



2020

ST MARYS RUGBY LEAGUE CLUB ANNUAL REPORT



BOARD OF DIRECTORS ELECTED UNOPPOSED



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25 August 2020

Mr R Desborough
Chief Executive Officer
St Marys Rugby League Club
Cnr Forrester & Boronia Roads
ST MARYS NSW 2760

Dear Rod

I refer to the conduct of the 2020 Biennial Election of the Board of Directors of St Marys Rugby League Club.

At the close of nominations at 5.00pm, Monday 24 August 2020, nominations were only received from the following candidates, therefore they are elected unopposed:

9 DIRECTORS:

- Warren SMITH**
- David CARTWRIGHT**
- Ron COSKERIE (Jnr)**
- John BURNS**
- Joe BORG**
- Ben DICKER**
- Simon DICKER**
- Robert GORST**
- Michael HILTON**

Yours faithfully

Michael Nevin
Returning Officer, Election Solutions NSW



WARREN SMITH OAM
PRESIDENT

DAVID CARTWRIGHT
VICE PRESIDENT

RON COSKERIE (JNR)
VICE PRESIDENT

JOHN BURNS
DIRECTOR

JOE BORG
DIRECTOR

BEN DICKER
DIRECTOR

SIMON DICKER
DIRECTOR

ROBERT GORST
DIRECTOR

MICHAEL HILTON
DIRECTOR

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the next Annual General Meeting of St Marys Rugby League Club Limited will be held on Sunday 29th November 2020, commencing at 10am in the Boronia Showroom at the premises of the Club at the Corner of Forrester & Boronia Roads, St Marys.

BUSINESS

1. Opening
2. Attendance & quorum
3. Apologies
4. Receipt of the minutes of the previous Annual General Meeting held Sunday 24th November 2019.
5. Receipt and consideration of the Club's Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2020.
6. Ordinary Resolutions: To consider and if thought fit, pass with or without modification, each of the eight proposed resolutions which are set out on pages eleven to twelve of this notice.
7. To consider and if thought fit, pass the following resolution regarding Life Membership pursuant to Rule 23 of the Club's constitution:

That the following Football Member, having met the requirements set out in the Club's Constitution and having been duly approved by the Board, be elected to Life Membership of the Club:

Mr Laurie Eldridge, Membership Number 1301, proposed by Mr Lance Kneller, Life Member Number 8 and seconded by Mr John Leaver, Membership Number 52977.

Please note that in order to be passed, the above resolution must receive votes in favour from not less than 75% of those members who being eligible to do so vote in person on the resolution at the meeting.

8. Elections: Declaration of the results of the election of the nine Directors.
9. General Business

NOTICE OF QUESTIONS OR REQUESTS FOR DETAILS

Members who wish to raise any queries or seek any information, including questions in relation to the accounts or reports or specific legislative or financial matters, are asked to provide written notice of the question to the office of the Chief Executive Officer at least 14 days prior to the meeting, so that answers may be researched, if required.

ELIGIBILITY

Only Life Members, Financial Football Members and Financial Supporting Members have the right to attend and vote on all resolutions proposed at the meeting. Staff Members are not entitled to vote at the meeting or on the election of the Board of Directors. Under the Registered Clubs Legislation, proxies are not permitted.

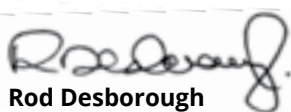
Financial Associate Members are entitled to vote on the election of the Board and the three Ordinary Resolutions proposed in relation to honorariums.

Notice of the meeting is being given to the Club's Auditor, who is entitled to attend.

Any ordinary resolution must receive votes in favour from not less than 50% + one of the eligible members who cast a valid vote in person at the meeting.

It is a legal requirement that no resolution may be proposed at the meeting that is not already listed in the notice of meeting.

By authority of the Board



Rod Desborough
Secretary and Chief Executive Officer
15 October 2020

PRESIDENT'S REPORT



In my 31 years as President of St Marys Rugby League Club, the last twelve months have certainly been the most challenging, stressful and devastating that I have seen the Club, rugby league and the wider community endure.

For the first time in the Club's history, Government restrictions forced the Club to close its doors and remain closed for almost three consecutive months. When the Club did re-open on the 1st June 2020, it was under restrictions and a significantly reduced venue capacity. Despite these challenging and unprecedented times, I am pleased to advise that the Club is in a strong financial position. The meticulous level of reporting provided by our CEO, Rod Desborough and the Executive Management team, enable the Board to make sound financial decisions. The decision making process and the Federal Government's JobKeeper scheme can be hugely attributed to our strong position.

The St Marys Rugby League Club Board share a great passion for your Club, and want to ensure that Saints remains financially viable for future generations of rugby league players, members, and the community to enjoy. In the current and uncertain climate, it was considered prudent to delay the Western Foyer and Conference Centre development. It is hoped that in the not too distant future we will see changes to restrictions, a revived economy and subsequently the commencement of this development.

Every year I give praise to a very deserved Junior League Committee, but this year I have really struggled to

find the right words to truly convey my appreciation of their efforts in 2020.

After a delayed start to the season, the mighty Saints returned to play under strict Government and NSW Rugby League guidelines. The guidelines were put in place to ensure everyone's safety, but they also placed enormous, added pressure on our volunteers. On behalf of all players, parents, members and the Board of Directors I would like to sincerely thank our devout Junior League Committee and Junior League Executive for their outstanding efforts and commitment to Saints. Without the assistance of these wonderful volunteers, Saints would not have been able to comply with restrictions or compete in 2020. It is often during tough times that you really discover what people are made of and our Junior League Committee did not disappoint. Special thanks and congratulations must go to Rugby League Manager, Adam Przybyla, Rugby League Administrator Dannielle Black and our Junior League Executive; Peter Bowler (President), Janelle Borg (Secretary), Brad Anderson (Vice President), Dani Eldridge (Secretary) and Brett Peaty (Secretary).

For most of my 31 years as Club President, Ron V Coskerie "Cossie" has been by my side as a fellow Director and great mate. In March of this year Cossie decided that after 29 years, 26 of which he served as Vice President, it was time for him to step down and make way for the next generation of club leaders. I would like to sincerely thank Cossie for his outstanding contribution to the Club and his valued input as a member of the Board. During Cossie's tenure, the licensed premises and our rugby league programs not only survived tough times, they grew and prospered. As a Life Member and true Saint, Cossie continues to play an integral role in the Club's activities.

The Club's number one priority has always been the safety and wellbeing of our staff, members and the community. Our CEO, Rod Desborough and his Management team have done an outstanding job in not only ensuring the safety and wellbeing of all who enter the doors of St Marys Rugby League Club, particularly in the current climate, but for ensuring compliance with public health orders and constantly changing regulations.

The ability of Rod and the Management team to expeditiously adapt and implement changes not only meant that St Marys Rugby League Club could continue to operate but that it could continue to support the Club's 47,000 Members and engage almost 200 staff. Our operational staff have also been

fantastic in adapting to the continuous changes, and regardless of what is going on in the world, you can always count on the warmest welcome and excellent service from the staff at Saints.

Lastly, to the Club's 47,000 valued members, thank you for electing the Board unopposed and for entrusting us to represent you for a further term. It is a responsibility that we accept with enormous honour and pride. As a Board, the best interests of the St Marys Rugby League Club Members, staff and the community will always be considered first and foremost.

A handwritten signature in black ink, appearing to read "Warren Smith".

Warren Smith OAM
President

RON "COSSIE" COSKERIE

ANOTHER TRUE SAINT RETIRES



At the March Board of Directors Meeting, Mr Ron V Coskerie (Cossie) advised of his decision to resign from the Board of Directors.

After 29 years as a Member of the St Marys Rugby League Club Board, 26 of which he served as Vice President, Cossie believed that it was time to retire and make way for the next generation of club leaders. Cossie is a man who has always put the best

interests of the Club first and foremost and his resignation is just another example of his many selfless acts.

In Cossie's letter of resignation he stated, *"St Marys Rugby League Club has been a very important part of my life and I am extremely proud of my contribution that has seen the Club and rugby league in our community prosper and grow."* He also reflected on the many highlights during his 29 year tenure including being awarded the Australian Sports Medal in 2000 for services to rugby league and being afforded Life Membership of St Marys Rugby League Club, of which he is truly honoured.

On behalf of the Board of Directors, management, staff and members I would like to sincerely thank and congratulate Cossie for his outstanding commitment and contribution to Saints. A contribution that extends beyond that of the Board Room and the licensed premises. As the coach of many premiership winning sides Cossie has achieved great success on the field but more importantly he has been a wonderful mentor, and over the years he has helped numerous players realise their full potential as players and as people.

To fill the casual vacancy left by Cossie's resignation, the Board resolved to appoint Mr Ben Dicker to the St Marys Rugby League Club Board of Directors. The Dicker name is

synonymous with Saints, Ben's father Tony was a Life Member and he was President of the Club when the licensed premises was first established in 1982. Ben's brother Simon is also currently serving as a member of the Board.

Ben himself has been an active member of the Club for over 28 years, he holds the record for the greatest number of games played for the Club and in 1995 he was awarded the prestigious Life Members Trophy for his contribution both on and off the field. For 20 years Ben has also volunteered much of his time to Saints, holding positions as a Coach, Assistant Coach and Trainer.

I would like to congratulate Ben on his appointment, I have no doubt that like his predecessor Cossie, Ben will be a great asset to the St Marys Rugby League Club Board.

Although Cossie has resigned from his position as a Director, as a Life Member and true "Saint" he will continue to play an integral role in the Club's activities.

Warren Smith OAM
President



1990 A-Grade undefeated premiers. Coach Ron Coskerie.

CHIEF EXECUTIVE OFFICER'S REPORT



Whilst preparing this report, words escape me as to describe what has happened over the last twelve months. Unprecedented does not seem to be a strong enough word and yet this single word has become part of our everyday vocabulary.

It is inconceivable that Australia would face four devastating events in a matter of just 12 months with drought, fire, flood and the Covid-19 pandemic. These events have decimated families, communities, businesses, livelihoods, our precious wildlife and occasionally our spirits.

To Warren Smith OAM and the Board of Directors, I would like to thank and congratulate you on your outstanding demonstration of corporate governance and the wonderful compassion and empathy that you have displayed during these devastating events.

At the very beginning of the Covid-19 pandemic, the Board were unanimous in adopting two major priorities:

- The health, safety and wellbeing of staff, members and the community; and
- Compliance with NSW Government Health Orders.

I am proud to note that the Club not only embraced Government restrictions but at times exceeded what was required to minimise the potential risk of Covid-19 on the premises and transmission amongst the community.

The Club's continual success has been based on the right decisions being made at the right times. This has never been more apparent or crucial than over the last twelve months, and once again the Board has been extremely strategic and prudent in their decision making. Prior to the pandemic, the Club was in a very strong financial position and I am pleased to advise that it is still in a very strong financial position with cash and cash equivalents of \$13,421,909 and Member's funds of \$75,415,520.

Members were informed in the 2019 Annual Report and Notice of AGM that the Club would undergo major infrastructure and renovation works during the 2019/2020 year. Despite the forced closure of NSW clubs on March 23 2020, the Board resolved to continue with the works as scheduled, to ensure that the Club was able to meet the challenges and opportunities of a post pandemic environment and economy. The works included:

\$2 Million High Voltage Infrastructure Upgrade

The Club was operating off the original substations which were commissioned when the Club first opened its doors, almost 40 years ago. The substations were running at full capacity and at the end of their life span. A high voltage energy upgrade was required before any further facility or building developments could occur.

\$2 Million Buffet Restaurant Renovation

The Bambusa Buffet Restaurant had served the Club well for many years. However, to continue to meet the needs and expectations of members the restaurant needed to evolve.

The concept of a Buffet was retained but the restaurant was completely transformed to provide members with an exciting new dining experience. Current Covid-19 restrictions prevent us from operating the restaurant as originally intended and designed however, what we have implemented in the interim is a special and unique all you can eat "seated" buffet experience and pleasingly, the restaurant is being extremely well received in its current format.

The Club was also very fortunate to secure the services of highly respected restaurateur Mr Michael Lau who operates several successful restaurants across Sydney and Melbourne. We are excited that Mr Lau has now added our own Waterstone Grill and Signatures Buffet Restaurant to his portfolio.

\$2 Million Extensive Renovations

Renovation works to several areas of the Club were completed prior to Christmas

including the lounge areas, Ironbark Terrace, Waterstone Grill and the Coffee Shop, which is now known as "MILLYS". Major roof repairs were also undertaken over the original Club footprint and a new heating system installed to the Gaudi Terrace for member comfort.

Before progressing with the next stage of the development program, being the Western Foyer and Conference Centre, the Board wanted to ensure that the Club provided members with the best facilities in the hospitality industry. To that end, I believe that the Club has achieved that goal and Saints is simply stunning.

FINANCIALS

A three-month shutdown and severe restrictions significantly impacted on Club revenue for the year. Revenue from Club operations was down approximately \$8 million and revenue from Hotel operations down approximately \$1 million.

With the closure of international and state borders, and NSW Government restrictions surrounding travel and sporting tournaments the Hotel received over 2,600 room cancellations during the first three weeks of March. At that same time, the Government announced the shutdown of NSW clubs and lockdown restrictions across the country, making the decision to temporarily close the Holiday Inn Sydney St Marys a foregone conclusion.

Due to the significant reduction in Hotel occupancy resulting from Covid-19 and the auditors' interpretation of an Accounting Standard, the auditors requested a revaluation of the Hotel. Based on the valuation methodology required by the auditors, the book value of the Hotel decreased by \$937,144 which impacted the Club's profit and loss for the year.

It is important to note that this amount is a book entry only. When occupancies return to pre Covid-19 levels, the value of this asset will increase and reflected accordingly in future financial statements. It is also important to note that the valuer reported the cost to rebuild the Hotel at \$32 million, vastly exceeding the current \$21.5 million valuation.

The Hotel was built for the Club's future and in preparation of Western Sydney's projected development over the next ten years. I have no doubt that we will see the Hotel reach its full potential.

Despite all the impacts and challenges that the past twelve months presented, the Club reported a total loss of \$1,526,349 compared

to a profit of \$1,217,765 the prior year. When taking into consideration the impact of the Hotel valuation (\$937,144), Covid-19 and a subsequent \$9 million reduction in revenue, this is a great financial result.

Post shutdown, I am pleased to report that the Club is trading well. I am confident that we will see revenue slowly begin to increase and the Club's financial position become even stronger.

MANAGEMENT & STAFF

Each year I talk about the challenges that the Club and the industry faced over the preceding twelve months and thank and congratulate Management and staff on their excellent efforts. The pandemic, the lockdown and the ever changing restrictions created challenges that we have never faced before and I could not be more thankful and proud of all our staff and the way in which they responded.

The Management team worked tirelessly to understand and comply with public health orders, to manage the needs and welfare of nearly 200 staff and when restrictions were eased, ensured that the Club and staff were ready to welcome you back. The way in which the staff accepted and embraced ongoing changes to restrictions and operations is to be commended. The true culture and character of our Club really came to the fore with care, understanding and a genuine desire to look after patrons and each other.

MEMBERS

I have been overwhelmed by the number of comments thanking and supporting the Club on the difficult decisions that have had to be made during Covid-19. I would like to sincerely thank the members for recognising and appreciating that our priorities were and continue to be, to comply with health orders and to keep everyone as safe as possible.

JUNIOR RUGBY LEAGUE COMMITTEE

Thank you to Junior League President Peter Bowler, his Executive, Committee and all of the Club's coaches, trainers and officials who not only volunteered much of their personal time but who had a genuine desire to get our players back on the field under difficult restrictions. Without your dedication and commitment, the Club would not have been able to compete in 2020 and 760 Saints would not have been able to enjoy the wonderful game of rugby league.

A TRUE SAINT

You will find in this Report, a tribute to Mr Ron V Coskerie or "Cossie" as he is known to many. In March of this year Cossie made the decision to retire from the Board to make way for the next generation of Club leaders. Cossie has always put the best interests of the Club first and his decision to retire was another great example of his true character and love of the Club. On behalf of all members and staff I would like to sincerely thank and congratulate Cossie for his outstanding contribution over a staggering 29 years. As a Life Member and true "Saint",

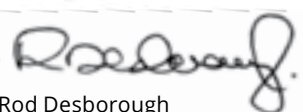
Cossie will continue to be an active member of the Club and great supporter of our rugby league program.

FUTURE

Although the Western Foyer and Conference Centre development is on hold at this stage the development is 'push button' ready, and with the Club's strong financial position I am confident that a start date will be announced in the near future.

Discussions regarding the development of Independent Living Units on the site have also been put on hold at this stage.

Lastly, I would like to thank my wife Christine and my family for their understanding and patience during a very stressful and challenging time for everyone.



Rod Desborough
Chief Executive Officer

RUGBY LEAGUE MANAGER'S REPORT



Firstly, I would like to introduce and give a warm welcome to our newly appointed Rugby League Administrator, Dannielle Black and our Coaching & Development Officer, Michael Weldon. Dannielle is responsible for assisting myself and the Junior Rugby League Committee in the professional administration and day to day operation of the St Marys Junior Rugby League Club. Michael will implement and facilitate programs to improve the quality and standard of the St Marys Junior Rugby League players, coaches and trainers.

Well, what a season 2020 turned out to be!

With the unprecedented challenges that Covid-19 presented, after a lengthy delay we were extremely excited to announce that the Club would be proceeding with the junior program and nominations for our U6's to U19's teams. The Club's process in considering the 2020 competition was a very meticulous one with strong considerations to our rugby league community and as always, the health and safety of our players, coaches, officials, volunteers, and their families first and foremost. With that in mind, the Board of Directors made the tough decision to withdraw from the Ron Massey Cup, Sydney Shield and Harvey Norman Women's Premiership competitions in 2020, to reallocate resources and focus on a safe "return to play" for our 760 juniors. It is anticipated that the Club will compete in these higher tier, senior competitions again in 2021 and continue to provide clear pathways for boys, girls, men and women wanting to pursue the great game of rugby league.

To ensure a safe "return to play" for our juniors and compliance with both NSW Rugby League guidelines and public health orders, additional measures were implemented and greater pressure was placed on our volunteers. I would like to pay tribute and recognise the outstanding contribution of all Saints volunteers during an extremely difficult year. Their unconditional support and sacrifice ensured that training sessions and game days ran efficiently under strict Covid-19 guidelines and Saints' strong reputation as a professional club was proudly upheld. I could not have asked

for a more dedicated group of volunteers led by Junior League President Peter Bowler and closely supported by Vice President Brad Anderson, Secretary Janelle Borg and Assistant Secretaries Dani Eldridge and Brett Peaty.

OVERALL PERFORMANCE

Saints is renowned amongst the local and wider rugby league community for providing one of the best playing surfaces in the game. The Club's Ground Manager, Darren South and his team are dedicated to ensuring that all our grounds are in peak condition, giving Saints the greatest opportunity to prepare and perform.

This season the Club fielded 53 teams in the Penrith & Districts Junior Rugby League Competition. With the Under 6's, Under 7's and Under 8's age groups participating in a non-competitive format, 32 Saints teams were eligible to participate in finals football. From those 32 teams, Saints was represented by a staggering 23 sides in the semi-finals series. Of those 23 teams, 16 went on to the Grand Finals and 6 teams were named 2020 Premiership Winners.

PREMIERSHIP WINNERS

Congratulations to the following Premiership Winning sides:

TEAM	COACH	MANAGER
Under 9/1's	Daniel Golledge	Peter O'Brien
Under 13/3's	Todd Breadsell	Jeannie LeCornu
Under 14/1's Girls	Len Rite	Courtney Vaalele
Under 16/1's Girls	Shenelle Haumono	Melinda Haumono
Under 16/1's	Todd Councillor	Gail Kata
Under 19/1's	Tama Taoho	Therese Stivala

PLAYER ACHIEVEMENTS

Congratulations to the following St Marys Juniors who have been selected in the 2021 Penrith Panthers Harold Matthews and SG Ball squads.

Penrith Panthers Harold Matthews

Billy Scott
Cody Kay
Liam Ison
Harrison Hassett
Latrele Leota
Jermaine McEwen
Tylor Bunting
Henry Neemia
Papaseea Tamasea
Peter Tafaese
Elijah Mataale

Penrith Panthers SG Ball

Kai Hillen
Konisi Vosaicake
Pharelle Zimmerman
Sione Neiufi
Fili Fiu
Izaak Nasio
Jai Wynbergen

EMERGING FEMALE SAINTS PROGRAM

During the year we began working on a new development program to further support our pathway system and to ensure the education and development of aspirational female players in the key areas of rugby league. With greater opportunities for talented female players to represent their clubs, regions, states and countries, the "Emerging Female Saints" (EFS) Program was designed to raise the standards within the game, on and off the playing field.

Players will be identified through their performances within their specific St Marys teams and assessed on their attitudes to training and self-development. We will work with those selected players during the off-season and provide them with a modified program during the competitive season. The program will allow us to monitor and nurture these players as they progress through the grades at Saints.

Ultimately, the aim is to take this talent, provide knowledge and experience through coaching and education, and to develop an aspiring next crop of Saints Harvey Norman Women's Premiership players.

PROPOGATING THE GAME

During the 2019/2020 year over 100 rugby league games were played at the St Marys Leagues Stadium and, despite the significant impact that Covid-19 had on the licensed premises St Marys Rugby League Club continued to provide monetary and in-kind support to rugby league clubs, sporting groups and individuals including the Men of League Foundation, Masters of Rugby League, Colyton Colts Junior Rugby League Football Club and the Clontarf Foundation's Rugby League Program.

I would like to thank the Board of Directors and CEO Rod Desborough, for remaining true to the Club's commitment to propagate the game of rugby league, during what was an extremely challenging year.

Adam Przybyla
Rugby League Manager



LIFE MEMBERS



BILL WEBSTER



TONY DICKER



TONY MITCHELL



GRAEME DELANOUE



DOUG FALCONER



MERV SMART



LIN FALCONER



LANCE KNELLER



WARREN SMITH OAM



GARY SULLIVAN



RON COSKERIE



DAVID CARTWRIGHT



KEIRAN BABBAGE



JOHN BURNS



STEWART JEFFERY

COMMUNITY ENGAGEMENT

The last 12 months have proved extremely challenging for all with devastating events significantly affecting our quality and way of life. Despite these events, and the Club being forced to close its doors for a considerable amount of time, we remain determined to continue our support of organisations, charities, local projects and sporting groups that are in need of help.

We know that our community is hurting like never before and we are committed to staying true to our mission statement "to make a significant difference to the social and economic wellbeing of our community". To this end, Saints has continued to make substantial cash and in-kind donations totaling over \$800,000 in the past year.

In a conscious effort to support hard hit regional NSW, the Club sourced a share of the regular raffle prizes from small regional businesses, hence the success of our "Buy from the Bush" raffles. Donations were also made to the Australian Red Cross and WIRES to support the Bushfire Relief campaigns.

On a local front, significant projects and services to receive funding this year include; Your Community Needs Limited - St Marys (\$20,000), Salvation Army - St Marys (\$22,000), Men of League Foundation (\$10,000), Clontarf Foundation (\$9,492), Cystic Fibrosis (\$1,000), Nth St Marys Preschool (\$20,368), Share the Dignity (\$5,500), Variety, The Children's Charity (\$5,000), Ropes Crossing Strikers (\$10,000), Colyton Rugby League Football Club (\$8,160), Rotary Club of Penrith (\$2,000), NADO (\$2,936) and The Haven - Nepean Women's Shelter (\$40,000).

The financial support that Saints provides is considered vital to many community organisations such as:

The Haven-Nepean Women's Shelter (\$40,000)

Is a community funded shelter providing crisis accommodation for women and children escaping domestic violence in the Nepean area and one such organisation that without the support of Saints would struggle to provide this critical service.

Our funding will cover the cost of a dedicated case worker to advocate and liaise on the victim's behalf to secure long-term housing, financial assistance, legal support, medical help, employment assistance and much more.

Penrith Community Kitchen (\$17,000)

Provides over 18,000 lunches each year for struggling and disadvantaged people within our community. In the current environment this is expected to increase significantly as clients, "anyone in need of support" experience more hardships and the pressures of the COVID crisis increase.

The support from Saints will go directly towards providing a free cooked lunchtime meal to those in need.

Mama Lana's Kitchen (\$7,500)

Since 2016 the mission statement of Mama Lana's Kitchen has been to provide an environment whereby disadvantaged or homeless children and families in the community can have a sit-down warm meal at night. As a result of COVID restrictions Mama Lana's are now required to provide take-away meals to those in need.

Our donation will go directly towards the purchase of take-away containers, additional safe food preparation measures (incorporating social distancing) and sanitisation of the processes and premises.

The Salvation Army - Youthlink Reconnect Program (\$22,000)

The centre for this program located in Queen St, St Marys provides crisis and on-going welfare assistance, including clothing, transport, phone credit, food and other practical support for young people 12-18 years old who are homeless or at risk of homelessness.

The COVID crisis is driving changes in welfare services at a pace, our financial support will assist in providing a case worker to help make a difference to these at-risk young people.

Your Community Needs (YCN) St Marys (\$20,000)

YCN provides free or low-cost groceries to the homeless, disabled and disadvantaged families in the community. Pre-COVID this small outlet helped around 800 people each week, amid this crisis, the number of people visiting the store is now between 900-1500 each week. Rita is the founder of this store and works 6 days a week living by the mantra that no-one will go hungry on her watch.

The funding provided by Saints will go directly towards purchasing food, the lease on their freezer and increasing electricity costs.

As referenced earlier, our way of life as we know it, has changed. However, regardless of the challenges the Club faces we will continue to fulfill our charter to promote and propagate the game of rugby league whilst building the foundations for genuine partnerships with those in need in our local community... The Saints Way.



Member for Londonderry Prue Car MP with the team from Saints and YCN

NOTICE OF ORDINARY RESOLUTIONS

It is a legal requirement that no resolution may be proposed at the meeting that is not already listed in the Notice of Meeting.

Any ordinary resolution must receive votes in favour from not less than 50% + one of the eligible members who cast a valid vote in person at the meeting.

Ordinary resolutions to be proposed at the meeting.

FIRST RESOLUTION

That the members authorise (and declare to be reasonable) the payment or reimbursement by the Club up to a maximum not exceeding \$80,000 (before GST) for, or the provision by the Club at the Club's expense of, the following in respect of each of the Directors including the President:

- a. the reasonable cost of clothing indicative of their position as a Director.
- b. reasonable expenses incurred by Directors in travelling to and from Board meetings or other duly constituted Committee meetings, as approved by the Board from time to time on production of invoices, receipts or other proper documentary evidence of such expenditure.
- c. the cost of reasonable food and refreshments before, during and at the conclusion of Board and Committee meetings.
- d. the payment of the premium for Directors' and Officers' insurance cover.
- e. reasonable out-of-pocket expenses incurred when carrying out their duties in relation to the Club including (without limitation) the reasonable costs of the entertainment of special guests of the Club and participation in Club promotional activities (whether at the Club's premises or elsewhere), where such out-of-pocket expenses are approved by a current resolution of the Board.
- f. the reasonable cost of Directors and their partners or invited guests attending functions (in respect of a football game or otherwise) at the St Marys Leagues Stadium Corporate Hospitality Area whilst representing the Club in its corporate capacity.
- g. the reasonable expenses incurred, up to a maximum amount not exceeding \$4,000, in relation to providing a funeral for departed

members in circumstances which the Board, in its discretion, determine are special and significant to the Club.

- h. the reasonable expenses incurred, up to a maximum amount not exceeding \$4,000, in relation to providing a wake for departed members in circumstances which the Board, in its discretion, determine are special and significant to the Club.
- i. car parking spaces for their exclusive use.
- j. the reasonable cost of Directors and their partners attending the annual dinner and other functions as approved by the Board.
- k. preferential bookings or reservations for Club functions.

Explanatory Note - First Resolution

It is necessary and appropriate for the Directors to be active in performing their duties and pursuing the Club's success.

Directors' out-of-pocket expenses reasonably incurred in the course of carrying out their duties, can already be authorised by the Board. However, the proposed resolution, in the interests of transparency, makes disclosure of some of the types of expenses likely to be incurred.

To the extent that the resolution involves the payment of certain specific out-of-pocket expenses, the resolution will acknowledge that expenses of the types proposed are reasonable and there is or will be a current resolution of the Board authorising the payment of expenses of the kind listed.

To the extent that the proposed expenses involve the provision of benefits not in the form of money or a cheque being provided to a specific class of member, that is permissible with a current authorisation from a General Meeting.

To the extent that the proposed expenses might otherwise be regarded as a profit, benefit or advantage is not offered equally to every full member and able to be authorised as above, they are still permissible if the Court is of the opinion that they are reasonable in the circumstances. The resolution seeks to acknowledge certain types of Directors' expenses that are regarded by the members as being reasonable in the circumstances.

The present Board unanimously recommend the proposed resolution.

SECOND RESOLUTION

That the members authorise (and declare to be reasonable) the payment or reimbursement by the Club up to a maximum not exceeding \$50,000 (before GST) for, or the provision by the Club at the Club's expense of, the following in respect of each of the Directors including the President:

- a. the reasonable cost of the Directors and their partners attending the Clubs NSW Annual General Meeting and the Leagues Clubs Australia Annual Conference.
- b. the reasonable cost of attendance at trade shows, conferences and meetings and the reasonable cost of professional fees and training in relation to their role and responsibilities as a Director.
- c. the reasonable cost of Directors and their partners attending other registered clubs or gaming, entertainment, leisure or recreation venues for the purpose of viewing and assessing their facilities and methods of operation, where the attendance is approved by the Board as being necessary for the benefit of the Club.

Explanatory Note - Second Resolution

Differing from the First Resolution, this Resolution addresses the costs of matters associated with professional development and information gathering.

To the extent that the resolution involves the payment of certain specific out-of-pocket expenses, the resolution will acknowledge that expenses of the types proposed are reasonable and there is or will be a current resolution of the Board authorising the payment of expenses of the kind listed.

To the extent that the proposed expenses involve the provision of benefits not in the form of money or a cheque being provided to a specific class of member, that is permissible with a current authorisation from a General Meeting.

To the extent that the proposed expenses might otherwise be regarded as a profit, benefit or advantage that is not offered equally to every full member and able to be authorised as above, they are still permissible if the Court is of the opinion that they are reasonable in the circumstances. The resolution seeks to acknowledge other types of Directors' expenses that are regarded by the members as being reasonable in the circumstances.

The present Board unanimously recommend the proposed resolution.

THIRD RESOLUTION

That the members authorise (and declare to be reasonable the payment or reimbursement by the Club) up to a maximum amount of \$25,000 (before GST) for, or the provision by the Club at the Club's expense of, the reasonable costs for Directors and other members, who the Board requests to accompany rugby league teams from the Club when travelling, including airfares, accommodation, meals, beverages, travelling and incidental expenses.

Explanatory Note – Third Resolution

The context of this proposed resolution is similar to the previous resolutions.

It deals with expenditure to be incurred in connection with individual Directors or other members who the Board requests to accompany rugby league teams from the Club when travelling.

The present Board unanimously recommend the proposed resolution.

FOURTH RESOLUTION

That the members authorise (and declare to be reasonable) the payment or reimbursement by the Club up to a maximum amount of \$110,000 (before GST) for, or the provision by the Club at the Club's expense of, reasonable costs for Directors to travel overseas including airfares, accommodation, meals, beverages, travelling and incidental expenses, where approved by the Board for the purposes of research of the design and development of the Club and its premises and operations and the conduct of its sporting activities.

Explanatory Note – Fourth Resolution

The context of this proposed resolution is similar to the previous resolutions.

It deals specifically with expenditure to be incurred in connection with Directors undertaking overseas travel in the interests of Club development with the approval of the Board.

The present Board unanimously recommend the proposed resolution.

FIFTH RESOLUTION

That the members approve the payment of an honorarium at the monthly rate of \$550 in arrears, and prorated on a daily basis for any broken period of less than a calendar month at the start or end of their term, to the President of the Club in respect of his service on the Board until the next Annual General Meeting.

Explanatory Note – Fifth Resolution

An honorarium may only be paid where approved by a resolution passed at a General Meeting.

Under the Registered Clubs Legislation, the only members entitled to vote on this resolution are the members who are entitled to vote on the election of the Board.

Amendments to the Superannuation Guarantee (Administration) Amendment Bill 2011 came into effect on 1 July 2013. Under the changes superannuation is payable on all earnings over \$450 per month including honorariums.

The present Board unanimously recommend the proposed resolution.

SIXTH RESOLUTION

That the members approve the payment of an honorarium at the monthly rate of \$400 in arrears, and prorated on a daily basis for any broken period of less than a calendar month at the start or end of their term, to each Director of the Club in respect of their service on the Board until the next Annual General Meeting.

Explanatory Note – Sixth Resolution

As noted above, an honorarium may only be paid where approved by a resolution passed at a General Meeting.

Under the Registered Clubs Legislation, the only members entitled to vote on this resolution are the members who are entitled to vote on the election of the Board.

The present Board unanimously recommend the proposed resolution.

SEVENTH RESOLUTION

That the members approve the payment of an honorarium at the monthly rates set out below and in arrears, and prorated on a daily basis for any broken period of less than a calendar month at the start or end of their term, to each of the members of the rugby league subcommittee identified below in respect of their service on that committee until the next Annual General Meeting.

Secretary	\$120.00 per month
President	\$100.00 per month
Vice President	\$100.00 per month
Assistant Secretary	\$100.00 per month
Assistant Secretary	\$100.00 per month

Explanatory Note – Seventh Resolution

As noted above, an honorarium may only be paid where approved by a resolution passed at a General Meeting.

Under the Registered Clubs Legislation, the only members entitled to vote on this resolution are the members who are entitled to vote on the election of the Board.

The present Board unanimously recommend the proposed resolution.

EIGHTH RESOLUTION

That the members authorise (and declare to be reasonable) the payment or reimbursement by the Club up to a maximum not exceeding \$20,000 (before GST) for, or the provision by the Club at the Club's expense of, the following in respect of each of the Club's Life Members:

- the reasonable cost of clothing indicative of their position as a Life Member.
- the reasonable cost of Life Members and their partners attending functions at the St Marys Leagues Stadium Corporate Hospitality Area whilst representing the Club.
- The reasonable cost of Life Members and their partners attending official club functions and other industry events, as approved by resolution of the Board.

Explanatory Note – Eighth Resolution

This resolution deals with expenditure likely to be incurred in connection with Life Members and their partners attending Club and industry events that the Board deem appropriate and in recognition of their status as a Life Member, as approved by the Members.

The Board unanimously recommended the proposed resolution.

CORE & NON CORE PROPERTY

The Registered Clubs Act requires the annual report to specify the core and non core property of the Club.
The following site master plan identifies all of the Club's land holdings and clearly identifies what is deemed 'core' and 'non core'.



AREA 1 (CORE)

Area 1 which is deemed as the Club's core property consists of the Club building, Club car parking and St Marys Leagues Stadium.

AREA 2 (NON CORE)

Area 2 is located to the east of the Club's boundary along Boronia Road. It is zoned as a 'SP1 Special Activities' zone with 'Registered Club'. Permitted uses are limited to land ancillary to the Club operation. The Board resolved to explore development opportunities congruent with the zoning of the land.

AREA 3 (NON CORE)

The site marked Area 3 on the above plan is the site where McDonalds is located.

AREA 4 (NON CORE)

This area is to be used for future Club extensions and is where the Holiday Inn Sydney St Marys is located. Area 4 is deemed non core to permit long term leases associated with joint ventures eg. Go Bananas Family Entertainment Centre and catering licences.

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The directors present their report together with the financial statements of St Marys Rugby League Club Limited (the Company or the Club) comprising the Company and its subsidiaries (together referred to as the Consolidated entity) for the financial year ended 30 June 2020 and the auditor's report thereon.

1. DIRECTORS

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

NAME, QUALIFICATIONS	EXPERIENCE	POSITION	RESPONSIBILITIES
Warren Earl Smith OAM	Sales Consultant / Semi Retired	Director since 1986	Board President
David Cartwright	Construction Supervisor	Director since 1997	Board Vice President
Ronald Vincent Coskerie	Painting Contractor (Retired)	Director since 1991 Resigned 30 March 2020	
William John Burns	Driver Co-ordinator (Retired)	Director since 2002	
Michael Hilton	Transport Supervisor (Retired)	Director since 2003	
Ronald James Coskerie	Bank Executive	Director since 2007	Board Vice President
Joseph Borg	Self Employed Concreter	Director since 2012	
Robert Lindsay Gorst	Small Business Owner	Director since 2014	
Simon Dicker	Program Manager	Director since 2018	
Matthew Benjamin Dicker	Owner of Communications Company	Director since 30 March 2020	

Unless otherwise stated, the directors held office for the entire period.

2. DIRECTOR'S MEETINGS

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

DIRECTOR	BOARD MEETINGS	
	A	B
Warren Earl Smith OAM	15	15
David Cartwright	15	15
Ronald Vincent Coskerie	11	11
William John Burns	15	15
Michael Hilton	15	15
Ronald James Coskerie	14	15
Joseph Borg	15	15
Robert Lindsay Gorst	15	15
Simon Dicker	15	15
Matthew Benjamin Dicker	4	4

A- Number of meetings attended

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

3. OBJECTIVES AND STRATEGY

The short-term strategic objectives for the year were:

- Uphold the objects listed in the Constitution with a commitment to rugby league being foremost;
- Financial consolidation to ensure the Club remains in a strong financial position;
- Ensure that the Club continues to meet the needs of members and the community;
- Enhance the Club's reputation as being an integral part of the community and contribute to the economic and social well-being of the community;
- Professional corporate governance;
- Providing excellence in customer service, facilities and member benefits;
- Completion of building and renovation programs.

The long-term strategic objectives for the year were:

- Uphold the objects listed in the Constitution with the commitment to rugby league being foremost;
- Progression of the Strategic Plan;
- Formalise priorities, plans and building programs for Club development;
- Professional corporate governance and fiscal management;
- Ensure that the Club is able to continue to meet the needs of members and a rapidly growing community;
- Develop strategies to address industry challenges and threats to continued financial viability; and
- Investigate other business opportunities for the Club's excess land holdings.

The Board conducts Strategic Planning Sessions to ensure the future of St Marys Junior Rugby League and rugby league in the district through the long-term financial viability of the Club. Through these methods the Board ensures the Club can continue to meet its objectives, the needs of members and the community and successfully manage future industry challenges.

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

4. PRINCIPAL ACTIVITIES

The principal activities of the Consolidated entity during the course of the financial year included promoting the game of rugby league in the Penrith district and elsewhere, improving existing Club facilities, providing and enhancing member benefits and ensuring that the Consolidated entity is able to meet the needs of members and the community. The Board's commitment to the principal activities and the social wellbeing of the community has enhanced the Consolidated entity's reputation in the community and its financial success.

5. PERFORMANCE

The loss of the Consolidated entity for the year ended 30 June 2020 was \$1,527,549 (2019: profit \$1,215,165), after charging \$6,317,504 (2019: \$5,822,950) for depreciation, \$937,144 (2019: \$nil) for impairment and \$210,254 (2019: \$369,491) for net financing costs.

THE NET OPERATING RESULT COMPRISED OF:

CLUB OPERATIONS	2020	2019
Revenue	30,661,834	38,745,544
Expenses	(29,905,475)	(36,607,298)
Net Profit	756,359	2,138,246
EBITDA *	6,007,750	7,202,139

HOTEL OPERATIONS	2020	2019
Revenue	2,516,391	3,505,808
Expenses (excluding impairment loss)	(3,863,155)	(4,428,889)
Impairment Loss	(937,144)	-
Net Loss	(2,283,908)	(923,081)
EBITDA	(70,397)	205,480

* Earnings/loss before interest, tax, impairment, depreciation and amortisation

The Consolidated entity's performance is constantly measured against internally set KPI's in core business activities being determined by the Board as beverage, gaming and commercial rental. Additionally, industry benchmarks are used when setting internal KPI's as well as monitoring industry trends.

The Board sets an annual budget which incorporate operational KPI's, and the financial results are analysed and compared to the budget on a monthly basis. However the success of the Consolidated entity is not judged by financial performance alone. The reputation, professionalism and standing of the Consolidated entity in the community and industry are paramount and is a key factor in determining the Consolidated entity's success.

6. IMPACT OF COVID-19

Since January 2020, the world has become aware of COVID-19 as it has spread out around the globe. The significance of the economic and financial impacts from the downturn in trade and the related quarantine and isolation practices resulting from COVID-19 that entities are facing is unprecedented. Further, on 23 March 2020, registered clubs in NSW were forced to close by order of the Federal Government and subsequently legislation has been made which gives effect to the club industry's reopening on 1 June 2020, subject to social distancing rules. The Club sought to mitigate the financial

and earnings impacts of COVID-19 on the business through a range of actions including reducing operating expenditure, securing government support for the deferral of payroll tax and accessing the Federal Government's JobKeeper scheme. Since reopening on 1 June 2020, the Club has significantly reduced the number of operating poker gaming machines on the floor, employed COVID marshals and reduced exposure to contact by having staff serve to patrons.

It is not possible to accurately determine the nature or extent of the impacts or the time over which the Club will be impacted, however it's possible that it will be material to the Club as the effects and consequences are outside the Club's control and far reaching globally. Based on the current available information, the Directors believe that the Club will remain a going concern.

7. MEMBERSHIP

The Company is a public company limited by guarantee and without share capital. In accordance with the constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$4 per member in the event of the winding up of the Company during the time he or she is a member or within one year thereafter. The total amount that members of the Company are liable to contribute if the Company is wound up is \$186,744 (2019: \$187,440).

The number of members as at 30 June 2020 and the comparison with the prior year is as follows:

IN NUMBER OF MEMBERS	2020	2019
Rugby League Members	2,534	2,276
Supporting members	1,455	1,201
Associate members	41,004	41,702
Life members	15	15
Permanent members	1,678	1,666
	46,686	46,860

8. SUBSEQUENT EVENTS

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

9. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead auditor's independence declaration is set out on page 16 and forms part of the directors' report for the financial year ended 30 June 2020.

This report is made in accordance with a resolution of the Directors:



Warren Earl Smith OAM
Director

Dated at Sydney this 15th day of October 2020.

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



TO: THE DIRECTORS OF ST MARYS RUGBY LEAGUE CLUB LIMITED AND ITS CONTROLLED ENTITIES

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

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

A handwritten signature in blue ink that reads 'KPMG'.

A handwritten signature in blue ink that reads 'Richard Drinnan'.

KPMG

Richard Drinnan
Partner

Sydney
15th October 2020

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2020.

IN AUD	NOTE	2020	2019
Revenue from club operations	4a	30,661,834	38,745,544
Revenue from hotel operations	4b	2,516,391	3,505,808
Other income/(expense)	5	1,687,764	217,293
Change in inventories of finished goods		(2,159)	(5,907)
Raw materials and consumables used		(2,137,588)	(2,743,171)
Gaming taxes		(6,410,816)	(8,251,282)
Personnel expenses - Club operations	6	(8,603,032)	(9,793,359)
Entertainment and members amenities		(1,763,150)	(2,449,849)
Occupancy expenses		(3,273,409)	(4,247,985)
Rugby League expenses (including Rugby League personnel expenses)		(1,203,776)	(1,466,338)
Hotel expenses (including Hotel personnel expenses)		(2,723,957)	(3,405,270)
Direct gaming expenses		(646,015)	(872,465)
Administration costs		(956,732)	(1,066,863)
Bad debts expense		(1,823)	(1,818)
Advertising and marketing expenses		(358,137)	(431,551)
Insurance expense		(271,745)	(248,839)
Consulting and professional fees		(576,297)	(76,342)
Profit before depreciation, impairment and net finance costs		5,937,353	7,407,606
Impairment loss of land and buildings	12	(937,144)	-
Depreciation expense		(6,317,504)	(5,822,950)
Results from operating activities		(1,317,295)	1,584,656
Finance income		62,745	68,635
Finance costs		(272,999)	(438,126)
Net finance costs	7	(210,254)	(369,491)
(Loss)/Profit for the year		(1,527,549)	1,215,165
Other comprehensive income		1,200	2,600
Total comprehensive (loss) / income for the year		(1,526,349)	1,217,765

The notes on pages 21 to 36 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020.

IN AUD	NOTE	2020	2019
Assets			
Cash and cash equivalents	8	13,421,909	13,569,817
Trade receivables	9	667,225	352,946
Inventories	10	271,185	273,344
Prepayments		540,386	552,796
Other investments	11	166,411	165,000
Total current assets		15,067,116	14,913,903
Property, plant and equipment	12	76,591,192	76,801,119
Investment property	13	1,002,279	1,018,100
Intangible assets	14	42,644	42,644
Total non-current assets		77,636,115	77,861,863
Total assets		92,703,231	92,775,766
Liabilities			
Trade and other payables	15	4,488,932	2,961,863
Loans and borrowings	16	174,391	10,367,668
Employee benefits	17	1,380,869	1,559,564
Revenue received in advance		95,242	135,240
Provisions	18	282,059	278,541
Total current liabilities		6,421,493	15,302,876
Loans and borrowings	16	10,363,095	23,016
Employee benefits	17	143,774	131,538
Revenue received in advance		359,379	376,467
Total non-current liabilities		10,866,218	531,021
Total liabilities		17,287,711	15,833,897
Net assets		75,415,520	76,941,869
Members' funds			
Permanent membership reserve	19	167,800	166,600
General funds		75,247,720	76,775,269
Total members' funds		75,415,520	76,941,869

The notes on pages 21 to 36 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' FUNDS

For the year ended 30 June 2020.

IN AUD	PERMANENT MEMBERSHIP RESERVE	GENERAL FUNDS	TOTAL EQUITY
Balance at 1 July 2018	164,000	75,560,104	75,724,104
Total comprehensive income for the year			
Profit for the year	-	1,215,165	1,215,165
Other comprehensive income	-	-	-
Transactions with members, recorded directly in members funds			
Additions to permanent membership	2,600	-	2,600
Balance at 30 June 2019	166,600	76,775,269	76,941,869
Balance at 1 July 2019	166,600	76,775,269	76,941,869
Total comprehensive income for the year			
Loss for the year	-	(1,527,549)	(1,527,549)
Other comprehensive income	-	-	-
Transactions with members, recorded directly in members funds			
Additions to permanent membership	1,200	-	1,200
Balance at 30 June 2020	167,800	75,247,720	75,415,520

The notes on pages 21 to 36 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2020.

IN AUD	NOTE	2020	2019
Cash Flows from operating activities			
Cash receipts from customers		37,716,218	46,768,975
Cash paid to suppliers and employees		(29,886,495)	(38,709,797)
Cash generated from operating activities		7,829,723	8,059,178
Finance costs paid	7	(272,999)	(438,126)
Net cash from operating activities		7,556,724	7,621,052
Cash flows from investing activities			
Acquisition of property, plant and equipment		(7,915,379)	(4,074,478)
Interest received	7	62,745	68,635
Net cash used in investing activities		(7,852,634)	(4,005,843)
Cash flows from financing activities			
Proceeds from lease liabilities		505,710	603,828
Lease liability payments		(358,908)	(671,494)
Proceeds from permanent membership		1,200	2,600
Net cash used in financing activities		148,002	(65,066)
Net (decrease)/ increase in cash and cash equivalents		(147,908)	3,550,143
Cash and cash equivalents at beginning of year		13,569,817	10,019,674
Cash and cash equivalents at end of year	8	13,421,909	13,569,817

The notes on pages 21 to 36 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020.

1. REPORTING ENTITY

St Marys Rugby League Club Limited (the Company or the Club) is incorporated and domiciled in Australia as a public company limited by guarantee. The address of the Company's registered office is Corner Forrester & Boronia Roads St Marys NSW 2760. The consolidated financial statements of the Company as at and for the year ended 30 June 2020 comprise the Company and its subsidiaries (together referred to as the Consolidated entity and individually as Group entities).

The Consolidated entity is primarily involved in promoting the game of rugby league in the Penrith district and elsewhere, improving existing Club facilities, providing and enhancing member benefits and ensuring that the Consolidated entity is able to meet the needs of members and the community.

2. BASIS OF PREPARATION

(a) Statement of compliance

In the opinion of the directors, the Company is not publicly accountable. The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board and the Corporations Act 2001. These financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements were authorised for issue by the Board of Directors on 15th October 2020.

(b) Adoption of new accounting standards

This is the first set of the Company's financial statements in which AASB 15 Revenue from Contracts with Customers, AASB 1058 Income from Not-for-profit Entities and AASB 16 Leases have been applied. Changes to significant accounting policies are described in Note 3 (i).

(c) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

(d) Functional and presentation currency

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

(e) Use of estimates and judgements

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

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

Information about assumptions and estimation uncertainties at 30 June 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following note:

Note 12 - Determining fair value less costs to sell of Property, plant and equipment on the basis of significant assumptions.

(f) Removal of parent entity financial statement

The Consolidated entity has applied amendments to the Corporations Act (2001) that remove the requirement for the Consolidated entity to lodge parent entity financial statements. Parent entity financial statements have been replaced by the specific parent entity disclosures in note 24.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. Certain comparative amounts have been reclassified to conform with the current year's presentation.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the consolidated entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Consolidated entity.

(ii) Transactions eliminated on consolidation

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2020.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments

(i) Recognition and derecognition

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

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

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

(ii) Classification and measurement of financial assets

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

(iii) Subsequent measurement of financial assets

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

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

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

(a) Financial assets at amortised cost

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

Receivables comprise cash and cash equivalents and trade receivables.

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

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

(iv) Impairment of financial assets

The Group recognises loss allowances for ECL's on:

- financial assets measured at amortised cost; and
- contract assets.

(a) Trade and other receivables and contract assets

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

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

(v) Classification and measurement of financial liabilities

The Group's financial liabilities include trade and other payables and loans and borrowings.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2020.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Consolidated entity will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative years are as follows:

• Buildings	40 years
• Grandstand and playing fields	40 years
• Plant and equipment	4-10 years
• Grandstand plant and equipment	10 years
• Hotel	40 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(d) Intangible assets

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

Subsequent expenditure

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

Impairment

Poker machine game licenses and Hotel licenses have indefinite useful lives as they have no expiry date. Accordingly, such intangible assets are not amortised but are systematically tested for impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2020.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairments losses. Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of the property. Land is not depreciated. The estimated useful life of buildings in the current and comparative years is 40 years.

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

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Consolidated entities' investment property portfolio every three years. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

(f) Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Consolidated entity's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less cost to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale are not amortised or depreciated.

(g) Leased assets

The Company has initially applied AASB 16 Leases from 1 July 2019. The Company has applied AASB 16 using the modified retrospective approach. Accordingly, the comparative information presented for 2019 is not restated - i.e. it is presented, as previously reported under AASB 117 and related interpretations. The details of accounting policies under AASB 117 are disclosed separately if they are different from those under AASB 16 and the impact of changes is disclosed in Note 3(i).

Policy applicable from 1 July 2019

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2020.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leased assets (continued)

For contracts entered into before 1 July 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

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

(i) As a lessee

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

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

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets and lease liabilities separately in the statement of financial position.

Under AASB 117

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2020.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) *As a lessor*

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

The Company recognises lease payments received under operating leases as income on a straight line basis over the lease term as part of "other revenue".

The accounting policies applicable to the Company as a lessor in the comparative period were not different from AASB 16.

(h) **Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) **Changes in significant accounting policies**

AASB 15 Revenue from contracts with customers

On 1 July 2019 the Company adopted AASB 15 Revenue from contracts with customers. AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced AASB 118 Revenue, AASB 111 Construction contracts and related interpretations.

No impact was noted on the adoption of AASB 15, accordingly, the comparative information presented for 2019 has not been restated.

AASB 16 Leases

On 1 July 2019 the Company adopted AASB 16 Leases. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset and an interest expense on the recognised lease liability (included in finance costs).

No impact was noted on transition to AASB 16, accordingly, the comparative information presented for 2019 has not been restated.

(j) **Employee benefits**

(i) *Defined contribution plans*

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

(ii) *Other long-term employee benefits*

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

(iii) *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2020.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Provisions

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

Poker machine links

The provision for poker machine links represent the Consolidated entity's estimated present obligation to members and visitors in respect of poker machine link payouts promotions. The provisions are expected to be realised within 12 months of the reporting date.

(l) Revenue

(i) *Goods sold and services rendered*

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods. It is measured at the fair value of the consideration received or receivable and is recognised in the profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered comprises revenue from gaming facilities together with other services to members and patrons of the Consolidated entity. It is measured at the fair value of the consideration received or receivable and is recognised in profit or loss as the services are provided. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is risk of return of goods or there is continuing management involvement with the goods.

(ii) *Commissions*

When the Consolidated entity acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Consolidated entity.

(iii) *Membership subscriptions*

Membership subscriptions represents annual membership fees paid by the Consolidated entity's members. The Consolidated entity recognises membership subscriptions over the term of the membership and any unearned portion is included in revenue received in advance.

(iv) *Rental income*

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(m) Finance income and finance costs

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

Finance costs comprise interest expense on borrowings and hire purchase liabilities. Borrowing costs are recognised in profit or loss using the effective interest method.

(n) Income tax

The Consolidated entity is exempt under section 50-45 of the Income Tax Assessment Act 1997. Accordingly tax effect accounting does not apply to the Company. The current subsidiaries of the Company are assessable under the Income tax Assessment Act 1997. Deferred tax benefits have not been recognised by the subsidiaries due to uncertainty whether the subsidiaries will have future taxable profits against which temporary differences can be utilised.

(o) Goods and services tax

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 taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

(p) Expenses

All expenses are recognised on an accruals basis in the period in which they are incurred and are measured at fair value, which is the contractual outflow of economic benefits and are disclosed by function.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2020.

4. REVENUE

4a. Revenue from club operations

IN AUD	2020	2019
Revenue recognised from contracts with customers		
Revenue from gaming	24,749,854	31,315,939
Loyalty points issued	(296,781)	(484,974)
	24,453,073	30,830,965
Revenue from beverages	3,334,414	4,479,892
Loyalty points issued	(35,851)	(61,865)
Redemption of complimentary and discount drinks	(630,476)	(1,004,947)
	2,668,087	3,413,080
Revenue from bottleshop	258,803	372,807
Loyalty points issued	(2,786)	(5,171)
Redemption of complimentary and discount purchases	(44,588)	(48,881)
	211,429	318,755
Revenue from raffle, bingo and entertainment	389,574	884,374
Loyalty points issued	(3,709)	(6,417)
Redemption of complimentary and discount purchases	-	(332,239)
	385,865	545,718
Revenue from food	1,604,288	2,114,863
Loyalty points issued	(17,303)	(28,332)
Redemption of complimentary and discount purchases	(223,053)	(277,539)
	1,363,932	1,808,992
Rent and commissions	615,687	865,877
Sponsorship and advertising income	176,589	290,124
Membership subscriptions and player registrations	158,119	188,746
Other revenue	629,053	483,287
Revenue from club operations - Total	30,661,834	38,745,544
4b. Revenue from hotel operations		
Revenue from accommodation	2,278,185	3,125,115
Revenue from food	238,206	380,693
	2,516,391	3,505,808

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2020.

5. OTHER INCOME

IN AUD	2020	2019
Net gain/(loss) on sale of property, plant and equipment	292,810	114,219
Job Keeper Allowance	1,360,500	-
Other Income	34,454	103,074
	1,687,764	217,293

6. PERSONNEL EXPENSES

IN AUD	2020	2019
Wages and salaries	5,905,651	7,206,603
Contributions to defined contribution superannuation funds	657,506	769,360
Other associated employee expenses	2,039,875	1,817,396
	8,603,032	9,793,359
Rugby League Wages and salaries	342,623	362,934
Hotel Wages and salaries	1,177,204	1,362,085
	10,122,859	11,518,378

7. FINANCE INCOME AND FINANCE COSTS

IN AUD	2020	2019
Interest income	62,745	68,635
Finance income	62,745	68,635
Borrowing expense	(79,124)	(70,298)
Interest expense	(175,501)	(367,828)
Lease liability	(18,374)	-
Finance costs	(272,999)	(438,126)
Net finance costs recognised in profit or loss	(210,254)	(369,491)

8. CASH AND CASH EQUIVALENTS

IN AUD	2020	2019
Cash on hand and at bank	13,421,909	13,569,817
Cash and cash equivalents in the statement of cash flows	13,421,909	13,569,817

9. TRADE RECEIVABLES

IN AUD	2020	2019
Current		
Trade receivables	667,225	352,946
	667,225	352,946

10. INVENTORIES

IN AUD	2020	2019
Finished goods - as cost	271,185	273,344

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2020.

11. OTHER INVESTMENTS

IN AUD	2020	2019
Current		
Term deposits (maturity greater than 3 months)	166,411	165,000

12. PROPERTY, PLANT AND EQUIPMENT

IN AUD	NOTE	LAND	BUILDINGS	GRANDSTAND AND PLAYING FIELDS	PLANT AND EQUIPMENT	GRANDSTAND PLANT AND EQUIPMENT	HOTEL	CAPITALISED WORK IN PROGRESS	RIGHT OF USE ASSET	TOTAL
Cost										
Balance at 1 July 2019		4,607,764	43,301,698	7,251,571	37,583,676	1,525,730	25,413,591	2,194,885	-	121,878,915
Additions		-	372,925	394	2,855,776	12,047	9,253	4,347,343	317,641	7,915,379
Disposals		-	-	-	(3,569,860)	(8,759)	(161,931)	-	-	(3,740,550)
Work in progress write off		-	-	-	-	-	-	(494,474)	-	(494,474)
Transfers from capitalised work in progress		-	141,363	-	44,456	-	-	(185,819)	-	-
Balance at 30 June 2020		4,607,764	43,815,986	7,251,965	36,914,048	1,529,018	25,260,913	5,861,935	317,641	125,559,270
Depreciation										
Balance at 1 July 2019		-	13,565,394	2,538,639	26,436,641	1,004,310	1,532,812	-	-	45,077,796
Depreciation for the year		-	1,190,618	219,692	3,440,514	153,000	1,261,041	-	36,818	6,301,683
Disposals		-	-	-	(3,340,371)	(8,174)	-	-	-	(3,348,545)
Impairment losses		-	-	-	-	-	937,144	-	-	937,144
Transfers		-	-	-	28,028	(25,535)	(132,478)	129,985	-	-
Balance at 30 June 2020		-	14,756,012	2,758,331	26,564,812	1,123,601	3,598,519	129,985	36,818	48,968,078
Carrying amounts										
At 1 July 2019		4,607,764	29,736,304	4,712,932	11,147,035	521,420	23,880,779	2,194,885	-	76,801,119
At 30 June 2020		4,607,764	29,059,974	4,493,634	10,349,236	405,417	21,662,394	5,731,950	280,823	76,591,192

Clubs land and buildings and rugby playing fields

An independent valuation was carried out in 2018, on the basis of open market values of existing use resulted in a valuation of \$65,000,000, which includes club land and building and rugby playing fields. Consequently, as the net carrying amount of these classes of assets do not exceed their recoverable amount, no impairment loss has been recognised.

Hotel

An independent valuation was carried out by Global Valuation Services (Valuer No 67391) on the 15 September 2020, on the basis of the capitalisation estimated net income approach (level 2 inputs) which resulted in a valuation of \$21,500,000. Consequently, an impairment of \$937,144 was recognised in the current year. The following shows the valuation technique used in measuring the fair value of the Hotel as well as significant assumptions used.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2020.

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Valuation technique

Income capitalisation approach and Direct comparison Approach: The Group considers both approaches, and reconciles and weighs the estimates under each technique based on its assessment of the judgement that market participants would apply. The Income capitalisation approach is based on the principle that the value of a property is indicated by its net return. Direct comparison approach is based on the assumption that an informed buyer will pay no more for a property than the cost of acquiring an existing property with similar utilities.

Significant assumptions **

- Average room rate \$130
- Average occupancy rate 50%
- Capitalisation rate 6.5%

** If these assumptions were to change (either increase or decrease) a further impairment charge will be required or reversed.

13. INVESTMENT PROPERTY

IN AUD	2020	2019
At cost	1,365,000	1,365,000
Accumulated depreciation	(362,721)	(346,900)
	1,002,279	1,018,100

Reconciliation of carrying amount at the beginning and end of the year

IN AUD	2020	2019
Balance at 1 July	1,018,100	1,033,877
Depreciation	(15,821)	(15,777)
Balance at 30 June	1,002,279	1,018,100

The Consolidated entity leases out its investment property held under cancellable operating leases arrangements.

During the year \$154,892 was recognised as rental income in profit or loss (2019: \$153,758). Repairs and maintenance expenses in respect to investment properties were borne by the lessee.

Independent valuation

The independent valuation of the Consolidated entity's investment properties carried out as at 30 June 2018 on the basis of open market values of existing use resulted in a valuation of \$2,300,000, which is considered to be approximately its fair value.

14. INTANGIBLE ASSETS

IN AUD	POKER MACHINE LICENCES	FORMATION COST	HOTEL LICENCES	TOTAL
Cost				
Balance at 1 July 2019	22,644	975	226,960	250,579
Additions	-	-	-	-
Balance at 30 June 2020	22,644	975	226,960	250,579
Accumulated amortisation and impairment losses				
Balance at 1 July 2019	-	975	206,960	207,935
Amortisation and impairment losses for the year	-	-	-	-
Balance at 30 June 2020	-	975	206,960	207,935
Carrying amounts				
Balance at 1 July 2019	22,644	-	20,000	42,644
Balance at 30 June 2020	22,644	-	20,000	42,644

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2020.

15. TRADE AND OTHER PAYABLES

IN AUD	2020	2019
Current		
Trade payables	871,135	1,355,455
Other payables and accrued expenses	3,617,797	1,606,408
	4,488,932	2,961,863

16. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Consolidated entity's interest-bearing loans and borrowings which are measured at amortised cost.

IN AUD	2020	2019
Current liabilities		
Lease liabilities	174,391	367,668
Bank bill acceptance facility	-	10,000,000
	174,391	10,367,668

Non-current liabilities

Bank bill acceptance facility	10,000,000	-
Lease liabilities	363,095	23,016
	10,363,095	23,016

Financing facilities

IN AUD	2020	2019
Facilities available		
Lease liabilities facilities	6,600,000	6,600,000
Bank bill acceptance	15,000,000	15,000,000
	21,600,000	21,600,000

Facilities utilised at reporting date

Lease liabilities facilities	537,486	390,684
Bank bill acceptance facility	10,000,000	10,000,000
	10,537,486	10,390,684

Facilities not utilised at reporting date

Hire purchase facilities	6,062,514	6,209,316
Bank bill acceptance facility	5,000,000	5,000,000
	11,062,514	11,209,316

Security

The lease liabilities are secured by the underlying leased assets to which the liability relates to.

The bank loan is secured by registered first mortgages over the assets of the Consolidated entity as follows:

- A Registered Mortgage by St Marys Rugby League Club Limited over the commercial property situated at Corner Forrester & Boronia Road, St Marys NSW but excluding Lots 311, 183-197 Boronia Road, St Marys.
- A Registered Equitable Mortgage by St Marys Rugby League Club Limited over the whole of its assets and undertakings including uncalled capital.
- A Guarantee unlimited as to the amount by SMRLC Investments Pty Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2020.

17. EMPLOYEE BENEFITS

IN AUD	2020	2019
Current		
Liability for long service leave	354,517	456,254
Liability for annual leave and sick leave	996,117	1,064,605
Liability for sick leave	30,235	38,705
	1,380,869	1,559,564
Non-current		
Liability for long-service leave	143,744	131,538
	143,744	131,538

18. PROVISIONS

IN AUD	POKER MACHINE POINTS	POKER MACHINE LINKS	TOTAL
Balance at 1 July 2019	160,092	118,449	278,541
Provisions used (incurred) during the year	(2,015)	5,533	3,518
Balance at 30 June 2020	158,077	123,982	282,059

Poker machine links

The provision for poker machines links represent the Consolidate entity's estimated present obligation to members and visitors in respect of poker machine link payouts promotions. The provisions are expected to be realised within 12 months of the reporting date.

19. PERMANENT MEMBERSHIP RESERVE

The permanent membership reserve represents fees received for permanent memberships. On death of the member these membership fees are refundable to the members' estate upon request.

20. CAPITAL COMMITMENTS

IN AUD	2020	2019
Property, plant and equipment		
<i>Contracted but not provided for and payable:</i>		
Within one year	-	648,492

21. CONTINGENCIES

Contingent liabilities considered remote

The Consolidated entity is on occasion party to disputes with third parties claiming loss or injury, If any such claims are in existence at the end of the financial year, the directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2020.

22. RELATED PARTIES

Key management personnel compensation

Amounts paid to non-executive directors during the year were as follows:

IN AUD	2020	2019
Director honorariums and other related expenses	45,000	45,000

The key management personnel compensation included in 'personnel expenses' are as follows:

IN AUD	2020	2019
Short-term employee benefits	766,285	901,170
Other long-term benefits	-	-
	766,285	901,170

Key management personnel transactions with the Club

The aggregate amounts recognised during the year relating to directors and their director-related entities were as follows:

Ben Cartwright, a son of David Cartwright, was employed as a casual employee from 16th May 2017 and subsequently moved to part-time on the 19th July 2019, and was remunerated on normal terms and conditions.

Brittany Borg, daughter of Joe Borg, was awarded the renewal of the contract to run the Canteen at Kingsway under the same terms and conditions as previous contract.

Jackson Coskerie, son of Ronald Coskerie, was employed as a casual employee from 14th March 2019 and resigned on the 18 October 2019, and was remunerated on normal terms and conditions.

Bomans Concreting, which is owned by Joe Borg, completed some work on the Signatures Buffet Restaurant (\$5,042.40) and the Training Field Shelter (\$5,577.00).

Jasmine Dicker, a daughter of Matthew Dicker, was employed as a casual employee from 14 March 2018, and was remunerated on normal terms and conditions.

From time to time, directors of the Company, or their director-related entities, may purchase goods or services from the Consolidated entity. These purchases are on the same terms and conditions as those entered into by other employees or customers and are trivial or domestic in nature.

23. GROUP ENTITIES

PARENT ENTITY	COUNTRY OF INCORPORATION	2020 %	2019 %
St Marys Rugby League Club Limited	Australia		
SUBSIDIARIES			
SMRLC Investments Pty Ltd	Australia	100	100
SMRLC Pty Limited (as trustee of SMRLC Trust 1)	Australia	100	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2020.

24. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ending 30 June 2020 the parent entity of the Consolidated entity was St Marys Rugby League Club Limited.

IN AUD	2020	2019
Result of parent entity		
Profit for the year	1,252,801	2,138,246
Other comprehensive income	1,200	2,600
Total comprehensive income for the year	1,254,001	2,140,846

Financial position of parent entity at year end

Current assets	14,949,927	14,530,341
Total assets	71,525,845	68,515,433

Current liabilities	6,130,865	15,103,980
Total liabilities	17,147,226	15,581,974

Total members' funds of the parent entity comprising of:

Reserve	167,800	166,600
General funds	54,210,819	52,766,859
Total members' funds	54,378,619	52,933,459

Parent entity contingencies

The Company is on occasion party to disputes with third parties claiming loss or injury. If any such claims are in existence at the end of the financial year, the directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

Parent entity capital commitments

IN AUD	2020	2019
Plant and equipment		
<i>Contracted but not provided for and payable:</i>		
Within one year	-	648,492
	-	648,492

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2020.

25. COMPANY DETAILS

The Company is incorporate and domiciled in Australia as a public company limited by guarantee. In accordance with the constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$4 per member in the event of the winding up of the Company during the time he or she is a member or within one year thereafter. At 30 June 2020 there were 46,686 members (2019: 46,860).

26. SUBSEQUENT EVENTS

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

27. COVID-19

Since January 2020, the world has become aware of COVID-19 as it has spread out around the globe. The significance of the economic and financial impacts from the downturn in trade and the related quarantine and isolation practices resulting from COVID-19 that entities are facing is unprecedented. Further on 23 March 2020, registered clubs in NSW were forced to close by order of the Federal Government and subsequently legislation has been made which gives effect to the club industry's reopening on 1 June 2020, subject to social distancing rules.

The Club sought to mitigate the financial and earnings impacts of COVID-19 on the business through a range of actions including reducing operating expenditure, securing government support for the deferral of payroll tax and accessing the Federal Government's JobKeeper scheme. Since reopening on 1 June 2020, the Club has significantly reduced the number of operating poker gaming machines on the floor, employed COVID marshals and reduced exposure to contact by having staff serve to patrons.

It is not possible to accurately determine the nature or extent of the impacts or the time over which the Club will be impacted, however it's possible that it may be material to the Club as the effects and consequences are outside the Club's control and far reaching globally. Based on the current available information, the Directors believe that the Club will remain a going concern.

DIRECTOR'S DECLARATION

In the opinion of the directors of St Marys Rugby League Club Limited and its controlled entities (the Club):

- (a) the Club is not publicly accountable;
- (b) the financial statements and notes, set out on pages 14 to 36 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001; and
- (c) there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

This report is made in accordance with a resolution of the Board:



Warren Earl Smith OAM
Director

Dated at Sydney this 15th day of October 2020.

INDEPENDENT AUDITOR'S REPORT

To the members of St Marys Rugby League Club Limited and its controlled entities



OPINION

We have audited the **Financial Report** of St Marys Rugby League (the Company).

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

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

The **Financial Report** comprises:

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

The **Group** consists of St Marys Rugby League (the Company) and the entities it controlled at the year end or from time to time during the financial year.

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

BASIS FOR OPINION

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

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

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

OTHER INFORMATION

Other Information is financial and non-financial information in St Marys Rugby League's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

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

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL REPORT

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

Our objective is:

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

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

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our Auditor's Report.



KPMG

Richard Drinnan
Partner



Sydney
15th October 2020



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