THE EASTWOOD CLUB LIMITED

(A company limited by guarantee)

ABN: 66 000 223 503

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2020

HARLEY, RUSSELL & DAY
Chartered Accountants

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THE EASTWOOD CLUB LIMITED

ABN: 66 000 223 503
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OFFICE BEARERS

President
R.J. BLUNT

Vice President
G. COLES

Finance Director
A. MUNRO

Directors
G.J. HALL
G. NENADOVICH
G. VOSS
J. MULHEARN

Auditor

Harley Russell & Day

Secretary
R.J. BLUNT

Manager
Steven Colquhoun

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NOTICE OF AGENDA
Sunday 11th October 2020

Business

1) Opening and Apologies.

2) Receive Minutes from previous year Annual General Meeting

3) To receive and consider the report of the Board.

4) To receive and consider the Auditors Report, Statement of Financial Position, Statement of Comprehensive Income for the year ended 30 June 2020.

5) Ordinary resolution:
That pursuant to the Registered Clubs Act, members hereby approve and agree to expenditure by the Club until the next Annual General Meeting the following:

4.1 The reasonable cost of each Director being provided with a meal and beverage when, attending the Club on business, reimbursement of reasonable expenses incurred when representing the club at approved events, seminars or trade displays and the cost for professional development or training for Directors.

Members acknowledge these benefits are only available to those members who are Directors of the Club.

6) Receive and consider special resolutions for changes to Club's Constitution
Resolution 1: This has been proposed by the Board to allow board members to attend meeting via video conferencing. In this day and age, the board feels that the Constitution needs to be updated. It is proposed to apply the following changes"
Add "*or subject to prior committee approval via video conference*"

a) After together
b) After present
c) After present
d) After present

Remove the word "*personally*" in sub clause (d) After 5 members

The Sections would now read:

59 (a) The Committee may meet together **or subject to prior committee approval via video conference** for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit provided that the Committee shall meet whenever it deems it necessary but at least once in each calendar month for the transaction of business.

b) A record of all members of the Committee present **or subject to prior committee approval via video conference** at each Committee meeting and of all resolutions and proceedings of the Committee at such meeting shall be entered in a Minute Book provided for that purpose.

c) In order for a meeting of the Committee to be legally constituted a quorum must be present **or subject to prior committee approval via video conference**

d) The quorum for meetings of the Committee shall be five (5) members present **or subject to prior committee approval via video conference** provided always that the number forming a quorum shall include any two of the President, Vice President and/or the Finance Director.

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NOTICE OF AGENDA (CONTINUED)

Resolution 2:
This has been proposed by the board as S9(c) is now irrelevant and is under the jurisdiction of the Liquor & Gaming Legislation.
Proposed to remove Clause 9 (c) altogether

Section 9(c) ***A person under the age of 18 years shall not use or operate poker machines on the premises of the Club*** *REMOVE*

Resolution 3:
This has been proposed by the board to bring this into line with operational procedures of the Club. It is proposed to remove from 29(d) *Chairman, Deputy Chairman and Finance Director* so it reads:

Section 29 (d)***The Secretary, General Manager or senior employee then on duty may terminate the membership of any Temporary member at any time without notice and without having to provide any reason therefore***;

7) To deal with any business for which due notice in writing has been received.

8) General Business

(General business is a forum for members and any matters raised are treated as recommendations to the incoming Board).

9) Declaration of the Ballot for the Board of Directors for 2020/22. (As per Constitution Directors serve a two (2) year term)

****

Any questions pertaining to the Annual Report and requiring an answer to the Annual General Meeting must be submitted in writing and lodged with the Secretary by 5:00pmWednesday 7 October 2020.
Country Members are reminded that they may not attend or vote at any General Meetings of the Club.
All Members attending the Annual General Meeting must produce their 2021 Membership Card.
By order of the Board of Directors – 10th September 2020.

THE EASTWOOD CLUB LIMITED

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PRESIDENT'S REPORT

Dear Members,

On behalf of the Board of Directors I am pleased to present to you the seventy third Annual Report of The Eastwood Club Limited.

We have had a good financial result considering we lost 3 months trading due to the Covid 19 virus (please refer the separate detailed report) and financial details provided in the Financial Director's Report.

On behalf of the Club I would like to thank our Landlord for his financial support during this crisis.
We have also re-signed our lease for a repeat term.

Our not for profit Friday night raffle is still proving popular with members as is our attendance lucky badge draw.

It is pleasing to report our Club continued to provide sponsorship to a number of local schools, charities and sporting bodies, who in return have supported the Club.

Our membership with the Eastwood Chamber of Commerce continues to strengthen, with a number of meetings being held within the Club.

It is pleasing to report the Christmas Cruise was a great success, although the tides should favour us this year.

As required by law members shall again be asked to approve expenditure by the Club to supply the Board of Directors with meals, refreshments and other expenses as and when they may be on Club business. As disclosed in the Statement of Comprehensive Income for the year ended 30 June 2020, this amounted to $3,930 a small increase from last year. These expenses consist of such items as meals and drinks at conclusion of monthly meetings and other expenses as approved at the last Annual General Meeting.

Congratulations to Richard Gillett for attaining life membership.

I regret to report that during the year we were informed that the following member passed away, Frank Lampard (Member 384).

This is an election year for the Board and nominations open 8th September, AGM 11th October 2020.

I wish to thank the Board for their efforts through this very difficult year and our manager Steve Colquhoun and dedicated staff, Kerry, Liz, Amy, Luke, Michael, Tom, Andrew, Daniel and Brydan

As always, the Club is yours to enjoy.

Raymond Blunt
President.

THE EASTWOOD CLUB LIMITED

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FINANCE DIRECTOR'S REPORT

Dear Members,

Your Club has returned a profit of $152,274 (after extraordinary expenses) for the financial year ending 30 June 2020. This was a sound result considering the impact that the world-wide COVID-19 pandemic has had on businesses within the hospitality sector and the downturn on investment markets. Despite the difficulties of operating within this environment, fortunately, with prudent guidance from the Board and the club's Financial Advisor, the club is in a sound financial position.

Set out hereunder is a summary of the Profit & Loss.

	2020	2019
Profit from trading – *before deducting depreciation and income tax and before crediting interest earned*	*$292,904*	*$382,041*
Deduct:		
Depreciation of fixed assets	*($139,799)*	*($141.141)*
Income tax	*($21,000)*	*($7.455)*
Unrealised Profit/(Loss) on Investments reported at Market value	*($135,167)*	*($7,910)*
Add:		
Interest earned from bank re accounts & term deposits	*$28,134*	*$15.540*
Dividends earned from investments	*$84,610*	*$72.950*
Profit from Sale of Shares	*$ 2,765*	*$398*
Covid 19 Business Incentive & Grants	*$39,827*	-
Profit for the year	***$152,274***	***$314.424***

This year has seen another strong financial result that has been made possible by astute day-to-day management and the diversification of investment streams in light of the downturn in general bank interest rates. Again, the Board has been proactive in this regard and has in place an excellent working relationship with the Club's Financial Advisor and his team.

The Board has been active in monitoring the Club's financial accounts and has been examining innovative ways to manage on-going costs whilst increasing services to members. The Board is also continually reviewing improvements to Club facilities through the Strategic Planning Committee to look at the short and long-term developments of the Club. This included the successful negotiation with the landlord to renew the Club's lease with 2 x 5 year options, providing a guaranteed 15 years of occupancy. The Strategic Planning Committee also investigated the implementation of Solar Power and also established a Board Succession Plan. This year, the House Committee, which provides strategic direction regarding the amenities of the Club, has implemented Stage One of the upgrade of the bar and also coordinated the refurbishment of the bathrooms.

Through the establishment of both the Strategic Planning and House Committees, you as members can be assured that the Board remains active in ensuring the longevity of the club and providing excellent facilities for its members and their guests.

Your Club has continued to provide regular upgrades to its gaming machines. The Board will continue to monitor and improve the Club's gaming facilities in line with player feedback, new technologies and other innovations.

I would like to acknowledge and thank our Manager, Steven Colquhoun, for his excellent management of the Club's operations and accounts. He is to be commended for his passion for, and commitment to, the ongoing management and development of the Club.

Anthony Munro
Finance Director

THE EASTWOOD CLUB LIMITED

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MANAGER'S REPORT

Dear Members,

Well what a year full of ups and downs but with all that we have had another good year. Even during this difficult times the staff and I are trying to make your club experience a comfortable and memorable one.

In summary for the year

1. A good financial result even though we were forced to closed for 10 weeks due to Covid 19
2. New Gaming EGM's have been installed providing new player enjoyment.
3. New Keno operator terminal providing more efficient service for patrons
4. The first stage of Renovation to the Bar area.
5. Renovation to the bathrooms to make them more presentable.
6. Even though the club's community engagement has been hindered this year with Covid 19 we have still remained in close contact with the local sporting clubs, schools and non-profit organisations to provide support & services.

We are continuing to introduce new initiatives for members and patrons with the increase of Social Media via Facebook and a new look web page. During the Covid 19 lockdown we also introduced a Club Newsletter which was forwarded via email. This is something we are now looking at doing more regularly sending information via email with the use of Mailchimp to better inform you all of what is happening at your club.

The club is fortunate enough to have a great team of dedicated staff, who really are the heart of this club, and I am privileged to be able to work with them all. They not only provide the friendly atmosphere that you all enjoy but make the experience of coming to the club an enjoyable and relaxing one. During Covid 19 all the staff and our contract cleaner Dave White worked tirelessly cleaning and sanitising the club from the rooftop to the ground and I sincerely thank them for their efforts.

We were fortunate that we could retain all the staff with the help of JobKeeper and during the lockdown period we took the opportunity to do some excellent training course. This was a great opportunity to keep the staff engaged and enabled the club to be in a position to quickly re-open the doors when we were allowed. I hope you all enjoyed the weekly Zoom Happy Hour and Raffle as I know the staff and I enjoyed the time getting back in touch with you all on those Fridays.

Finally thank you to Kerry. Luke, Liz, Michael, Amy, Tom, Andrew, Daniel and our newcomer Brydan for their on-going assistance and feedback they provide me on a daily basis. Their dedication and loyalty to the club is an asset to them all and I am sure you would all agree. They really do make my job easier so please next time you are in the club please say a big "Thank you" to them as they do deserve it.

The boards and my aims are to provide members and patrons with a premium club experience in a friendly and comforting atmosphere. We are always welcome to hearing from you on any new facilities or improvements you would like to see in the club.

I would especially like to thank the Board of Directors for volunteering their time over the past 12 months and providing me with sound advice, direction and support as we work together to ensure the long-term stability and financial success of this tremendous club.

Steve Colquhoun
Club Manager

THE EASTWOOD CLUB LIMITED

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FINANCIAL STATEMENTS 30TH JUNE 2020

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THE EASTWOOD CLUB LIMITED

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DIRECTOR'S REPORT

Your Directors present their report on the Financial Statements of the Company for the year ended 30th June 2020.

DIRECTORS

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

Raymond Blunt	Geoffrey Coles	Graeme Hall
Anthony Munro	Gary Nenadovich	Gregory Voss
Jorddan Mulhearn	* Anthony Azize	

** Appointed Associate Director January 2020*

PRINCIPAL ACTIVITIES

The principal continuing activity of the Company consisted of: Maintaining a licensed amateur sporting and social club for members.

INFORMATION ON DIRECTORS

Name	*Position*	*Years of Experience*	*Occupation*
R. Blunt	President	32	Retired
G. Coles	Vice President	10	Team Leader, Safety
G. Hall	Director	9	Teacher, Plumber
A. Munro	Finance Director	9	Teacher
G. Nenadovich	Director	7	Company Director
G. Voss	Director	9	Retired Teacher
J. Mulhearn	Director	2	Engineer

MEETING OF DIRECTORS

The number of meetings of the company's board of directors and of each board committee held during the year ended 30th June 2020, and the number of meetings attended by each director were:

Name	*Director's Meetings*	
	Meetings Held	*Meetings Attended*
R. Blunt	11	11
G. Hennessy	11	11
G. Coles	11	11
G. Hall	11	11
A. Munro	11	11
G. Nenadovich	11	7
G. Voss	11	10
J. Mulhearn	11	11

COMPANY SECRETARY

Mr Raymond Blunt was secretary of the Company for the whole of the financial year and continues in office at the date of this report. He joined the club on the 18 May 1981 and has been secretary since 30 September 2008.

THE EASTWOOD CLUB LIMITED

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DIRECTOR'S REPORT

FUTURE DEVELOPMENTS

The Club's Board of Director's will continue to monitor internal refurbishment for the comfort of members.

MEMBERS

The Company is a company limited by guarantee and is without share capital. The number of Members of the Company registered in the Register of Members at the date of this report is:

	2020	2019
Full Members	536	575
Life Members	3	2
	539	**577**

MEMBERS' GUARANTEE

The company is limited by guarantee. If the company wound up, the constitution states that each member is to contribute a maximum of $2 each towards meeting any outstanding obligations of the company. At 30 June 2020 the number of members was 1,078 (2019: 1,154).

OPERATING RESULTS

The profit of the company for the year was $152,293 (2019: $315,806) after providing Income Tax of $17,650 (2019: $15,329) and depreciation of $137,779 (2019: $141,142).

REVIEW OF OPERATIONS

Movements in significant items of Revenue are as follows:-

	2020	*2019*	*Increase/ (Decrease)*	*%*
Gaming Turnover	8,248,942	7,619,993	628,949	8.25
Bar Sales	504,545	539,940	(53,940)	(9.98)
Total Expenses	9,053,898	7,701,205	1,352,693	17.56

OBJECTIVES

Short & long term objectives:

The club's objectives are to focus on

1. the development and delivery of premium club facilities and services to its members and guests
2. the promotion of the social welfare of its members and community sports and recreational organisations

The entity strategies for achieving the short and long term objectives were:

The strategy for the achieving the objectives has been to

1. update the premise to reflect the quality of appearance of the club
2. constantly monitor and improve the services of the bar and gaming facilities

How these activities assist in achieving the objectives:

The surpluses of the club have been employed to enhancing the abovementioned facilities and the provision of donations to the local sporting and community support organisations.

THE EASTWOOD CLUB LIMITED

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DIRECTOR'S REPORT (CONTINUED)

EVENTS SUBSEQUENT TO BALANCE DATE

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

PERFORMANCE MEASUREMENT AND KEY PERFORMANCE INDICATORS

The club measures its performance based on

- **a.** the number of members and guests that the club has attracted in the year
- **b.** on the level of surplus generated by each of its key operating segments which enables the funds to be available for meeting the objectives.

KEY PERFORMANCE INDICATORS

Performance measurement and key performance indicators

Performance is assessed regularly against relevant internal and industry benchmarks enabling assessment as to whether strategic initiatives have been effective in achieving company short and long term activities. These relevant benchmarks are detailed below and are monitored by senior management and the Board on a regular basis.

	2020	2019
Bar		
Gross Profit Percentage	52.61%	51.54%
Wages to Sales	57.98%	54.65%
Poker Machines		
Net receipts after payouts to turnover	12.12%	15.15%
Employee Benefits - percentage of total revenue	4.80%	4.87%
EBITDAD as a Percentage of Total Revenue	1.67%	3.75%

AUDITOR'S INDEPENDENT DECLARATION

The Auditor's Independent Declaration for the year ended 30th June 2020 has been received and can be found on page 4 of this report.

Dated at The Eastwood Club this 10th September 2020
In accordance with a resolution of the Directors

.....
Raymond Blunt
President

.....
Anthony Munro
Finance Director

THE EASTWOOD CLUB LIMITED

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AUDITOR'S INDEPENDENT DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF THE EASTWOOD CLUB LIMITED

I declare to the best of my knowledge and belief that during the year ended 30th 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.

DATED AT ROCKDALE
THIS 5TH DAY OF
SEPTEMBER 2020

.....
HARLEY, RUSSELL & DAY
Chartered Accountants

GARRY WILLIAM DAY
Registered Company Auditor

THE EASTWOOD CLUB LIMITED

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE, 2020

	Notes	2020 $	2019 $
Revenue from Continuing Operation			
Sale of goods	2	**506,286**	**540,513**
Rendering Services	2	**8,292,207**	**7,668,561**
Other Revenue	2	**279,427**	**192,480**
Total Revenue		**9,077,920**	**8,401,554**
Expenses			
Cost of Sales	3	**(242,345)**	**(267,601)**
Consulting & Accounting		**(1,600)**	**(2,050)**
Cleaning		**(58,738)**	**(57,773)**
Donations		**(1,005)**	**(420)**
Directors expenses		**(3,930)**	**(3,565)**
Employee benefit expenses		**(435,746)**	**(409,825)**
Insurance		**(44,050)**	**(31,871)**
Light and power		**(20,823)**	**(25,883)**
Members benefits		**(84,141)**	**(50,315)**
Poker machine payouts		**(7,233,253)**	**(6,450,340)**
Property expenses		**(257,482)**	**(258,290)**
Other		**(543,459)**	-
		(8,926,572)	**(7,557,933)**
Earnings before borrowing costs, tax, depreciation and amortisation		**151,348**	**466,497**
Depreciation		**(139,778)**	**(141,142)**
Borrowing Cost	3	**(2,292)**	**(2,130)**
Profit Before Income Tax		**9,278**	**323,225**
Income tax	4	**(17,650)**	**(15,329)**
Profit/(Loss) after Income Tax		**(8,372)**	**307,896**
Other Comprehensive Income	18	**160,665**	**7,910**
Total Comprehensive Income for the year		**152,293**	**315,806**

The attached notes numbered 1 to 18 form part of these accounts and should be read in conjunction with these accounts.

THE EASTWOOD CLUB LIMITED

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STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2020

	Notes	2020 $	2019 $
Current assets			
Cash and cash equivalents	5	**603,046**	**425,149**
Held to maturities investments - current	6	**478,125**	**1,055,000**
Receivables	7	**194,065**	**75,143**
Inventories	8	**16,329**	**15,690**
Total current assets		**1,291,565**	**1,570,982**
Non-current assets			
Property, plant & equipment	9	**495,066**	**584,617**
Investments	10	**1,875,336**	**1,424,473**
Total non-current assets		**2,370,402**	**2,009,090**
Total assets		**3,661,967**	**3,580,072**
Current liabilities			
Payables	11	**87,737**	**172,467**
Borrowings	12	**24,090**	**30,194**
Current tax liabilities	13	**21,170**	**7,545**
Provisions	14	**42,048**	**27,716**
Total current liabilities		**175,045**	**237,922**
Non-Current liabilities			
Borrowings	12	**-**	**19,710**
Provisions	14	**19,769**	**7,560**
Total non-current liabilities		**19,769**	**27,270**
Total liabilities		**194,814**	**265,192**
Net assets		**3,467,153**	**3,314,880**
Members' Equity			
Capital Reserve		**262,157**	**262,157**
Retained Profits		**3,205,016**	**3,052,723**
Total Members' Equity		**3,467,173**	**3,314,880**

The attached notes numbered 1 to 18 form part of these accounts and should be read in conjunction with these accounts.

THE EASTWOOD CLUB LIMITED

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE, 2020

	CAPITAL RESERVE	RETAINED PROFITS	TOTAL MEMBERS EQUITY
	$	$	$
Balance as at 1 June 2018	262,157	2,736,917	2,999,074
Total Comprehensive Income for the year	-	315,806	315,806
Balance as at 30 June 2019	262,157	3,052,723	3,314,880
Total Comprehensive Income for the year	-	152,293	152,293
Balance as at 30 June 2020	**262,157**	**3,205,016**	**3,467,173**

The attached notes numbered 1 to 18 form part of these accounts and should be read in conjunction with these accounts.

THE EASTWOOD CLUB LIMITED

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2020

	Notes	2020 $	2019 $
Cash Flow From Operating Activities			
Receipts from Customers		9,777,181	9,068,362
Payments to Suppliers and Employees		(9,762,471)	(8,645,919)
Trust Distribution HUB 24		-	59,495
Dividends & Trust Distributions		87,375	13,853
Interest Received		28,134	15,540
Interest Paid		(2,292)	(2,130)
Net Cash provided by (used in) Operating Activities	17(a)	127,927	509,201
Cash Flow From Investing Activities			
Purchase of Investments		(450,863)	(98,028)
Payment for Property, Plant & Equipment		(50,228)	(73,453)
Net Cash provided by (used in) Investing Activities		(501,091)	(171,481)
Cash Flow from Financing Activities			
Proceeds from Borrowings		-	-
Repayment of Borrowings		(25,814)	(38,023)
Net Cash provided by (used in) Financing Activities		(25,814)	(38,023)
Net Increase in Cash held		(398,978)	299,697
Cash at the beginning of the year		1,480,149	1,180,452
Cash at the end of the year	17(b)	1,081,171	1,480,149

The attached notes numbered 1 to 18 form part of these accounts and should be read in conjunction with these accounts.

THE EASTWOOD CLUB LIMITED

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NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30th JUNE 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The Eastwood Club Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in *AASB 1053: Application of Tier 2 of Australian Accounting Standards.*

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001.* The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

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

a) Revenue Recognition

Sales Revenue
Sales Revenue comprises revenue earned from the provision of catering, beverage, and poker machine facilities to members and other patrons of the Club. Sales revenue is recognised when the goods and services are provided.

Asset Sales
The gross proceeds of asset sales are included as revenue of the entity. The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed.

Interest Income
Interest income is recognised as it accrues.

b) Principal Activities

The Club operates as a Registered Club.

c) Property, Plant & Equipment

Property, plant and equipment are included at cost or at an independent valuation. All fixed assets, including buildings and capitalised leases, but excluding freehold land, are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

STATEMENT OF ACCOUNTING POLICIES (cont.)

d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership are transferred to the Club, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

e) Depreciation and Amortisation

Depreciation is provided on property, plant and equipment but excluding freehold land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life. Freehold land has not been depreciated. The directors consider that the adoption of this policy would be inappropriate and the effect of this departure is immaterial to the Company's accounts.

Leasehold improvements are amortised over the period of the lease being a 15 year period, using the straight line method.

The following rates of depreciation are used in the calculation for depreciation:

Bar Equipment	25%	Furniture & Fittings	20%
Bistro	20%	Plant & Equipment	20%
		Poker Machines	33 1/3%

f) Trade and other payables

These amounts represent liabilities for goods and services provided to the club prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

g) Maintenance and repairs

The costs of maintenance, repairs and minor renewals are charged as expenses as incurred.

h) Employee Entitlements

(i) *Wages and salaries, annual leave and sick leave*
Liabilities for wages and salaries, annual leave and sick leave are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

(ii) *Long service leave*
A liability for long service leave is recognised for all employees of the club with ten years or more service. No adjustment is made for inflation of wage rates or discounting of expected future payments as the net effect is not expected to be material.

STATEMENT OF ACCOUNTING POLICIES (cont.)

(iii) *Superannuation*
The company sponsors the following plans for employees:
Club Plus Superannuation Fund plus DDT Investments Pty Limited, REST Superannuation, Australian Retirement Superannuation Fund.
Types of Benefits:
Accumulation of contributions of employees providing a lump sum or annuity benefits upon retirement, death or disability.
Contributions:
Employees 9.25% of base salary of employee.
The company has a legal obligation to contribute to this fund.

i) Segment Reporting

The business operates in the hospitality, leisure and entertainment industry in Australia.

j) Mutuality Principle

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

Following the Full Federal Court decision in Coleambally Irrigation Mutual Co-operative Limited v FCT [2004] FCAFC 250, Tax Laws Amendment (2005 Measures No. 6) Bill 2005 was tabled in Parliament on 7 December 2005 to amend the Income Tax Assessment Act 1997 to restore the long standing benefits of the mutuality principle to those non-profit organisations affected by the Coleambally decision.

These amendments will ensure social clubs continue not to be taxed on receipts from contributions and payments received from members.

k) Goods and Services Tax

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

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office 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 EASTWOOD CLUB LIMITED

(A Company Limited by Guarantee)

ABN: 66 000 223 503

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2020

	2020 $	2019 $
2. REVENUE FROM CONTINUING OPERATIONS		
Operating Activities		
Sale of Goods Revenue		
Bar Sales	504,545	539,940
Bistro	1,741	573
	506,286	540,513
Gaming Activities		
Poker machines receipts	8,248,942	7,619,993
KENO commission	16,310	23,598
TAB commission	26,955	24,970
	8,292,207	7,668,561
Other Revenue		
Dividends, Trust Distributions & Sale of Shares	87,375	73,348
Interest received	28,134	15,540
Membership fees	1,990	4,740
Rental income	51,283	51,283
Members Benefits	27,686	32,902
Commissions & ATM Rebates	9,113	7,167
JobKeeper	72,000	-
Sundry Income	1,846	7,500
	279,427	192,480
Total revenue from continuing operations	9,077,920	8,401,554
3. EXPENSES FROM OPERATING ACTIVITIES		
Cost of Goods Sold		
Bar	239,073	261,649
Bistro	3,272	5,952
	242,345	267,601
Finance Costs		
Interest on lease finance	2,292	2,130
	2,292	2,130
4. INCOME TAX EXPENSE		
The Income Tax Assessment Act, 1997 (amended) provides that under the concept of mutuality, clubs are only liable for income tax on income derived from non-members and from outside entities.		
The provision for income tax is reconciled to the income tax expense as follows:		
Current income tax payable	(21,000)	(15,329)
Tax instalments paid, net of refunds, franking credits	-	7,784
Under/(over)-provision in prior years	3,350	-
Current Income Tax Refund/(Expense)	(17,650)	(7,545)

THE EASTWOOD CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2020

		2020 $	2019 $
5.	**CASH AND CASH EQUIVALENTS**		
	Current		
	Cash on hand	67,400	77,400
	Cash at bank	535,646	347,749
		603,046	425,149
6.	**HELD TO MATURITY INVESTMENTS**		
	Current		
	Term deposits	478,125	1,055,000
	Total	478,125	1,055,000
	Total Held to maturity investments	478,125	1,055,000
7.	**RECEIVABLES**		
	Current		
	Sundry debtors	159,335	30,410
	Security deposits	5,000	5,000
	Prepayments	29,730	39,733
		194,065	75,143
8.	**INVENTORIES**		
		16,329	15,690
	Finished goods - at cost	16,329	15,690
9.	**PROPERTY, PLANT & EQUIPMENT**		
	Plant and Equipment	1,583,886	1,646,812
	Less: Accumulated Depreciation	(1,088,820)	(1,062,195)
	Total Plant, Equipment	495,066	584,617
	Movement in the assets balances during the year were:		
	Opening balance	584,617	652,306
	Additions	48,228	94,546
	Disposals	-	(21,093)
	Depreciation charge	(137,779)	(141,142)
	Balance at the end of the year	495,066	584,617
10	**INVESTMENTS**		
	Managed Investment Funds HUB 24 (Market Value)	1,875,336	1,424,473
	Total of Investments	1,875,336	1,424,473

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2020

	2020 $	2019 $
11. PAYABLES		
Current		
Sundry creditors & accruals	67,421	143,775
Member subscriptions received in advance	8,920	6,938
GST payable	3,742	15,781
PAYG Withholding Tax payable	7,654	5,973
Total Payables	87,737	172,467
12. BORROWINGS		
Current		
Lease Liabilities - secured	24,090	30,194
Total	24,090	30,194
Non-Current		
Lease Liabilities - secured	-	19,710
Total	-	19,710
Borrowings are payable as follows:		
Not later than 1 year	24,090	30,194
Later than 1 year but not later than 2 years	-	19,190
Later than 2 years but not later than 3 years		-
	24,090	49,384
13. CURRENT TAX LIABILITY		
Current		
Provision for income tax	21,170	7,545
	21,170	7,545
14. PROVISIONS		
Current		
Annual Leave	42,048	27,716
Total	42,048	27,716
Non-Current		
Long Service Leave	19,769	7,560
Total	19,769	7,560

15 Related Party Transactions

(a) Transactions between related parties are on normal commercial terms and conditions.
(b) The names of the Directors who have held office during the financial year are listed under note 15(a).
(c) Luke Coles is employed as a Casual Bar & Gaming Attendant, and his father, Geoffrey Coles, is a Director of the Club. The benefit received by Luke including superannuation was $64,530.

16 Key Management Personnel Compensation

a) Key Management Personnel

Names and positions held of key management personnel in office at any time during the financial year are:

R. Blunt	President
G. Hennessy	Retired
G. Coles	Vice President
G. Hall	Director
A. Munro	Finance Director
G. Nenadovich	Director
G. Voss	Director
J. Mulhearn	Director
A. Azize	Associate Director

Other Key Management Personnel

Steve Colquhoun	Manager
Ray Blunt	Secretary (Non Remunerable) - Licensee

b) Key Management Personnel Compensation

	Short Term Benefits	Post Employment Benefits	
	Cash Salary & Commissions $	Superannuation $	Total $
Total Compensation - 2020	**105,470**	**10,020**	**115,490**
Total Compensation - 2019	**98,403**	**9,356**	**107,759**

17 Cash Flow Information

a) Reconciliation of cash flow from operations with profit after income tax	2020 $	2019 $
Profit after income tax	**152,293**	**315,806**
Non-cash flows:		
Depreciation	**139,779**	**141,142**
Loss on Sale of Fixed Assets	**-**	**-**
Changes in assets and liabilities:		
Increase (Decrease) in Provisions	**26,541**	**6,939**
Increase (Decrease) in income tax payable	**13,625**	**(13,115)**
Increase (Decrease) in payables	**(84,730)**	**12,451**
Decrease (Increase) in inventory	**(639)**	**(946)**
Decrease (Increase) in receivables	**(118,942)**	**46,924**
Net Cash From Operating Activities	**127,927**	**509,201**

THE EASTWOOD CLUB LIMITED

(A Company Limited by Guarantee)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2020

	2020	2019
	$	$

17 Cash Flow Information (Continued)

b) Reconciliation of cash

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash on hand	**67,400**	**77,400**
Cash at bank	**535,646**	**347,749**
Held to maturities investments – Current	**478,125**	**1,055,000**
	1,081,171	**1,480,149**

18 Other Comprehensive Income

Unrealised Gain/Loss on Investments	**135,167**	**7,910**
COVID-19 Grants		
- Cash Flow Boost ATO	**29,827**	**-**
- State Government Grants	**10,000**	**-**
	39,827	**-**
Loss on Sale of Investments	**(14,329)**	**-**
	160,665	**7,910**

19 COVID-19 Pandemic Lockdown Effect

The club was forced into lockdown from 23rd march through to 1st June 2020 a period of 10 weeks. This has had a dramatic effect on the club's financials and also the ongoing effect of isolation for you the members and the staff.

During this time of forced closure your elected Executive Board and management worked tirelessly to ensure the club was well positioned to come through the closure and be prepared to be fully operational on re-opening.

Some of the initiatives included:

1. Negotiating with suppliers for stock returns with Carlton United and Lion
2. Negotiating with secondary suppliers such as Foxtel, Tab, Keno & Aristocrat for reduced or waivered fees for service during closure
3. Negotiating with our Landlord for a reduction in rent
4. Successfully applying for JobKeeper for all eligible staff.
5. Engaging with staff during shutdown and they continued to complete tasks including
   - Deep Cleaning of Bar area
   - Deep Cleaning and re-sorting of back of bar storage area
   - Archiving clubs financials and history records
   - Conducted weekly training sessions from self development, bar training, hospitality tasks and bar duties.
6. Engaged with club's contract cleaner to complete deep clean and sanitisation of the premises including all bathrooms, sugar soaping of all internal walls.

THE EASTWOOD CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2020

19 COVID-19 Pandemic Lockdown Effect

Financial

Obviously with being closed we had no gaming or trading revenue for those 10 weeks which has had a dramatic effect on the annual turnover and profit of the club.

As this was a worldwide pandemic it also had an effect on the market value of the club's investments which can be seen in the financial report with a $137000 write-down from cost price. We can report that as the world wide economy has come out of lockdowns this value has started to restore to previous high levels. The distributions received this year have although been higher than expected.

The club also successfully applied for a $10000 Grant from the NSW State Government and was mentioned in a local press article from our local member Mr Victor Dominello along with coverage on his social media pages.

Community Well-being

The management and staff also took an initiative to assist with the well being of the members and friends in the last month of the lockdown by conducting a weekly Virtual Happy Hour. This allowed members to purchase discounted take-away draught beer in containers and then go home and dial-in via a Zoom video conference session for an hour of fun and a weekly raffle. This was an extremely successful initiative has it allowed patrons to engage with each other while adhering to the isolation restrictions. The staff should be commended for making themselves available for the session.

Re-opening

We successfully re-opened on Monday 1st June with some excellent trading results in the opening weeks. Unlike some venues we were in a good position on to re-open and all beer lines and post-mix had been maintained and serviced throughout the lockdown.

The Board and staff have been very appreciative of all members who have visited the club during this period and everyone has worked together to ensure the club complies with all the government restrictions for social distancing and additional cleaning. This ensure that your club is a safe environment to not only visit but also ensuring that while protecting the community we are doing our bit to eradicate this virus.

We hope you will continue enjoying your venue in the coming year as we commence to come out of restrictions.

THE EASTWOOD CLUB LIMITED

(A company limited by guarantee)
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DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of The Eastwood Club Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 17, are in accordance with the *Corporations Act 2001* and:

   a. Comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitute compliance with - Reduced Disclosure Requirements and;

   b Give a true and fair view of the financial position as at 30th June 2020 and of the performance for the year ended on that date.

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

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

Dated at Sydney this 10th September 2020

.....
RAYMOND BLUNT
PRESIDENT

.....
ANTHONY MUNRO
FINANCE DIRECTOR

THE EASTWOOD CLUB LIMITED

(A company limited by guarantee)
ABN: 66 000 223 503

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EASTWOOD CLUB LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Eastwood Club Limited (the Registered entity), which comprises the statement of financial position as at 30th June 2020, the statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of The Eastwood Club Limited, has been prepared in accordance with the Corporations Law – Reduced Disclosure Requirements under the Corporations Law and the Registered Clubs Act, including:

(a) Giving a true and fair view of the registered entity's financial position as at 30th June 2020, and of its financial performance for the year then ended; and

(b) Complying with Australian Accounting Standards – Reduced Disclosure Requirements.

Basis for Opinion

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

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

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

The directors are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30th June 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements under the Corporations Law and Registered Clubs Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE EASTWOOD CLUB LIMITED (continued)

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

DATED AT SYDNEY
THIS 23RD DAY OF
SEPTEMBER 2020

.....
HARLEY, RUSSELL & DAY
Chartered Accountants

GARRY WILLIAM DAY
Registered entity Auditor

THE EASTWOOD CLUB LIMITED

(A company limited by guarantee)
ABN: 66 000 223 503

Presidents:

1946-48 F.E. Westley *
1949 J.L. White*
1950-51 A.A. Ross *
1952 J.W Thatcher *
1953 C.D. Stringer *
1954-57 F.E. Westley *
1958-61 H.J. Clarke *
1962- 64 H.W.Fox *
1965-67 F.E.Small *
1968 – 69 H.J.Clarke *
1970 – 73 J.J.McGrath *
1974-76 D.C.Walker *
1977-79 T.I. Haigh *
1980-82 W.B.Johns *
1983-85 J.T. Leonard *
1986- 93 R.J.Blunt
1994-99 K.E. Milton *
2000-01 E.W Richards
2002-03 A.J.Ryan
2004-05 J.R.Reid
2006 E.W. Richards
2007- R.J.Blunt

Life Members

* F.E Westley
* J.L. White
* J.J McGrath
* H.Richardson
* P.J. Esler
* J.D. Brennan
* N.C.Peoples
R.J. Blunt
* K.E.Milton
* R.L. Stewart
G.G. Gulliver
Richard Gillett

* Deceased

THE EASTWOOD CLUB LIMITED

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In Memoriam

In memory of past members who have passed during the year.
To their family and friends our thoughts and prayers are with you.

Frank Lampard (Member 384).