



Riverstone Schofields

MEMORIAL CLUB

**RIVERSTONE SCHOFIELDS
MEMORIAL CLUB**

ANNUAL REPORT 2020

DIRECTORS 2020



LAWRENCE CAUCHI
PRESIDENT



GLEN HUNTER
SNR VICE PRESIDENT



KURT HIPPE
JNR VICE PRESIDENT



MARK WHITBY JR
TREASURER



CORINA BROWN
DIRECTOR



STEPHEN COX
DIRECTOR



MALCOM REED
DIRECTOR



GENE RILEY
DIRECTOR



MARK STACEY
DIRECTOR



MARK SHERIDAN
CHIEF EXECUTIVE OFFICER



MARK WHITBY
OPERATIONS MANAGER

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RIVERSTONE-SCHOFIELDS MEMORIAL CLUB LIMITED

ABN 31 000 898 626

Market Street Riverstone 2765

ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of Riverstone-Schofields memorial Club Limited will be held at 10 am on Sunday 23 May 2021 at the premises of the Club, Market Street, Riverstone, New South Wales.

BUSINESS:

1. To confirm the minutes of the previous Annual General Meeting held on Sunday 17th January 2021.
2. To receive and consider the Board of Directors report for the year ending 31st December 2020.
3. To receive and consider the Statement of Financial Performance, Statement of Cash Flows and accompanying statements and the Auditors report.
4. To consider the ordinary resolutions.
5. General business
6. To declare the returning officers report on the election of the Board of Directors.

That all questions of a financial nature are to be provided to the General Manager no later than 7 days prior to the date of the meeting.

Riverstone-Schofields Memorial Club Limited
Ordinary Resolutions
AGM (2020 Financial Statements)

FIRST ORDINARY RESOLUTION

That pursuant to the Registered Clubs Act 1976, Sec 10 (6) (d) "Requirements to be met by clubs"

- a) That the members approve and agree to expenditure by the club in a sum not exceeding \$10,000 (excluding GST) for the 12-month period or prorate thereof until the next AGM of the club for the following activities of Directors
 - i) Reasonable meal and refreshments to be associated with each Board meeting of the club.
 - ii) The right for Directors to incur reasonable expenses in travelling to and from Board meetings and other committee meetings as approved by the Board from time to time on the production of invoices, receipts, and other proper evidence of such expenditure.
 - iii) The reasonable cost of entertaining and providing refreshments in the club premises for the members of the Board of Directors for entertaining visitors in the club.
 - iv) The provision as required of blazers and associated apparel for the use of Club Directors when representing the club.
- b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those members who are Directors of the club.
- c) The members acknowledge that the benefits in paragraph (a) above are in addition to the payment of out-of-pocket expenses that are paid to directors for expenses that are reasonably incurred while carrying out his or her duties in relation to the club.
- d) That the out-of-pocket expenses must be authorized by a current resolution of the Board

Explanatory Note:

It is necessary for the Directors to attend Board meetings out of normal business hours and to be active in performing of their duties in the pursuit of the Clubs success within and outside the Club and in the community.

The Registered Clubs Act basic tenant is that no member can receive a benefit over another member. Section 10 (6) of the Act permits both the reasonable and appropriate expenses to be incurred on behalf of Directors as well as reimbursement of out-of-pocket expenses in the performance of their role for the governing body.

Riverstone-Schofields Memorial Club Limited
Ordinary Resolutions
AGM (2020 Financial Statements)

SECOND ORDINARY RESOLUTION

That pursuant to the Registered Clubs Act 1976 Sec 10 (6) (d) "Requirements to be met by clubs"

- a) That the members approve and agree to expenditure by the club in a sum not exceeding \$10,000 (excluding GST) for the 12-month period or prorate thereof until the next AGM of the club and for the professional development and education of Directors
- i) The reasonable cost of Directors attending the Clubs NSW AGM and the Services Clubs AGM and any other association of which the club is a member.
 - ii) The reasonable cost of Directors attending industry related functions where Directors are required to represent the club
 - iii) The reasonable cost of Directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time.
- b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those members who are Directors of the club.

Explanatory Note:

It is both appropriate and necessary for the Directors to be active in performing of their duties in the pursuit of the Club's success to be engaged in the peak industry body, Club NSW training and other industry supplier events. The Directors out of pocket expenses and expenses incurred on their behalf reflect the expenses reasonably and appropriately incurred in the performance of these duties.

THIRD ORDINARY RESOLUTION

That pursuant to the Registered Clubs Act Section 10 (6) (b) "Requirements to be met by clubs" the members hereby approve the payment being the prorate amount for 8 months of the annual honorariums plus any applicable superannuation guarantee levy for the Clubs Board of Directors for the period June 2020 to January 2021.

President	\$366.67
Senior Vice President	\$366.67
Junior Vice President	\$366.67
Treasurer	\$366.67
Ordinary Directors	\$366.67 each

Being a total of \$3,303.03 for 9 serving directors (plus any applicable superannuation guarantee levy)

Explanatory Note:

The Registered Clubs Act allows for an honorarium to be paid in respect to services as a member of the governing body and is required to be passed at the general meeting by persons eligible to vote at the annual election. The amount of \$3,300.03 represent the prorate of 4 months (January 21 to May 21) for the 9 serving Directors individual amounts.

PRESIDENTS REPORT

I start my report by expressing a massive thank you to all the Members and the Staff of the Riverstone-Schofields Memorial Club.

2020/2021 was a year full of unprecedented challenges brought on by the pandemic and the government mandatory shut down of the club industry on 23rd March 2020. The impacts of COVID-19 have flowed on to every aspect of our lives, our members, families both close and overseas has been catastrophic. In such difficult times the not knowing, closing our doors, shutting down the business and staff worried about employment created significant stress for many.

I thank the Board and Management for showing a steady hand both then and now in providing a safe, clean, and compliant venue for all our members with rules that changed sometimes daily.

The club undertook a process of consolidating our cash and a conservative approach in our operations, changes and spending due to the massive uncertainty we faced. It is refreshing that we can now look to improvement and bringing change within the operations.

The ability to welcome more members and visitors and allow activities including bands, dancing or even singing is not something you would have expected to be desperate to see happen some 14 months ago.

For the financial Year ended 31st December 2020, the club has produced a profit of \$393,133. The closure of the Club and the justified fear in the community significantly affected confidence in many. I measure this result against the complete closure for 2 months, a limit of three hundred members at any one time and severely restricted offerings permitted to be allowed.

The Riverstone-Schofields Memorial Club has always been proud of and committed to supporting our surrounding communities and continues to support through our local schools, sports clubs, churches and the Riverstone Neighbourhood Centre and Community Aid Service.

That spirit in our Western Sydney communities has been demonstrated to us all by the many individual's actions during the recent drastic flooding that occurred. People and friends getting in and helping each other in Riverstone is reflected in the limited number of people losing everything. The support for those families who did lose is still ongoing.

It is with great sadness that I have decided to withdraw my nomination for a position on the Board due to personal and medical reasons. I thank all those members who placed their support in me over the years. It has been an honour to serve you.

I conclude, by stating on behalf of the Board that it has always been a privilege to see all our staff working tirelessly and their delivery of customer service and engagement with our members. I wish to thank the management team and the CEO Mark Sheridan for the support of the Board and the staff. I wish to acknowledge and thank the full Board of Directors, who constantly go above and beyond to serve the patrons of the club.

I look forward to seeing the club grow and prosper as a key part of our community.

Thank you,

Lawrence Cauchi.

PRESIDENT

CEO REPORT

On behalf of the Board of Directors, I am pleased to present to the members' the 2020 Annual Report for the year ended 31 December 2020, which details the financial result of the net profit after tax of \$393,133.

I wish to acknowledge all of the Directors for their dedication and application to delivering to all the members in what has been an exceptionally difficult year.

The year commenced with the business having to deliver a new food offering that required staffing, equipment, plates, crockery, suppliers, and menus. It was a very challenging time for staff applying themselves while we undertook the search for a Head Chef.

I wish to respectfully acknowledge the Head Chef, June Henry who passed away way well before his time. As a manager and Chef the Club lost a person who would have contributed greatly to his fellow workers' tasks and personal development. To his large and young family, there is no measure of your loss.

As we moved into a new year and COVID-19 commenced its march around the world the Club and many industries faced mandatory closure and we have been living with a restricted life and operations ever since. I can attest to the significant fear our staff felt with an unknown future. The Government multiple support incentives plus jobkeeper provided true support for many employees.

In June 2020, we were able to open the doors and new words and phrases became part of everyday life such as social distancing, sanitisation, facemasks, contact tracing and QR codes. I thank the staff for the delivery of constant and repetitive cleaning of surfaces and members for acceptance of the imposed changes on their visits.

The restricted people capacity of three hundred imposed on the Club made the decision to be a member only venue an easy one and resulting in significant new membership. The reduced number of patrons resulting in a volatile trade reduction of approx. 40% across beverage, bingo and TAB trade while significant fixed costs and new costs added pressure on the financial performance of the business.

The club has taken a prudent and conservative approach to its finances and spending due to the uncertainty of the longevity of COVID and reduced trade. I would also acknowledge the ANZ bank for their support in making approved loan facility funds available even though they have remained unused.

I would like to say a special thanks, to you, those members who returned from day one in June and to all those who have progressively come back since.

I am also pleased to see the stability has returned and in the recent month with the return of badge draws, bands and entertainment has seen a significant surge in the operations and trade. All staff, irrespective of experience have engaged with the uplift and challenges that brings. I would like to thank the staff across the whole business who I see applying themselves in their daily tasks and engage with our patrons in a professional and engaging manner.

TREASURER REPORT

I would like to thank all our Members for your support and patronage following the staggered opening of our Club following the enforced lockdowns. As we return back to normal operations and begin to introduce exciting new changes, we hope that you continue to support your Club and community whilst we expand your general Club experience and facilities.

2020 was a challenging and tumultuous year for everyone and our Club was not immune with Covid-19 impacting our community, patrons and operations. Through the hard work and diligence of the previous Board, Management and Staff, we as a Club were able to navigate through the difficult circumstances and ensure that the Club remained viable throughout the enforced closure and operations reinstated once conditions and regulations allowed.

With help from both Federal and State Governments through Jobkeeper and various tax deferral programs we were able to ensure that our staff were cared for throughout the operational shutdown and our services continue with limited financial concern. This support has enabled the Club to realise a positive result for financial year 2020 with a net profit after tax of \$393,133.

In this year's Audit Report, you will notice a declaration relating to the assessment of the Club as a going concern. This Audit declaration relates to a liability held by ANZ that has transitioned from long term to short term debt. This change, as per the accounting standards requires it to be represented in the Balance sheet as a Current Liability. This shift has created a short term accounting concern which, we the Board are aware of and as part of standard practice are actively working through the renewal process with ANZ. We are confident that this facility renewal will be approved shortly and we hold no concerns for the ongoing financial viability of Club operations.

Thank you again to all our Members, Management and Staff for your continued support through trying circumstances and look forward to our better days ahead.

Mark Paul Whitby

Treasurer

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Riverstone-Schofields Memorial Club Limited

ABN 31 000 898 626

Financial Statements
For the Year Ended 31 December 2020

Riverstone-Schofields Memorial Club Limited
Directors' Report
For the Financial Year Ended 31 December 2020

Directors

The names of the Directors in office at any time during the year ended 31 December 2020 are as follows:

Name	Qualification	Continuity as Director	Cease Date	Special Responsibilities
Lawrence Cauchi	Financial Planner	15 May 2016		President
Corina Brown	Office Manager	21 May 2017		Treasurer
Glenn Riley	Clerk	6 May 2012	17 January 2021	Senior Vice President
John Huntington	Business Owner	19 May 2019	17 January 2021	Junior Vice President
Stephen Sidaway	General Manager	18 May 2015	17 January 2021	Director
Lila Whitby	Retired	21 May 2017	17 January 2021	Director
Kurt Hippe	Private Investigator	1 May 2011		Director
Malcolm David Reed Jnr	General Manager	19 May 2019		Director

Meetings of Directors

During the year, 12 meetings of Directors were held. Attendances by each Director were as follows:

Name	Number Attended	Number Eligible to Attend
Lawrence Cauchi	12	12
Corina Brown	12	12
Glenn Riley	12	12
John Huntington	9	12
Stephen Sidaway	12	12
Lila Whitby	12	12
Kurt Hippe	12	12
Malcolm David Reed Jnr	11	12

Constitution

The Club is a Company Limited by Guarantee and without Share Capital and the liability of members of the Licensed Club is limited to an amount not exceeding five (\$5.00) dollars towards the payments of debts and liabilities in the event of winding up. The number of members at year end were:

Associate: 11,004

Life: 5

Activities

The principal activity of the Company in the course of the financial year was to provide members and their guests with amenities and facilities usually associated with a social and recreational Club.

No significant change in the nature of the activity occurred during the year.

Riverstone-Schofields Memorial Club Limited
Directors' Report
For the Financial Year Ended 31 December 2020

Short-term Objective

The primary short-term objective of the Club is to maintain its financial security while continuing to develop the Club's facilities for its members.

Long-term Objective

The long-term objective of the Club remains consistent with the original aims of the Founding Members, which is the promotion of the local community from the greater Riverstone area.

Strategies in Achieving These Objectives

The Club has continued to invest in the Club's facilities ensuring the Club continues to be an attractive place for its members and guests. The Club continues to maintain control over its own financial future.

The Club has carefully monitored its operational performance to ensure that costs and expenditure are appropriate for the Club. However, the Club has carried on supporting and sponsoring a variety of events, social activities and charities.

Operating Results

The net operating surplus of the Company after providing for income tax for the financial year was \$393,133 (2019: \$289,592 surplus).

Review of Operations

A review of the operations of the Company during the financial year and the results of those operations found that during the year, the Company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Dividends

The Company is a not-for-profit organisation and is prevented by its Constitution from paying a dividend.

State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the Financial Year under review not otherwise disclosed in this Report or the Accounts.

Events Subsequent to Balance Date

The Directors are not aware of any matters or circumstances which 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 financial years subsequent to the financial year ended 31 December 2020.

Likely Developments and Results

Likely developments in the operations of the Company and the expected results of the operations have not been included in this report as the Directors believe on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the Company.

Environmental Issues

The Company's operations are not subject to significant environmental regulations under the law of the Commonwealth or of a state or territory.

Riverstone-Schofields Memorial Club Limited
Directors' Report
For the Financial Year Ended 31 December 2020

Directors' Interest

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or receivable by Directors shown in the accounts) by reason of a contract made by the Company or a related corporation with a Director or with a firm of which the Director is a Member, or with an entity in which the Director has a substantial interest.

Directors' Indemnity

Directors' indemnity premiums have been provided for, and paid, during the year for Directors' and Officers' Liability. The Insurance is in respect of legal liability for damages and legal costs arising from claims made by reason of any omissions or acts (other than dishonesty) by them, whilst acting in their individual or collective capacity as Directors or Officers.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' Liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contracts.

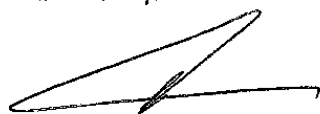
Proceedings on Behalf of Company

No person has applied for leave 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.

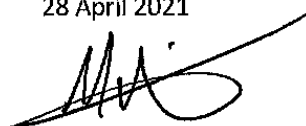
Auditor's Independence Declaration

The Directors have obtained a declaration of independence from the auditor, in accordance with section 307C of the *Corporations Act 2001*, which forms part of this report. A copy of the declaration is attached to this report.

This report is signed in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:



Lawrence Cauchi
Director
28 April 2021



Mark Paul Whitby
Director
28 April 2021



SDJ Audit Pty Ltd t/a SDJA
ABN: 11 624 245 334
P: PO Box 324
West Pennant Hills NSW 2125
M: 0428 074 081
E: simon@sdja.com.au
W: www.sdja.com.au

Riverstone-Schofields Memorial Club Limited
Auditor's Independence Declaration to the Directors of Riverstone-Schofields Memorial Club Limited
For the Financial Year Ended 31 December 2020

In accordance with the requirements of the *Corporations Act 2001*, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

SDJA

SDJA

A handwritten signature in black ink that reads "Simon Joyce".

Simon Joyce
Director
28 April 2021
Sydney, New South Wales

Riverstone-Schofields Memorial Club Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 31 December 2020

	Notes	2020 \$	2019 \$
Revenue			
Revenue	4	7,659,062	10,195,642
Other income	4	1,025,613	285,450
Total revenue		8,684,675	10,481,092
Expenses			
Administration expenses		(2,121,794)	(2,615,091)
Changes in inventories		(2,843)	7,987
Consumables used		(817,157)	(954,175)
Depreciation and amortisation		(842,840)	(1,083,574)
Employee benefits expense		(2,854,779)	(2,627,517)
Function and entertainment expenses		(337,965)	(882,953)
Finance costs		(39,399)	(59,005)
Marketing and promotion		(377,891)	(852,972)
Net loss on disposal of plant and equipment		-	(83,678)
Occupancy costs		(896,874)	(1,040,522)
Total expenses		(8,291,542)	(10,191,500)
Net surplus before income tax		393,133	289,592
Income tax expense		-	-
Net surplus for the year		393,133	289,592
Other comprehensive income		-	-
Total comprehensive income		393,133	289,592

The accompanying notes form part of these financial statements.

Riverstone-Schofields Memorial Club Limited
Statement of Financial Position
As at 31 December 2020

	Notes	2020 \$	2019 \$
Assets			
Current			
Cash and cash equivalents	5	3,367,230	858,446
Trade and other receivables	6	18,746	22,082
Inventories	7	39,880	42,723
Other assets	8	133,078	30,177
Current assets		3,558,934	953,428
Non-current			
Investments	9	-	752
Property, plant and equipment	10	12,967,611	13,595,337
Intangibles	11	205,763	205,763
Non-current assets		13,173,374	13,801,852
Total assets		16,732,308	14,755,280
Liabilities			
Current			
Trade and other payables	12	1,024,981	397,924
Provisions	13	737,918	645,831
Borrowings	14	2,385,266	196,115
Other liabilities	15	52,304	29,543
Current liabilities		4,200,469	1,269,413
Non-current			
Provisions	13	41,792	51,334
Borrowings	14	33,337	1,370,956
Non-current liabilities		75,129	1,422,290
Total liabilities		4,275,598	2,691,703
Net assets		12,456,710	12,063,577
Equity			
Accumulated funds		12,456,710	12,063,577
Total equity		12,456,710	12,063,577

The accompanying notes form part of these financial statements.

Riverstone-Schofields Memorial Club Limited
Statement of Changes in Equity
For the Financial Year Ended 31 December 2020

	Notes	Accumulated Funds \$	Total Equity \$
Balance at 1 January 2019		11,773,985	11,773,985
Surplus for the year		289,592	289,592
Other comprehensive income		-	-
Total comprehensive income		<u>289,592</u>	<u>289,592</u>
Balance at 31 December 2019		<u>12,063,577</u>	<u>12,063,577</u>
Balance at 1 January 2020		12,063,577	12,063,577
Surplus for the year		393,133	393,133
Other comprehensive income		-	-
Total comprehensive income		<u>393,133</u>	<u>393,133</u>
Balance at 31 December 2020		<u>12,456,710</u>	<u>12,456,710</u>

The accompanying notes form part of these financial statements.

Riverstone-Schofields Memorial Club Limited
Statement of Cash Flows
For the Financial Year Ended 31 December 2020

	Notes	2020	2019
		\$	\$
Cash flows from operating activities			
Receipts from members, customers and others		8,460,733	11,224,135
Receipts from government stimulus		875,500	-
Payments to suppliers and employees		(7,562,759)	(9,810,955)
Interest received		283	1,453
Finance costs and interest paid		(39,399)	(59,005)
Net cash provided by operating activities		1,734,358	1,355,628
Cash flows from investing activities			
Rent received		138,008	283,997
Purchase of property, plant and equipment		(215,114)	(338,699)
Net cash used in investing activities		(77,106)	(54,702)
Cash flows from financing activities			
Net increase in/(repayment of) borrowings		851,532	(902,827)
Net cash provided by/(used in) financing activities		851,532	(902,827)
Net change in cash and cash equivalents		2,508,784	398,099
Cash and cash equivalents at beginning of financial year		858,446	460,347
Cash and cash equivalents at end of financial year	5	3,367,230	858,446

The accompanying notes form part of these financial statements.

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2020

1. General information

The financial report covers Riverstone-Schofields Memorial Club Limited as an individual entity. Riverstone-Schofields Memorial Club Limited is a not-for-profit Company Limited by Guarantee, incorporated and domiciled in Australia.

The principal place of business is 23 Market Street, Riverstone, NSW, 2765.

The financial report was authorised for issue by the Directors on 28 April 2021.

With the exception of reclassifications between certain financial statement line items, comparatives are consistent with prior years, unless otherwise stated.

2. Changes in accounting policies

New and revised standards that are effective for these financial statements

A number of revised standards became effective for the first time to annual periods beginning on or after 1 January 2020. The adoption of these revised accounting standards has not had a material impact on the entity's financial statements.

Accounting Standards issued but not yet effective and not been adopted early by the Company

A number of new and revised standards have been issued but are not yet effective and have not been adopted early by the Company. The Directors are currently assessing the impact such standard will have on the Company.

3. Summary of accounting policies

Financial reporting framework

The general purpose financial statements of the Company have been prepared in accordance with the requirements of the *Corporations Act 2001*.

Statement of compliance

The general purpose financial statements of the Company have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

Basis of preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

The financial statements are presented in Australian Dollars (\$AUD), which is also the functional currency of the Company.

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2020

Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the entity expects to receive in exchange for those goods or services.

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

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Other revenue

For any revenue streams that are not defined as contracts with customers, then the revenue is recognised when the entity gains control, economic benefits are probable and the amount of the revenue can be measured reliably.

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

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

Income taxes

The income tax expense or benefit for the period, is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates that are enacted or substantively enacted.

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

The carrying amount of recognised and derecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same tax authority on either the same taxable entity or different taxable entity's which intend to settle the claim simultaneously.

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2020

Mutuality principle

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

Cash and cash equivalents

Cash on hand equivalents includes 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.

Inventories

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.

Property, plant and equipment

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

Land and buildings

Land and buildings are initially measured using the cost model. Buildings are recorded at cost less accumulated depreciation and impairment.

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate	Method
Buildings and leasehold improvements	2.5%	Prime cost
Plant and equipment	7.5% - 40%	Diminishing value
Leased plant	30%	Prime cost
Poker machines	30%	Diminishing value
Leased machines	30%	Diminishing value

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Intangible assets

Poker machine licences

Poker machine licences are considered to have an indefinite useful life. The Company tests for impairment annually, irrespective of whether there is any indication of impairment.

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2020

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or CGU.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

Financial instruments

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

Financial assets

Contract assets and receivables

A contract asset is recognised when the entity's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the entity's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The entity's financial assets at amortised cost includes trade and other receivables.

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2020

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The entity's financial liabilities include trade and other payables, interest-bearing loans and lease liabilities.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade and other payables, interest-bearing loans and lease liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Trade and other payables

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

Goods and services tax (GST)

Revenue, 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 payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Provision for employee benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2020

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Other 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 at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the entity transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the entity performs under the contract (i.e. transfers control of the related goods or services to the customer).

The services are usually provided within twelve (12) months of receipt of the payment. Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date, the liability is discounted and presented as non-current.

Going concern

As at 31 December 2020, the entity had a net current asset deficiency position of \$641,535. Based on expected future cash flows, the Directors are of the view that the entity will be able to satisfy its liabilities as and when they fall due and will continue as a going concern.

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2020

Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units, based on expected future cash flows and uses an interest rate to discount them.

Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2020

	2020	2019
	\$	\$
4. Revenue		
Poker machines net revenue	5,776,834	7,409,545
Bar sales	937,887	1,901,024
Catering sales	545,497	-
Entertainment revenue	147,308	326,621
Function revenue	25,686	80,252
Members' subscriptions	17,225	42,000
Keno commissions	87,262	147,013
TAB commissions	48,434	74,673
Sundry income	72,929	214,514
	7,659,062	10,195,642
Other income		
JobKeeper	775,500	-
Cash Flow Boost	100,000	-
Rental income	138,008	283,997
Workers compensation income	11,822	-
Interest income	283	1,453
	1,025,613	285,450
5. Cash and cash equivalents		
Cash on hand	200,000	200,000
Cash at bank	3,167,230	658,446
	3,367,230	858,446
6. Trade and other receivables		
Current		
TAB security deposit	5,000	5,000
Other debtors	13,746	17,082
	18,746	22,082
7. Inventories		
Current		
Bar stock - landed cost	39,880	42,723
	39,880	42,723
8. Other assets		
Current		
Prepayments	133,078	30,177
	133,078	30,177

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2020

	2020	2019
	\$	\$
9. Investments		
Shares at cost - ILG Co-op Ltd	-	750
Shares at cost - Community First	-	2
	<u>-</u>	<u>752</u>
10. Property, plant and equipment		
Freehold land at cost	2,986,261	2,986,261
Buildings at cost	13,542,714	13,542,714
Buildings accumulated depreciation	(4,469,304)	(4,130,735)
	<u>9,073,410</u>	<u>9,411,979</u>
Plant and equipment at cost	2,068,107	2,002,488
Plant and equipment accumulated depreciation	(1,748,495)	(1,545,900)
	<u>319,612</u>	<u>456,588</u>
Poker machines at cost	2,518,441	2,368,946
Poker machines accumulated depreciation	(1,930,113)	(1,628,437)
	<u>588,328</u>	<u>740,509</u>
Total property, plant and equipment	<u><u>12,967,611</u></u>	<u><u>13,595,337</u></u>

	Freehold Land \$	Buildings \$	Plant and Equipment \$
Net carrying amount 1 January 2020	2,986,261	9,411,979	456,588
Additions	-	-	65,619
Disposals	-	-	-
Depreciation	-	(338,569)	(202,595)
Net carrying amount 31 December 2020	<u>2,986,261</u>	<u>9,073,410</u>	<u>319,612</u>

	Poker Machines \$	Total \$
Net carrying amount 1 January 2020	740,509	13,595,337
Additions	149,495	215,114
Disposals	-	-
Depreciation	(301,676)	(842,840)
Net carrying amount 31 December 2020	<u>588,328</u>	<u>12,967,611</u>

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2020

10. Property, plant and equipment (continued)

For the purpose of determining whether the club's land and building assets are demonstrating any indicators of impairment, the Directors engaged Global Valuation Services to perform an independent external valuation in the current financial year. The valuation assessment, with an effective date of 30 January 2020, highlighted that the combined fair value of the club's land and building assets is higher than the recorded net book value of such assets as at 31 December 2020 and hence, the risk of impairment appears low. It is the intention of the Directors that an independent external valuation will be undertaken every three years.

	2020	2019
	\$	\$
11. Intangibles		
Poker machine licences at cost	205,763	205,763
	205,763	205,763
12. Trade and other payables		
Current		
Trade payables	330,514	205,216
Accrued expenses	454,849	160,236
Net GST payable	239,618	32,472
	1,024,981	397,924
13. Provisions		
Current		
Provision for employee entitlements	622,990	476,280
Provision for poker machine tax	114,928	169,551
	737,918	645,831
Non-current		
Provision for employee entitlements	41,792	51,334
	41,792	51,334
14. Borrowings		
Current		
Business loan	2,260,000	-
Lease and hire purchase liabilities	125,266	196,115
	2,385,266	196,115
Non-current		
Business loan	-	1,300,000
Lease and hire purchase liabilities	33,337	70,956
	33,337	1,370,956

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2020

14. Borrowings (continued)

The business loan facility is fully utilised and due to expire on 30 July 2021. The club also has access to a \$200,000 overdraft facility, which is unutilised as at 31 December 2020.

Security covering the above facilities comprises:

a. Registered First Mortgage from Riverstone-Schofields Memorial Club Limited over property situated at Lot 2 corner George and Market Street, Riverstone described in Certificate of Title Folio Identifier 2/524457.

b. Registered First Equitable Mortgage by Riverstone-Schofields Memorial Club Limited over the whole of the company's assets and undertakings including uncalled capital.

	2020	2019
	\$	\$
15. Other liabilities		
Contract liabilities - subscriptions in advance	35,124	12,363
GST rebate in advance	17,180	17,180
	<u>52,304</u>	<u>29,543</u>

16. Related parties

The entity's related parties include its key management personnel and related entities as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

17. Commitments

The entity has no material commitments as at 31 December 2020 (2019: None).

18. Contingent liabilities

There are no contingent liabilities that have been incurred by the entity as at reporting date.

19. Subsequent events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these accounts.

Riverstone-Schofields Memorial Club Limited
Directors' Declaration
For the Financial Year Ended 31 December 2020

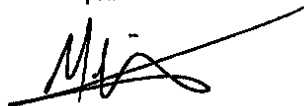
The Directors of the Company declare that in the Directors' opinion:

- a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - i) giving 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; and
 - ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
- b) there are reasonable grounds to believe that the Company is able to pay all of its debts, as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.



Lawrence Cauchi
Director
28 April 2021



Mark Paul Whitby
Director
28 April 2021



SDJ Audit Pty Ltd t/a SDJA
ABN: 11 624 245 334
P: PO Box 324
West Pennant Hills NSW 2125
M: 0428 074 081
E: simon@sdja.com.au
W: www.sdja.com.au

Riverstone-Schofields Memorial Club Limited
Independent Auditor's Report to the Members of Riverstone-Schofields Memorial Club Limited
For the Financial Year Ended 31 December 2020

Opinion

We have audited the financial report of Riverstone-Schofields Memorial Club Limited (the Company), 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 financial report of Riverstone-Schofields Memorial Club Limited has been prepared 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 20d 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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Relating to Going Concern

We draw attention to Note 3 in the financial report, which indicates that the entity had a net current asset deficiency position of \$641,535 as at 31 December 2020. This figure, as well as other assumptions, events or conditions set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern, should the assumptions, events or conditions relied upon do not eventuate or materialise. Our opinion is not modified in respect of this matter.

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

The Directors of the Company are responsible for the other information. The other information is the Directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

Riverstone-Schofields Memorial Club Limited
Independent Auditor's Report to the Members of Riverstone-Schofields Memorial Club Limited
For the Financial Year Ended 31 December 2020

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 and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

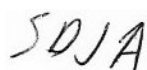
In preparing the financial report, the Directors of the Company are responsible for assessing the registered Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors of the Company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

The Directors of the Company are responsible for overseeing the Company's financial reporting process.

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 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 the financial report.

A further description of our responsibilities for audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.



SDJA



Simon Joyce

Director

28 April 2021

Sydney, New South Wales

2020 - VALE

BARRY ATUTAHU

ALLAN BEARD

STEPHEN BROWNE

FRANK BUTTIGIEG

ROBYN CLARKE

LILY COLLIER

DARRELL CREAMER

CHRIS DAKIN

PHILLIP DWYER

ROBERT FITZGERALD

SHIRLEY HENRY

JUNE HENRY

GREGORY HOURN

LEO KELLY

JULIAN PORTELLI

PHILIP SAYERS

ALMA SCHOFFEL

ROBERT SHEPHERD

WALTER SHOBRIDGE

CARMEN SULTANA

STEVEN TAPPOURAS

BERNARD JOHN THOMPSON

GEORGE VELLA

GUENTER VON SAWILSKI

OWEN WHALAN

MONICA WOLFFE

WILLIAM YOUNG



Riverstone Schofields

MEMORIAL CLUB

CORNER MARKET & GEORGE STREET RIVERSTONE NSW 2765

PH: 9627 1811

RIVERSTONEMEMORIAL.COM.AU