such operation provided that such attendances are approved by the Board as being necessary for the benefit of the Club.
6. The provision of blazers and associated apparel for the use of Club Directors when representing the Club.
7. The reasonable cost of an annual dinner for Directors and their spouses.
8. The reasonable cost of refreshments whilst a Director is on duty at the Club.
9. The reasonable cost of welcoming and entertaining industry representatives, VIPs and other invited guests.
10. The reasonable cost of membership of Clubs NSW Directors Institute and related training seminars and workshops.

Directors' Report

31 DECEMBER 2020

The directors present their report on Mittagong RSL Club Ltd for the financial year ended 31 December 2020.

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

Names	Position
Graham Millbank	President
Roger Cole	Vice President
Ross Cowley	Vice President
Phillip Moscott	Director
Stephen Spence	Director
Peter Tomlin	Director
Charmaine Cooper	Director

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

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Graham Millbank Qualifications Experience	Self Employed 39 years
Roger Cole Qualifications Experience	Retired School Teacher 36 years
Ross Cowley Qualifications Experience	Bachelor of Business 16 years
Phillip Moscott Qualifications Experience	Retired Sales and Marketing Manager 12 years
Stephen Spence Qualifications Experience	Retired Manager - Electrical Industry 8 years
Peter Tomlin Qualifications Experience	Retired Education Department Officer 6 years
Charmaine Cooper Qualifications Experience	Community Engagement Co-ordinator 2 years

Company secretary

Mr Craig Madsen has been the company secretary since 5 March 2005. Mr Craig Madsen has worked for Mittagong RSL Club Limited for the past fifteen years, performing management roles.

Directors' Report

31 DECEMBER 2020

The profit of the Company for the financial year after providing for income tax amounted to \$1,294,746 (2019: \$731,635).

During the course of the financial year, due to the Covid 19 pandemic outbreak and in line with NSW State Government Legislation, the company was required to cease operations at its club site from 23rd March 2020 to 1st June 2020 as a preventative control measure through the hospitality industry to mitigate the spreading of the virus.

The company received financial support from the Federal Government to the value of \$2,287,500 via the Jobkeeper Scheme for the period 1st April 2020 to 31st October 2020.

During the period when the Club was open for business, the other main sources of revenue came from food, beverage, gaming and gambling operations, which serviced the social requirements of our members and visitors. All revenue departments traded in line with expectation given the restrictions imposed by government on the amount of people allowed in the venue. Expenditures through the various departments were also considered to be within expectation and adjusted to reflect lower levels of income flowing through the business.

Staff development has continued where possible and the Board of Directors has undertaken the necessary training to maintain compliance with the legislation that covers our business activities.

The maintenance of profitability of the Club through our core business activities has enabled us to maintain our contributions to the local community and junior sports organisations under the Community Development Support Expenditure Scheme.

Impact assessment of COVID 19

Due to the Covid 19 Pandemic, the NSW Government legislated that in an effort to control the virus, hospitality venues such as the Mittagong RSL Club would be shut down and cease trading for a period of time. The shutdown period for our venue was from 23rd March 2020 through to 1st June 2020. We were unable to generate revenues through the normal course of business during this shutdown.

Upon reopening of the business on 1st June 2020, the club as part of hospitality industry was subject to limits on the amount of people that could come to the venue at any one time. These limits impacted the Club's ability to generate revenue streams that were comparable to pre-Covid trading conditions.

Over a period of time, NSW Health in conjunction with the people of NSW have managed to control the incidence of C19 in the community to the extent where there has been a gradual relaxation of trading restrictions for our industry sector. The relaxation of the restrictions has helped with the development of revenue streams. Whilst C19 continues to be an issue around the world, we believe it will be at the forefront of Government decision making, which in turn could have an effect on our business should restrictions be tightened again.

Significant changes in state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Principal Activities

The principal activity of Mittagong RSL Club Ltd during the financial year was that of a registered club.

No significant change in the nature of these activities occurred during the financial year.

Short term objectives

In the short term the Company objectives are to carefully monitor and plan our way forward in a Covid 19 world. We will grow revenues through existing revenue streams and look at potential diversification of income. We will continue to promote, develop and expand the Club's offerings. We will continue to provide quality entertainment and social activities for members to support our principal activities whilst maintaining state of the art facilities and amenities that serve our members.

Directors' Report

31 DECEMBER 2020

Long term objectives

In the long term, the Company's primary objective is to investigate and implement successful alternate revenue streams that complement the Club's core business whilst still maintaining the principle activities of the Company.

Strategy for achieving the objectives

The company will strive to continue to be a market leader in the Licensed Club Industry in the current offerings provided to members while undertaking due diligence, extensive research and looking at market demands to determine the viability of any potential alternate revenue streams.

The primary strategies to achieve the Club's objectives is through sound financial management and the use of financial ratio and key performance indicators (KPIs) to ensure that organisational business plans, budgets and cash flows are current, accurate and relevant.

We will operate the business in a Covid Safe Manner in line with Government Health and Compliance Regulations. We present Mittagong RSL Club as a Covid Safe Venue for our Members and Visitors where they will feel comfortable to spend time at the venue.

Performance measures

The Company measures its success in the following areas:

- Satisfaction of its members, guests and employees
- Success of marketing and promotional events, entertainment and major calendar events
- Financial performance through review of:
 - Earnings before interest, tax, depreciation and amortisation
 - Revenue
 - Wages cost as a percentage of revenues
 - Profitability
 - Targeted budgets being met
 - Business Plan targets achieved
 - Financial ratios and KPIs
 - Patron visitations

Events subsequent after the reporting date

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

Likely developments and expected results of operations

The provision and improvement of services for our Members is the prime objective of the Club in all of its activities. We continue to monitor the situation regarding Covid 19 and take a considered approach to capital expenditure during the reporting period.

Environmental regulation

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Indemnification of officers

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Mittagong RSL Club Limited, with the exception of a directors and officers company reimbursement insurance policy.

Directors' Report

31 DECEMBER 2020

Proceedings on behalf of Company

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

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

Meetings of directors

During the financial year, 13 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee		Strategic Planning	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Graham Millbank	13	13			1	1
Roger Cole	13	12	1	1	1	1
Ross Cowley	13	12	1	1	1	1
Phillip Moscatt	13	12			1	1
Stephen Spence	13	12			1	1
Peter Tomlin	13	13	1	1	1	1
Charmaine Cooper	13	13			1	1

Members Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstandings and obligations of the Company. At 31 December 2020 the number of members was 19,894 (2019: 20,231).

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2020 has been received and can be found on page 5 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Director 
Graham J Millbank

Director 
Roger F Cole

Dated this 10th day of February 2021

Auditor's Report

31 DECEMBER 2020

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Mittagong RSL Club Ltd

I declare that, to the best of my knowledge and belief, during the year ended 31 December 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.

Kelly Partners (South West Sydney) Partnership



Daniel Kuchta
Registered Auditor Number 335565

Campbelltown
Dated this 10th day of February 2021

Statement of Profit or Loss & Other Comprehensive Income FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Revenue	2	13,512,850	19,509,615
Other income	2	2,390,591	17,250
Changes in inventories		(30,486)	32,046
Raw materials and consumables used		(1,814,656)	(3,165,798)
Employee benefits expense		(6,919,006)	(7,665,729)
Depreciation expense		(898,374)	(947,306)
Finance costs	3	(183,757)	(244,737)
Gaming tax		(1,459,165)	(1,875,246)
Other expenses	3	<u>(3,303,250)</u>	<u>(4,928,729)</u>
Profit before income tax		1,294,746	731,365
Income tax expense	4	-	-
Profit for the year		<u>1,294,746</u>	<u>731,365</u>
Comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>1,294,746</u>	<u>731,365</u>

Statement of Financial Position

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	5	3,729,936	1,088,743
Trade and other receivables	6	35,462	118,716
Inventories	7	186,383	216,869
Other current assets	8	52,510	62,807
TOTAL CURRENT ASSETS		4,004,291	1,487,135
NON-CURRENT ASSETS			
Property, plant and equipment	9	37,974,767	38,420,795
Investment properties	10	927,931	939,273
Intangible assets	11	833,588	833,588
TOTAL NON-CURRENT ASSETS		39,736,286	40,193,656
TOTAL ASSETS		43,740,576	41,680,791
CURRENT LIABILITIES			
Trade and other payables	12	1,442,349	1,729,312
Contract liabilities	12	156,521	140,981
Borrowings	13	221,696	109,656
Employee benefits	14	643,134	630,899
TOTAL CURRENT LIABILITIES		2,463,700	2,610,848
NON-CURRENT LIABILITIES			
Borrowings	13	5,015,703	4,139,400
Employee benefits	14	656,910	621,025
TOTAL NON-CURRENT LIABILITIES		5,672,613	4,760,424
TOTAL LIABILITIES		8,136,313	7,371,273
NET ASSETS		35,604,264	34,309,518
EQUITY			
Reserves	15	16,187,987	16,187,987
Retained earnings		19,416,277	18,121,531
TOTAL EQUITY		35,604,264	34,309,518

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2020

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2019	17,390,166	16,187,987	33,578,153
Total Comprehensive income for the year	731,365	-	731,365
Balance at 1 January 2020	18,121,531	16,187,987	34,309,518
Total Comprehensive income for the year	1,294,746	-	1,294,746
Balance at 31 December 2020	19,416,277	16,187,987	35,604,264

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		17,321,246	21,423,85
Payments to suppliers and employees		(15,049,353)	(19,970,765)
Interest received		5,628	16,23
Finance charges paid		(165,998)	(163,897)
Net cash provided by operating activities		<u>2,111,524</u>	<u>1,305,43</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		91	75
Purchase of property, plant and equipment		(441,004)	(1,053,905)
Net cash provided by (used in) investing activities		<u>(440,914)</u>	<u>(1,053,155)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		1,913,563	
Repayment of borrowings		(942,979)	(604,989)
Net cash provided by (used in) financing activities		<u>970,584</u>	<u>(604,989)</u>
Net increase (decrease) in cash held		2,641,194	(352,714)
Cash and cash equivalents at beginning of year		1,088,743	1,441,45
Cash and cash equivalents at end of year	5	<u>3,729,936</u>	<u>1,088,74</u>

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Summary of Significant Accounting Policies

Mittagong RSL Club Ltd is a not for profit company limited by guarantee, incorporated and domiciled in Australia. The functional and presentation currency of Mittagong RSL Club Ltd is Australian dollars.

Basis of Preparation

The financial statements are a general purpose financial report that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurements at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a Income Tax

The principle of mutuality has been applied in calculating the taxable income of the company. Subscriptions and other amounts received from members are excluded from the assessable income of the company. The company is assessed for income tax purposes on income from non members (including other investment income such as interest and rent.) Operating expenses are apportioned between member and non member income. Accordingly, taxable income is not directly related to the operating result and can vary substantially from year to year.

b Inventory

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first in first out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

c Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Land and Buildings

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

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Summary of Significant Accounting Policies

c Property, Plant and Equipment

Land and Buildings

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

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 Company and the cost of the time can be measured reliably. All other repairs and maintenances are recognised as expenses in profit and loss during the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Depreciation is recognised in profit or loss.

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

<u>Class of Fixed Asset</u>	<u>Rate</u>
Plant & equipment	20%
Motor vehicles	22.5% - 25%
Gaming machines	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Summary of Significant Accounting Policies

d Leases

Lessor accounting

When the entity is a lessor, the lease is classified as either an operating or finance lease at inception date based on whether substantially all of the risks and rewards incidental to ownership of the underlying asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with *AASB 15: Revenue from Contracts with Customers*.

The lease income from operating leases is recognised on a straight line basis over the lease term. Finance income under a finance lease is recorded on a basis to reflect a constant periodic rate of return on the entity's net investment in the lease.

e Investment Property

Investment property is measured at cost. Refer note 10.

f Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to the profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in *AASB 15: Revenue from Contracts with Customers*.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Summary of Significant Accounting Policies

f Financial Instruments

Classification and subsequent measurement

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristic of the financial asset; and
- the business model for managing financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principle and interest on the principal amount outstanding on specified dates.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual right to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flow from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit and loss.

Impairment

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Summary of Significant Accounting Policies

f Financial Instruments

Classification and subsequent measurement

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contracted cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity uses the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- low credit risk operational simplification approach

General approach

Under the general approach, at each reporting period, the entity assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there is no significant increase in credit risk since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit loss.

Simplified Approach

The simplified approach does not require tracking of change in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that result from transaction that are within the scope of *AASB 15: Revenue from Contracts with Customers*, and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the entity assumes that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the entity applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low risk if:

- there is a low risk of default by the borrower;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Summary of Significant Accounting Policies

f Financial Instruments

Classification and subsequent measurement

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has as lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdictions in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

g Impairment of Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in *AASB 116: Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

h Intangibles

Poker Machine Entitlements

Poker machine entitlements are considered as intangible assets as per AASB 138 and have been brought to account at cost. They are considered to have an indefinite life and as such are not amortised.

Social impact assessment study costs incurred in order to obtain additional entitlements have been accounted for as prepayments until the entitlements are acquired. The prepayment is then capitalised together with the cost of the entitlements.

Impairment of gaming machine entitlements is recognised based on fair value less costs to sell or on value in use calculations and is measured at the present value of the estimated future cash inflows available to the company from the use of these licenses. In determining the present value of the cash inflows growth rate and appropriate discount factor have been considered.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Summary of Significant Accounting Policies

i Employee Benefits

Short-term employee benefits

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

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Company's obligation for long-term employee benefits are presented as non-current provision in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

j Provisions

Provisions are recognised when the Company 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. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

k Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

l Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue is recognised when the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below has been specified.

Catering and Beverage Sales

Revenue from the sale of goods is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred, however ownership or effective control over the goods is transferred to the customer once the goods have been paid.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Summary of Significant Accounting Policies

l Revenue and Other Income

Interest income

Interest income is recognised using the effective interest rate.

Rendering of Services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight-line basis over the financial year as to when services are delivered.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

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

m Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1 for further discussion on the determination of impairment losses.

n Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

o Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivable or payable in the statement of financial position.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Summary of Significant Accounting Policies

p Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

q Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates

i) Valuation of land and buildings

The freehold land and buildings were independently valued at 31 December 2018 by an independent external valuer. The valuation was based on the fair value less costs of disposal. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. No valuation adjustment made for the financial year.

At 31 December 2020, the directors have performed a directors' valuation on the land and buildings. The directors have reviewed the key assumptions adopted by the valuers in 2018 and do not believe there has been a significant change in the assumptions at 31 December 2020. The directors therefore believe the carrying amount of the land and buildings correctly reflects the fair value less costs of disposal at 31 December 2020.

ii) Impairment

The Company assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

iii) Useful lives of property, plant and equipment

As described in Note 1(c), the Entity reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

iv) Core Property

The Club reviews its core land & buildings on an annual basis to test that the carrying value does not exceed its fair value. If any impairment to the core land & building is determined an impairment loss is recognised and the asset is written down to this fair value in the financial statements. As a result of the Club's annual assessment it is noted the fair value has not declined.

Key judgements

(i) Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/type, cost value, quantity and the period of transfer related to the goods or services promised.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Summary of Significant Accounting Policies

r Fair Value of Assets

The entity measures some of its assets at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

“Fair value” is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
2 Revenue and Other income		
Revenue from contracts with customers		
- Catering sales	4,002,133	7,140,067
- Beverage sales	1,633,701	2,654,138
- Gaming machine profit	7,280,942	9,005,551
	<u>12,916,776</u>	<u>18,799,756</u>
Other revenue		
- Other revenue	40,545	727
- Commission	192,153	255,618
- Rental income	196,123	255,742
- Membership income	131,975	131,929
- Sports and recreation	6,404	25,030
- Interest income	5,628	16,238
- Utilities reimbursements - Springs Motel	23,245	24,574
	<u>596,074</u>	<u>709,859</u>
Other income		
- Government grants - Covid-19 stimulus	2,390,500	-
- Gain on sale of non current assets	91	17,250
	<u>2,390,591</u>	<u>17,250</u>
Total Revenue and other income	<u><u>15,903,441</u></u>	<u><u>19,526,865</u></u>
3 Profit for the year		
Significant Expenses		
Finance costs		
- Interest paid - borrowings	118,554	163,897
- Other borrowing charges	65,202	80,840
	<u>183,757</u>	<u>244,737</u>
Other Expenses comprises of:		
Advertising	64,182	105,180
Cleaning	422,724	384,068
Club grants	187,196	374,847
Club promotions	727,589	1,422,210
Club rewards	65,140	74,538
CMS fees	77,726	92,673
Electricity	286,003	365,387
Entertainment	21,250	74,291

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
Other Expenses comprises of:		
Gas	48,333	79,581
Insurance	229,926	225,413
Max Gaming fees	7,095	158,310
Rates and taxes	107,533	150,587
Repairs and maintenance	411,488	514,153
Requisites	94,780	146,931
Security	86,632	102,631
Staff amenities	59,879	79,199
Other expenses	405,774	578,729
	<u>3,303,250</u>	<u>4,928,729</u>

4 Income Tax

(a) The major components of income tax expense comprise:

Current tax	-	-
Deferred tax	-	-
(b) Deferred tax (unrealised gain/loss, provisions, accruals and depreciation)	-	-

(c) Reconciliation of income tax to accounting profit:

Prima facie tax payable on profit from ordinary activities before income tax at 26% (2019: 27.5%)	336,634	201,125
Member only income	(56,856)	(57,311)
Member only expenses	72,397	99,161
Effect of mutuality	(250,440)	(188,095)
Other items (net)	(101,735)	(54,880)
Income tax expense	<u>-</u>	<u>-</u>

At 31 December 2020, the Club had accumulated losses with a future income tax benefit of \$4,527,610 (2019: \$4,315,448) carried forward. Future income tax benefits have not been brought to account at reporting date as the directors do not believe that the realisation of the asset is probable.

5 Cash and Cash Equivalents

Cash on hand	243,351	243,351
Cash at bank	3,486,585	845,392
	<u>3,729,936</u>	<u>1,088,743</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position

<u>3,729,936</u>	<u>1,088,743</u>
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Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
6 Trade and Other Receivables		
Current		
Trade receivables	35,462	118,716
7 Inventories		
Inventories - at cost	186,383	216,869
8 Other Current Assets		
Current		
Prepayments	38,320	52,435
Other assets	14,190	10,372
	52,510	62,807
9 Property, Plant and Equipment		
Land and Buildings		
Freehold land - at independent valuation	9,625,000	9,625,000
	9,625,000	9,625,000
Buildings - at independent valuation	25,500,000	25,500,000
	25,500,000	25,500,000
Total land and buildings	35,125,000	35,125,000
Plant and Equipment		
Plant and equipment - at cost	3,951,387	3,884,975
Accumulated depreciation	(3,488,534)	(3,179,524)
	462,853	705,452
Capital work in progress	1,152,217	789,615
	1,152,217	789,615
Motor vehicles - at cost	60,597	60,597
Accumulated depreciation	(48,370)	(44,301)
	12,227	16,296
Gaming machines - at cost	6,749,248	6,737,258
Accumulated depreciation	(5,526,778)	(4,952,825)
	1,222,470	1,784,433
Total Property, Plant and Equipment	37,974,767	38,420,795

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

			2020	2019			
			\$	\$			
9 Property, Plant and Equipment (cont)							
(a) Movements in carrying amounts							
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:							
	Land	Buildings	Capital WIP	Plant and Equipment	Motor Vehicles	Gaming Machines	Total
Opening Balance	9,625,000	25,500,000	789,615	705,452	16,296	1,784,433	38,420,795
Additions	-	-	362,602	66,411	-	11,990	441,004
Disposal	-	-	-	-	-	-	-
Depreciation	-	-	-	(309,010)	(4,069)	(573,953)	(887,032)
Closing balance	9,625,000	25,500,000	1,152,217	462,853	12,227	1,222,470	37,974,767
10 Investment Properties							
At cost					965,183		965,183
Accumulated amortisation and impairment losses					(37,252)		(25,910)
Net carrying amount					927,931		939,273
(a) Movements in carrying amounts							
Balance at beginning of the year					939,273		303,897
Additions					-		637,751
Less: depreciation					(11,342)		(2,375)
Balance at the end of the year					927,931		939,273
An independent valuation of 26 Henderson Ave obtained at 31 December 2018 indicated that the fair value of the property is \$525,000. To be consistent with the accounting policies adopted by The Club, investment property is continued to be carried at amortised cost. On the 3 February 2019 The Club acquired the new investment property located at 22 Henderson Ave Mittagong with a market value \$610,000, being the purchase price less transaction costs.							
11 Intangible Assets							
Poker machine entitlement					833,588		833,588
Accumulated amortisation and impairment losses					-		-
Net carrying amount					833,588		833,588
12 Trade and Other Payables							
Current							
Trade payables					446,843		584,130
Gaming tax accrued					535,221		138,007
Other payables and accrued expenses					460,286		1,007,177
					1,442,349		1,729,312

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
12 Trade and Other Payables (cont.)		
Contract Liabilities		
Subscriptions in advance	143,297	131,607
Unearned income	13,224	9,374
	156,521	140,981
13 Borrowings		
Current		
Hire purchase liabilities - unsecured	221,696	109,656
Total current borrowings	221,696	109,656
Non-current		
Market Rate Loans - secured	4,900,500	3,650,000
Bank loans - secured	6,892	480,855
Hire purchase liabilities - unsecured	108,311	8,545
Total non-current borrowings	5,015,703	4,139,400
Total Borrowings	5,237,399	4,249,056
Movements		
Opening balance at 1 January 2020	4,249,056	
Proceeds from financial liabilities	1,913,563	
Interest on financial liabilities	17,759	
Repayment of financial liabilities	(942,979)	
Closing balance at 31 December 2020	5,237,399	
a Loans and market rate facilities		
The Company has a Market Rate Loan expiring on 24 November 2024, with the following components:		
i) \$5,163,000 facility resetting every 3 months with principal repayments of \$87,500		
ii) Currently there is an undrawn amount of \$262,500 on the Market Rate Loan, which is available for use if required.		
The Company has a credit card facility with a limit of \$50,000.		
The Company entered into a variable rate loan on 1 October 2019 for \$488,330.90 for the purchase of 22 Henderson Ave Mittagong. Loan reduction is via monthly principal and interest repayments. During the year the Company made additional repayments and has \$440,000 available in re-draw.		
b The company has access to the following lines of credit:		
Total facilities available:		
Market Rate Loan	50,000	50,000
Market Rate Loan	5,163,000	5,163,000

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
13 Borrowings (cont.)		
b The company has access to the following lines of credit:		
Facilities used at balance date:		
Corporate credit card	34,391	35,476
Market Rate Loan	4,900,500	3,650,000
Facilities not utilised at balance date:		
Corporate credit card	15,609	14,524
Market Rate Loan	262,500	1,513,000
c Securities pledged		
The Market Rate Loan facility is secured by:		
i) a first registered mortgage over non residential property located at Cnr Bessemer Street and Old Hume Highway Mittagong NSW 2575.		
ii) a first registered mortgage over residential property located at 26 Henderson Avenue Mittagong NSW 2575.		
iii) a first registered equitable mortgage over the whole of its assets and undertakings of the company.		
iv) a first registered mortgage over residential property located at 22 Henderson Avenue Mittagong NSW 2575.		
14 Employee benefits		
Current		
Employee benefits	643,134	630,899
	643,134	630,899
Non-current		
Employee benefits	656,910	621,025
	656,910	621,025
Total Employee Benefits	1,300,044	1,251,924
Movements		
Opening balance	1,251,924	
Additional provisions	330,927	
Provisions used	(282,807)	
Closing	1,300,044	
15 Reserves		
The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.	16,187,987	16,187,987

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
16 Capital and Leasing Commitments		
Finance Lease Commitments - hire purchase liabilities		
Payable - minimum lease payments:		
- not later than 12 months	235,245	112,913
- between 12 months and five years	108,311	8,546
Minimum lease payments	343,556	121,459
Less: finance charges	(13,549)	(3,257)
Present value of minimum lease payments	330,007	118,202
	Note 13	
Capital Expenditure Commitments		
Capital expenditure commitments contracted for:	-	-
17 Key Management Personnel Compensation		
The totals of remuneration paid to the key management personnel (General Manager, Catering Manager and Operations Manager) of Mittagong RSL Club Ltd during the year are as follows:		
Key Management Personnel Compensation	585,777	606,758
For details of other transactions with key management personnel, refer to Note 22.		
18 Contingent Liabilities and Contingent Assets		
In the opinion of the Directors, the Company did not have any contingencies at both reporting dates.		
At the request of the company, the company's bank is holding bank guarantees in favour of the Totalisator Agency Board of NSW to the value of \$5,000.		
19 Events after the Reporting Period		
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.		
20 Financial Risk Management		
The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, loans and leases.		
The total amounts for each category of financial instruments, measure in accordance with <i>AASB 9: Financial Instruments</i> ; Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:		
Financial assets- amortised cost		
- cash and cash equivalents	5 3,729,936	1,088,743
- loans and receivables	6 35,462	118,716
Total financial assets	3,765,398	1,207,459

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
		\$	\$
20 Financial Risk Management (cont.)			
Financial liabilities- amortised cost			
- trade and other payables	12	1,442,349	1,729,312
- borrowings	13	5,237,399	4,249,056
Total financial liabilities		6,679,748	5,978,368

21 Fair Value Measurement

The company has land and buildings that are measured at fair value on a recurring basis after initial recognition. The company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

Non Financial assets

Land and buildings	10	25,500,000	25,500,000
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For land and buildings, the fair values have been determined based on independent valuations based on a market approach using recent observable market data for similar properties. Significant inputs used are price per hectare/square metre.

22 Related Party Transactions

The Company's main related parties are as follows:

Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 17.

Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Transactions with related parties

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

The following transactions occurred with related parties:

Benefits paid to directors in kind in attending seminars, functions, club business and the like		4,277	13,756
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23 Members Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstandings and obligations of the Company. At 31 December 2020 the number of members was 19,894 (2019: 20,231).

24 Statutory Information

The registered office and principal place of business of the company is:

Mittagong RSL Club Ltd
Corner Hume Highway and Bessemer Street
Mittagong NSW 2575

Directors' Declaration

In accordance with a resolution of the directors of Mittagong RSL Club Ltd, the directors of the Company declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - (a) Comply with Accounting Standards - Reduced Disclosure Requirements; and
 - (b) Give a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the year ended on that date of the Company.
2. In the directors' opinion there are reasonable grounds to believe that the Company 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
Graham J Millbank

Director
Roger F Cole

Dated this 10th day of February 2021

INDEPENDENT AUDIT REPORT

To the Members of Mittagong RSL Club Ltd.

Opinion

We have audited the financial report of Mittagong RSL Club Ltd, which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Mittagong RSL Club Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Other Information

The directors are responsible for the other information. The other information comprises the directors' report and annual report for the year ended 31 December 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.

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 - Reduced Disclosure Requirements 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 relating 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.
- 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.

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.

Kelly Partners (South West Sydney) Partnership



Daniel Kuchta
Registered Auditor Number 335565
Campbelltown

Dated this 10th day of February 2021



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Responsible Service of Alcohol

Mittagong RSL Club is in the business of serving alcoholic beverages to our patrons for their consumption. We have a legal requirement to ensure that the service and consumption of these products is done in a responsible manner to minimise the risk to patrons, staff and the general public. It is a requirement that all staff who serve or work around beverage sales and consumption are trained and certified in the Responsible Service of Alcohol to enable them to recognise risk factors that may be affecting our patrons.

Our policy at the Club is very clear. We want all guests to enjoy themselves. For many people alcohol consumption is a pleasurable part of their daily life and we respect that. We are here to serve people with beverages professionally, responsibly and in a friendly manner. What we do not want to allow is people to drink to excess and place themselves, other patrons, our staff and the community at risk.



Ask your local club about
self-exclusion,
or call Gambling Help on
1800 858 858
Free, confidential, 24/7

gambling HELP
1800 858 858
This campaign is an initiative of OUSAFE on behalf of ClubsNSW

ClubsNSW

“

**We have RSA policies
that strive to achieve the
noted outcomes:**

**Prevent intoxication
and intoxicated behaviour**

**Prevent violent or
disruptive behaviour**

Prevent underage drinking

**Prevent drinking
and driving**

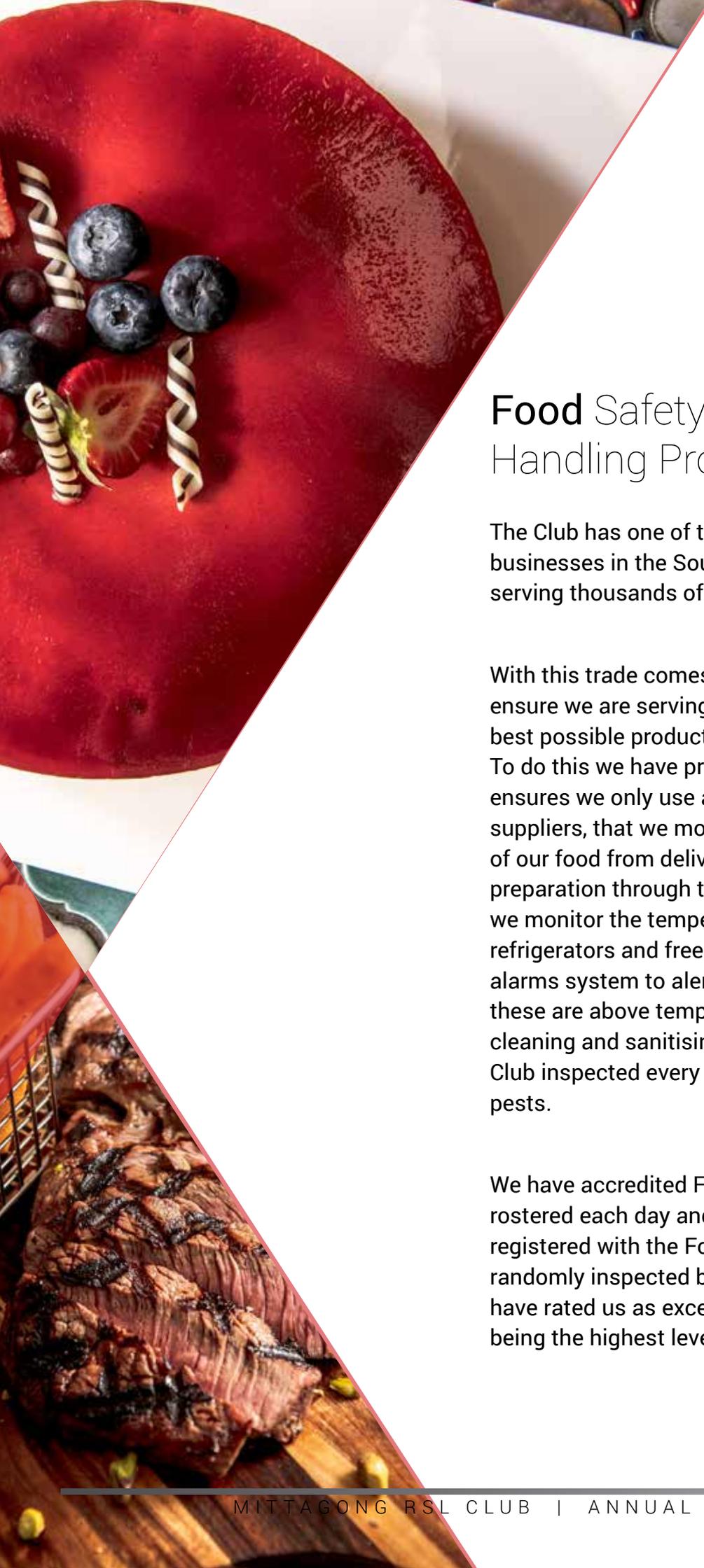
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**We have a
responsibility to ensure
we are serving our customers
the best possible product
at optimum
conditions.**

”



Food Safety & Handling Procedures

The Club has one of the largest food businesses in the Southern Highlands, serving thousands of meals per week.

With this trade comes the responsibility to ensure we are serving our customers the best possible product at optimum conditions. To do this we have procedures in place that ensures we only use approved reputable suppliers, that we monitor the temperature of our food from delivery, storage and preparation through to our display cabinets, we monitor the temperatures of our refrigerators and freezers and we have an alarms system to alert our staff if any of these are above temperature. We have a cleaning and sanitising program and have the Club inspected every 6 weeks for insects and pests.

We have accredited Food Safety Supervisors rostered each day and our food business is registered with the Food Authority. We are randomly inspected by health officers who have rated us as excellent with 5 stars, this being the highest level that can be achieved.

Club Characters

A very familiar face around the Club, Nancy has been a Member of Mittagong RSL Club for 37 years now, having joined shortly after arriving in the Highlands. Throughout this time, the Club has come to play a very significant role in her life.

Over the years we have come to learn a lot about Nancy, with stories upon stories of her travels across the world as a war bride and her experiences living all over Australia throughout her late husbands career on the railway - Nancy has lived quite an extraordinary life, and can certainly tell a good tale about it. Now at the tender age of 93, Nancy has unfortunately seen the passing of many friends over the years, and with no family in the area – it can be hard to get out and about to see people. Our Club is able to provide Nancy the opportunity to socialise, which - as is the case for many elderly members of our community - has become one of the most important facets of her wellbeing. You can find Nancy most weekdays at the Club; busy playing bingo, trying her luck at our Monday and Thursday Raffles, or catching up for weekly lunches with friends. Among these weekly lunches is a standing appointment with the ladies of the Women's Auxiliary. While the organisation itself is no longer in formal operation, connecting with these friends whom she shares so many commonalities with and has known for many years has been hugely important to Nancy through the years.

The Clubs shutdown during March last year affected Nancy greatly - a social person by nature, the sudden isolation left Nancy, like many others, feeling quite down. The solitude of social distancing was a far cry from Nancy's normal at Mittagong RSL where she is welcomed by a chorus of greetings and conversation when she enters. Very relieved that a sense of normality has returned, Nancy has been able to resume her normal activities now that life at the Club is back in full swing, although it appears her luck at bingo hasn't seemed to improve...

Nancy is held in very high regard by everyone involved at Mittagong RSL - a friendly face for staff and patrons alike, a very involved Member of our community, and a great supporter of the Clubs many different endeavours over the years – we are so lucky to have had such loyal patronage from Nancy.



NANCY



JOYCE

Always sporting a big smile and willing to have a chat, Joyce is a face we've come to know and love around the Club since she joined when she moved to the region in 2003.

Joyce knows first-hand how instrumental Clubs are within communities, and upon her arrival in the Southern Highlands, signing up to the Club was one of her first orders of business. Joyce will convince anyone, that if you want to meet new people and stay engaged with your community, there is no better way to do that than by joining your local Club. Over the years Joyce has become a regular at many of our weekly activities, but also enjoys the reprieve the Club can allow – if she's feeling a bit flat, wants to get out of the house, or has that all too familiar feeling when you just can't muster up the energy to cook – she'll come to the Club.

So much of Joyce's character has been revealed as she's faced some very difficult battles. Through the power of positive thinking and staunch determination to never give up, Joyce has been able overcome many obstacles. Throughout these times in her life, Joyce has been surrounded in love by family and friends, but along with this, the sincere care and concern from the staff and Management at the Club has been a blanket of support. To know that so many people here genuinely care for her is very encouraging for Joyce, who is quite humble as she goes about her daily life.

There is so much to learn from the attitude Joyce carries through life, her positivity radiates no matter whatever topic she is speaking of. It would appear too, that what Joyce puts out into the universe she receives in return – if you frequent the Clubs weekly raffles you will know that spotting Joyce leaving having won one of everything is not at all uncommon, Joyce will give you a big smile if you bring this up and let you know herself she is a very lucky person, but will remind you that you've got to be in it to win it!

If you get the chance to have a chat with Joyce around the Club – we strongly recommend you do. What a very special person she is with such a positive attitude towards life.

Club Characters

Tori and Nicola are both Southern Highlands natives who we've been lucky to have as members of the Mittagong RSL Club community for many years, and through many different stages of their lives.

As is common for many who have grown up in the area – the Club has become embedded in their lives, once a frequented destination for the girls with their parents when growing up, our Club is now a meeting place for the sisters to catch up with their own little ones in tow.

With 5 beautiful kids between them, it's important to have facilities close by, suitable for the kids to have fun, be safe and most of all stay entertained. As big fans of the Habitat play area, Tori and Nicola are able to catch up at the Club – whether it's for a morning coffee or a family dinner – and know that Habitat will provide more than enough fun.

With the Club able to provide an expansive range of food and beverage options, great quality and friendly service all at an affordable price it has become the destination of choice for their families. Tori & Nicola are looking forward to the continual growth of Kids Entertainment at the Club, and we look forward to helping create many more happy memories for their family.





Two very familiar faces around the Club, Ray and Lynne have been Members of Mittagong RSL Club for 23 years now. Ray & Lynne dedicate an extraordinary amount of their time to our community through their involvement in various Veteran organisations.

Both heavily involved in the Mittagong RSL Sub Branch - Ray as the Vice President and Welfare Officer, and Lynne the Pension Officer – their commitment to bettering the lives of service men and women is unmatched. Working solely as volunteers, Ray and Lynne liaise with multiple agencies and organisations in securing any services required for returned services – securing pensions, arranging medical and mental health services, general welfare and wellbeing, caring for widows, and assisting with funeral arrangements are just a few of the matters Ray & Lynne can assist with. These issues very close to their hearts, there is not a stone that will be left unturned when they are assisting a Veteran in need.

At just 19 years old, Ray spent a year in Vietnam with the Australian Army. Coming home, Ray – along with many Vietnam Veterans – had a whole new set of challenges to face. In the midst of this, Ray & Lynne were given assistance from the Returned Services League. In the years since, Ray's involvement in several Veteran organisations has not only been of great service to those he has helped, but has helped enormously in his own efforts to heal from the war.

Ray & Lynne cannot speak highly enough of the Mittagong RSL Sub Branch, labelling it as one of the best run Sub Branches in the state – a genuine accolade from two individuals very well versed in these circles. The relationship between the Sub Branch and Mittagong RSL Club Ltd. is quite special – and Ray & Lynne are full of praise for the way these two organisations get along and work together. From the inception of the licensed RSL Club, the two organisations have operated with synergy, bonded by shared values of community service, and respect for service men and women. The support provided to the Sub Branch by Mittagong RSL Club Ltd. in the form of providing facilities, support of events, in kind donations and catering allows the Sub Branch to operate in the capacity it does – as efficient as it is effective, the Mittagong RSL Sub Branch is an imperative organisation for so many in the local area.

Ray and Lynne will leave a long and impactful legacy on both the Mittagong RSL Sub Branch and the Mittagong RSL Club. With spirits of service and very big hearts, the work they have done has touched the lives of many.

If you would like to speak to Ray or Lynne in regards to the services they provide on behalf of the Mittagong RSL Sub Branch, please contact Club Reception.

Club Characters



JOHN

John has been a Member with us for many years now, and is in fact the Clubs longest serving consecutive Member – John is the first Mittagong RSL Member to achieve 60 years of Membership.

There is no Member more fitting to reach this milestone than John, considering his family's long and rich history with the Club. His father Bernie Long joined the Mittagong RSL Sub Branch in 1945, was a Member on the committee that established the licensed RSL Club and went on to become a driving force in the acquisition of the land the Club currently sits on. Bernie was the President of the Mittagong RSL Sub Branch from 1965-1984, President of Mittagong RSL Club from 1977-1984 and was honoured Life Membership in both organisations.

Having grown up around the Club, John has memories of Mittagong RSL spanning many years now and has some great stories to tell, especially about his Dad who we think would be very proud of our Club today. Last year John and his lovely wife Ellen joined us at the Club for a celebration of the Clubs 65th Anniversary where he was able to share with us many of his fond memories of the Club. This year, as the Long family celebrates another special memory with Mittagong RSL Club as John becomes the first Mittagong RSL Club Member to achieve 60 years of Membership, we remember all of the those who have worked so hard in the last 65 years to make this Club what it is today.

We'd like to extend our most sincere congratulations to John for his landmark Membership anniversary and thank him for his continued support of Mittagong RSL Club.



Proud of Our People

Craig Madsen ...
Nominated for
**Citizen of
the Year**

CRAIG MADSEN



The big man with a bigger heart, Craig Madsen has been the General Manager of Mittagong RSL Club since 2005. Craig is very well respected both in the Clubs industry, and in the local community. The character Craig has shown throughout his career has been nothing short of exemplary. His empathy and understanding for disadvantaged Members of the community is evident through his continued efforts to make life just a little bit easier for any person who has fallen on hard times, and his commitment to the betterment of our community can be seen through his contributions to sport, education, local charities, and veteran's affairs.

It was in the 2019/2020 Black Summer bushfires that the tenacity of Craig's dedication to community service was once again put into action. Over a period of 6 weeks, Mittagong RSL Club was a critical component in the Southern Highlands emergency response effort, and through this, Craig's leadership was a beacon of light for the whole community in what was a very bleak situation.

From December 10th 2019 – January 23rd 2020 Mittagong RSL was the official disaster welfare evacuation centre on 15 days, and was available as a community refuge for 27 days. From the 19th -22nd December 592 free meals were provided to evacuees, and from December 15th - January 28th Mittagong RSL provided 6895 meals for the RFS, NSWFS and SES – a mammoth operation for the Club, and only possible from the guidance, leadership and commitment from Craig.

Always a man who will lead from the front, Craig offered every resource available at his dispense to the fire relief effort and

personally spearheaded every effort the Club undertook. During the exhausting nights the Clubs evacuation centre was in operation, where the emotional toll of the relentless fires was palpable in the air, it was not uncommon to spot Craig taking a dog out for a stretch and a sniff around at 2am, or to see him having a quiet word to comfort one of the many distressed evacuees.

From the time Craig came to our Club his philanthropic nature and spirit of community has been widely known. An accomplished Rugby League player himself, there are too many sporting organisations to name that have benefited from Craig's generosity during his tenure, not to mention his contributions to charities, schools and community organisations.

Having been the General Manager for 15 years now, the upstanding character Craig operates with has become deep rooted throughout the organisation. Backed by a Board of Directors and Management team with shared values of community service, it does not need to be discussed to be known that Craig will support any endeavour that benefits the local community.

Generosity is not just a part of Craig's business dealings – it is a defining character of his personality. With a genuine affinity for the underdog, and a great respect for anyone willing to have a go, Craig embodies what it is to be generous – with his time, with the opportunities he provides, with the resources available to him – it's what he does, it's who he is. So when the community needed a place of refuge, and when the emergency services needed to be fed, it was only natural that Craig would come forward.

As genuine as he is generous, Craig is not one to take a backwards step, in the same

Craig Madsen ... Nominated for Citizen of the Year

vain he cares very deeply for his family, his friends, his employees and his community. With a long and well respected career in Clubs having started out at Croydon Park Bowling Club in 1978, you know the work Craig did during the bushfires was for the right reasons because he understands that to work in the Clubs industry is to be of service to the community.

For his contributions to the community during the 2019/2020 bushfire crisis, Craig was nominated for the Southern Highlands Citizen of the Year following a joint submission for nomination from Wingecarribee Shire Council Risk Management & Local Emergency Management Officer, Amanda Lawrence & NSW Police Force Chief Inspector, John Klepczarek – high praise from two individuals instrumental in coordinating the regions emergency response, and a telling indication of the support provided by the Club and in-turn the leadership provided by Craig.

While undoubtedly one of the most trying times for the region in recent memory, the whole community was bonded through the spirit of community and the kindness of giving. For Mittagong RSL, led by Craig, to step forward during these horrendous circumstances demonstrated the strength of leadership, and commitment to community service at the Club. Mittagong RSL Club operates in a tight knit community, and it has been evident throughout the height of the fire devastation and beyond that the community is grateful for the services offered by Mittagong RSL. Along with many messages of gratitude and recognition from

the community, one token the Club received from a thankful member of the community was a signed jersey from Chelsea FC. With mad sports fans throughout the Board and Management team this has taken pride of place among the Clubs already impressive collection of sports memorabilia.

While accolades and gestures of thanks to the Club have been appreciated, stepping forward with assistance was never done in an effort to receive anything in return – the scale of devastation required widespread assistance to make sure everyone in the region had somewhere to go. For the 6 weeks the fires threatened, the Club was not just there as a safe space but as a mental reprieve as unease sat intertwined with the thick smoke engulfing the whole town.

At the very least, Mittagong RSL was able to affirm the commitment to the Southern Highlands community of its dedication to the betterment of the region. A steadfast display of unity and service, this was a demonstration of unwavering reliability.

As head of one of the largest businesses in the region, Craig is very well known, and well respected locally. Influential yet approachable, Craig's upstanding reputation comes down to much more than his ability to lead our Club. Willing to give anyone a chance, lend a hand, and stay true to his word, Craig's actions throughout the Black Summer bushfires exemplified the reasons he is held in such high regard throughout the community.

Our community, much like our Club, is all the richer for having Craig.



Proud of Our People

Lillian Wareing... Employee of the Year 2020



Lillian began working at the Club in June 2015 as a member of the catering team, primarily filling shifts in the café, functions and on the floor in Ironstone Dining.

In 2019, after completing a Marketing degree the previous year, Lil was successful in her application for the role of Marketing Assistant, where she quickly put her mark and style on the Clubs marketing collateral. This role also saw her fulfilling shifts as one of our restaurant hosts, where her ability to think on her feet and adapt is invaluable. Lil's recent promotion to Marketing and Public Relations Co-Ordinator in January 2021 is reflective of her desire for success and indicative of the value she adds to the Club.

When the C-19 pandemic forced the Club into a government legislated 10-week shut down in March 2020, Lil played an integral role in keeping the Club members and our greater community informed throughout. Combining infectious levels of positivity and a genuine care for the Club and our members, Lil's management and distribution of our marketing collateral ensured our re-opening in June was as successful as it could have been.

The team that work around Lil on a daily basis understand how much care and attention she applies to every task she

undertakes. When asked what motivates her and what values she holds dear, Lil states that everything happens for a reason. Citing a trust in karma and a belief that the universe will return what you put out there, she feels her role here is to provide a service to the community, applying empathy and selflessness to her role. She sees the positive impact the Club has and what it does for its people, members and the wider community, and she wants to be a part of that.

Growing up and being schooled in the local area means Lil has a deep fondness for this community, and her desire to give what she can for the benefit of others is unquestionable. Developing and championing community initiatives, with the welfare of vulnerable citizens as the focus, displays a maturity beyond her years and is representative of the ethos of the Club.

Possessing a gentle, yet energetic and tenacious attitude, we are certain there are great things still to come, but congratulations Lil on what you have achieved so far.

Mittagong RSL Community Support & Club Grants

\$126,927.17
awarded to
the following
2020 Recipients

Soul Warmers Highlands Grace
Quest for Life Foundation
Moss Vale Public School P&C
Healthy Kids Association
Community Links Well Being
St Vincent de Paul Society
1st Mittagong Scouts
Wingecarribee SES
Team Rubicon
Rural Aid
Dadirri Disability Services
Balmoral and Bargo Bushfire Assistance
Exeter & Bundanoon Bushfire Assistance
Mittagong RSL Club Sub Branch
Hilltop Soccer Club
Berrima Public School
Black Dog Institute – Groove the Night Away
Woodlands Volunteer Bushfire Brigade
Disability Services Australia
Mittagong Public School
Wingecarribee Shire Council
Colo Vale Public School
Mittagong Swimming Club
Mittagong Junior Rugby League
PCYC Southern Highlands
Mittagong Hockey Club
National Servicemen's Association Southern Highlands
Mittagong Netball Club
Southern Highlands Pipes and Drums
Mittagong Rugby League Football Club
Mittagong Cricket Club
Hilltop Northern Villages Cricket Club
Highlands District Cricket Association
Highlands Golf Club
Argyle Housing
Koori Kids
Bowral High School



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