

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Financial Statements

For the Year Ended 31 December 2020

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

For the year ended 31 December 2020

CONTENTS

	<u>Page</u>
Financial Statements	
Directors' Report	1
Auditors Independence Declaration under Section 307C of the Corporations Act 2001	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Funds	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	24
Independent Audit Report	25
Schedules	28

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Directors' Report

For the year ended 31 December 2020

The directors present their report, together with the financial statements, on John Edmondson V.C. Memorial Club Limited (the company) for the year ended 31 December 2020.

General information

Directors

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

Names	Qualifications
Mr Dallas Stewart (President)	Retired
Mr Brian McCormack (Deputy President)	Retired
Mr Mario Valenti	Tailor
Mr Richard Losiak (resigned 19 May 2020)	Dental Technician
Mr Tony Hogan	Entertainer
Mr Geoffrey Craig	Sales Manager
Mr Kenneth Arkley	Retired

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

Principal Activities

The principal activity of John Edmondson V.C. Memorial Club Limited during the financial year was the operation of a licensed club for the benefit of its members and their guests.

How the club measures its performance

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 operation systems which enables funds to be available for meeting the objectives.

Operating Results

The profit of John Edmondson V.C. Memorial Club Limited after providing for income tax amounted to \$210,832 (2019: loss \$336,686).

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Directors' Report

For the year ended 31 December 2020

Members Guarantee

The club has varying classes of membership as set out below. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$1 each towards any outstanding obligations of the company. At 31 December 2020 the number of members was 7,754 (2019: 8,097).

Details of members

Each class of membership in the company:

Class	Number		Liability of members on a wind up	
	2020	2019	2020	2019
Service members	225	252	\$225	\$252
Associate members	7,528	7,845	\$7,528	\$7,845
Honorary Life members	1	-	\$1	-
Total	7,754	8,097	\$7,754	\$8,097

Short and long term objectives of the Club

The club's objectives are to focus on:

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

Strategy for achieving those objectives

The strategy for the achieving the objectives has been to:

1. Update the premise to reflect the quality of appearance of the club;
2. Update and expand car parking facilities of the club;
3. Constantly monitor and improve the services of the bar, restaurants, bistro areas, and;
4. Attract quality entertainment to the venue at reasonable prices.

How those activities assisted in achieving the club's objectives

The surplus of the club has been employed to enhancing the above-mentioned facilities and the provision of donations to the local sporting and community support organisations, public schools and other charitable associations.

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Directors' Report

For the year ended 31 December 2020

Meetings of Directors

During the financial year, 11 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Special Meetings	
	Eligible to attend	Number attended	Eligible to attend	Number attended
Mr D Stewart	11	11	0	0
Mr B McCormack	11	10	0	0
Mr M Valenti	11	10	0	0
Mr R Losiak	4	4	0	0
Mr T Hogan	11	11	0	0
Mr G Craig	11	9	0	0
Mr K Arkley	11	11	0	0

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 4.

Signed in accordance with a resolution of the Board of Directors:

Director: 

Director: 

Dated 23 February 2021

Auditor's Independence Declaration

To the Directors of John Edmondson V.C. Memorial Club Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of John Edmondson V.C. Memorial Club Limited for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



James Winter
Partner – Audit & Assurance

Sydney, 23 February 2021

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2020

	Note	2020 \$	2019 \$
Revenue from sale of goods		1,050,787	1,632,161
Revenue from rendering of services		10,170,657	13,050,414
Other income		1,593,040	254,293
Total Revenue	2	12,814,484	14,936,868
Depreciation, amortisation and impairments		(1,986,628)	(1,988,127)
Bar and catering expenses		(514,598)	(704,957)
Administrative expenses		(2,142,322)	(2,672,454)
Gaming expenses		(728,569)	(1,277,610)
Gaming tax expenses		(2,250,140)	(2,918,713)
Employment expenses		(4,539,209)	(4,798,227)
Director honorarium and expenses		(41,018)	(66,535)
Other expenses	3	(401,168)	(846,931)
Total Expenses		(12,603,652)	(15,273,554)
(Deficit)/Surplus before income taxes		210,832	(336,686)
Income tax expense	4	-	-
(Deficit)/Surplus after income taxes		210,832	(336,686)
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		210,832	(336,686)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Statement of Financial Position

As at 31 December 2020

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	8,500,836	7,592,040
Inventories	6	79,236	92,798
Other current assets	7	82,221	108,866
Total current assets		8,662,293	7,793,704
Non-current assets			
Property, plant and equipment	8	35,310,427	35,905,443
Intangible assets	9	549,427	549,427
Other non-current assets	7	6,305	6,305
Total non-current assets		35,866,159	36,461,175
TOTAL ASSETS		44,528,452	44,254,879
LIABILITIES			
Current liabilities			
Trade and other payables	10	1,470,833	1,449,024
Short-term provisions	11	713,360	731,836
Total current liabilities		2,184,193	2,180,860
Non-current liabilities			
Other long-term provisions	11	147,430	88,022
Total non-current liabilities		147,430	88,022
TOTAL LIABILITIES		2,331,623	2,268,882
NET ASSETS		42,196,829	41,985,997
FUNDS			
Accumulated funds		42,196,829	41,985,997
TOTAL FUNDS		42,196,829	41,985,997

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Statement of Changes in Funds

For the Year Ended 31 December 2020

2020

	Accumulated Funds	Total
	\$	\$
Balance at 1 January 2020	41,985,997	41,985,997
Net Operating Surplus	210,832	210,832
Other Comprehensive Income	-	-
Balance at 31 December 2020	42,196,829	42,196,829

2019

	Accumulated Funds	Total
	\$	\$
Balance at 1 January 2019	42,322,683	42,322,683
Net Operating Deficit	(336,686)	(336,686)
Other Comprehensive Income	-	-
Balance at 31 December 2019	41,985,997	41,985,997

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Statement of Cash Flows

For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
Cash from operating activities:			
Receipts from services and sales to members and patrons		12,425,734	16,169,731
Payments to suppliers and employees		(11,643,688)	(14,788,594)
Dividends received		83	267
Interest received		55,646	167,414
Other revenue		1,306,000	-
Income tax paid		-	-
Net cash provided by operating activities		2,143,775	1,548,818
Cash flows from investing activities:			
Proceeds from sale of plant and equipment		171,318	113,808
Acquisition of property, plant and equipment		(1,406,297)	(4,532,709)
Net cash used in investing activities		(1,234,979)	(4,418,901)
Net cash provided by financing activities		-	-
Net increase/(decrease) in cash held		908,796	(2,870,083)
Cash at beginning of financial year		7,592,040	10,462,123
Cash at end of financial year	5	8,500,836	7,592,040

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Notes to the Financial Statements

For the year ended 31 December 2020

1 Statement of Significant Accounting Policies

(a) General information

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial statements were authorised for issuance in accordance with a resolution of the Directors on 23 February 2021.

John Edmondson V.C. Memorial Club Limited is a company limited by guarantee established and domiciled in Australia.

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, for certain financial instruments which are recognised at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

The preparation of financial statements in conformity with Australian Accounting Standards – Reduced Disclosure Requirements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(b) Income Tax

The Income Tax Assessment Act provides that the company is liable for tax only on non-member income and income tax expense has been provided for as calculated by this special formula.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned using the first in first out basis.

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Notes to the Financial Statements

For the year ended 31 December 2020

1 Statement of Significant Accounting Policies

(d) Property, Plant and Equipment

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

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the club commencing from the time the asset is held ready for use.

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

Buildings	40 years - Straight Line
Plant and Equipment	2.5-11 years - Straight Line
Poker Machines	3.7-5 years - Straight Line
Motor Vehicles	3-8 years - Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

(e) Impairment of Assets

At each reporting date the Company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, the recoverable amount is determined and impairment losses are recognised in the profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. As the future economic benefits of all of the Company's assets (other than poker machines and related equipment) are not primarily dependent upon their ability to operate net cash inflows and if deprived of the asset, the Company would replace the asset's remaining future economic benefits, "value in use" is determined as the depreciated replacement cost of the asset, rather than by using discounted cash flows.

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

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Notes to the Financial Statements

For the year ended 31 December 2020

1 Statement of Significant Accounting Policies

(f) Intangible Assets

Poker machine licenses

Intangible assets represent poker machine licenses. These assets are carried at cost and are not amortised because they have indefinite useful lives. The useful life is assessed annually to determine whether events or circumstances continue to support an indefinite useful life assessment. The carrying value of poker machine licenses is reviewed annually for impairment.

(g) Employee Benefits

Provision is made for the club's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. Expected future cash flows have been discounted using notional government bond rates at balance sheet date with terms to maturity that match as closely as possible the estimated future cash outflows.

Contributions are made by the club to an employee superannuation fund and are charged as expenses when incurred.

(h) Financial Instruments

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the club assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Notes to the Financial Statements

For the year ended 31 December 2020

1 Statement of Significant Accounting Policies

(i) Cash and Cash Equivalents

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

(j) Revenue

AASB 15 Revenue from contracts with customers

Revenue arises mainly from the sale of goods (from the provision of beverages, food and other goods) and rendering of service (comprising revenues from gaming facilities, commissions and other services).

To determine whether to recognise revenue, the Club follows a 5-step process:

- 1 Identifying the contract with a customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Club satisfies performance obligations by transferring the promised goods or services to its customers.

The Club recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Club satisfies a performance obligation before it receives the consideration, the Club recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Notes to the Financial Statements

For the year ended 31 December 2020

1 Statement of Significant Accounting Policies

Sale of goods

Revenue from the sale of goods comprises revenue earned from the provision of food and beverages and is recognised at the point in time, upon the consumer obtaining the good, which is generally at the time of delivery.

Rendering of services

Revenue from rendering of services comprises from gaming facilities and other services to members and other patrons of the club and is recognised at a point in time.

Membership subscriptions

Revenue from membership subscriptions is recognised over time as the member consumes the benefit of the membership, which is over the life of the membership.

Interest income

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

Other income

Other income is recognised when the right to receive the income has been established.

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

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of 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 statements of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Notes to the Financial Statements

For the year ended 31 December 2020

1 Statement of Significant Accounting Policies

(l) Comparative Figures

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

(m) Provisions

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

(n) Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

There were no significant estimates and judgments incorporated into the financial statements.

(o) Trade payables

Trade and other payables represent liabilities for goods and services provided to the club prior to the year end and which are unpaid. These amounts are unsecured and have up to 14 day payment terms.

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Notes to the Financial Statements

For the year ended 31 December 2020

2 Revenue

	2020	2019
	\$	\$
- Bar, catering and other sale of goods	1,050,787	1,632,161
- Poker machine receipts	10,095,142	12,943,816
- Tab, keno and other commissions	57,055	87,151
- Member subscriptions	18,460	19,447
<i>Operating revenue from the provision of services and sales</i>	11,221,444	14,682,575
- Government COVID-19 stimulus support	1,306,000	-
- Other revenue	74,678	17,180
- Dividends	83	267
- Interest	55,646	167,414
- Net gain/(loss) on disposal of non-current assets	156,633	69,432
Total Revenue	12,814,484	14,936,868

3 Results for the year

The results for the year have been arrived at after crediting the following items:

(a) Expenses

	2020	2019
	\$	\$
Defined contribution superannuation expense	318,885	375,263

(b) Other Expenses

Marketing expenses	84,590	126,435
Club groups and entertainment expenses	176,256	431,569
Other expenses	140,322	288,927
Total Other Expenses	401,168	846,931

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Notes to the Financial Statements

For the year ended 31 December 2020

4 Income Tax Expense

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

	2020	2019
	\$	\$
Current tax	-	-
	-	-

(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

	2020	2019
	\$	\$
Ordinary activities before income tax - Prima facie tax payable on profit at 27.5%	57,978	Nil
Add:		
Tax effect of:		
- other non-allowable items	51,327	-
Less:		
Tax effect of:		
- Other timing adjustments	(23,646)	-
- Net income attributable to members	(155,587)	-
- Future income tax benefit on tax losses not brought to account	69,928	-
Income tax attributable to entity	-	-

The prima facie tax expense on profit from ordinary activities arises when the club is in a profitable position. When the club is in a current year loss position (as in 2019), the prima facie tax expense is nil. Due to member income representing a significantly high portion of the entity's total income and any non-member income being reduced by its share of deductible expenses, the club is typically in an overall tax loss position. Subsequently, no income tax expense or future income tax benefit is recognised in the accounts.

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Notes to the Financial Statements

For the year ended 31 December 2020

5 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash on hand	590,000	509,990
Cash at bank	3,338,360	2,061,017
Short term deposits	4,572,476	5,021,033
	8,500,836	7,592,040

6 Inventories

	2020	2019
	\$	\$
CURRENT		
At Cost		
Bar stock	56,021	79,286
Kitchen & Coffee Shop	23,215	13,512
	79,236	92,798

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Notes to the Financial Statements

For the year ended 31 December 2020

7 Other Assets

	2020	2019
	\$	\$
CURRENT		
Prepayments	72,249	88,375
Other current assets	9,972	20,491
	<u>82,221</u>	<u>108,866</u>
NON-CURRENT		
Other non-current assets	6,305	6,305
	<u>6,305</u>	<u>6,305</u>

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Notes to the Financial Statements

For the year ended 31 December 2020

8 Property Plant and Equipment

	2020	2019
	\$	\$
LAND AND BUILDINGS		
Freehold land		
George Street, Liverpool - at cost	1,068,131	1,068,131
Macquarie Street, Liverpool - at cost	2,128,101	2,128,101
Total freehold land	3,196,232	3,196,232
Buildings		
George Street, Liverpool - at cost	42,319,543	41,655,623
Macquarie Street, Liverpool - at cost	3,842,692	3,842,692
Less accumulated depreciation	(16,159,938)	(15,022,480)
Total buildings	30,002,297	30,475,835
Buildings under construction	-	-
Total land and buildings	33,198,529	33,672,067
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	8,494,385	8,664,428
Less accumulated depreciation	(7,490,268)	(7,588,926)
Total plant and equipment	1,004,117	1,075,502
Motor vehicles		
At cost	132,055	132,055
Less accumulated depreciation	(61,062)	(43,895)
Total motor vehicles	70,993	88,160
Poker machines		
At cost	6,275,749	6,180,319
Less accumulated depreciation	(5,238,961)	(5,110,605)
Total poker machines	1,036,788	1,069,714
Total plant and equipment	2,111,898	2,233,376
Total property, plant and equipment	35,310,427	35,905,443

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Notes to the Financial Statements

For the year ended 31 December 2020

8 Property Plant and Equipment

(a) Movements in Carrying Amounts

	Land	Buildings	Buildings under construction	Plant and Equipment	Motor Vehicles	Poker Machines	Poker Machines under Hire Purchase	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Current Year								
Balance at the beginning of year	3,196,232	30,475,835	-	1,075,502	88,160	1,069,714	-	35,905,443
Additions	-	663,920	-	247,587	-	494,790	-	1,406,297
Disposals	-	-	-	(14,685)	-	-	-	(14,685)
Transfers	-	-	-	-	-	-	-	-
Depreciation	-	(1,137,458)	-	(304,287)	(17,167)	(527,716)	-	(1,986,628)
Carrying amount at the end of year	3,196,232	30,002,297	-	1,004,117	70,993	1,036,788	-	35,310,427
Prior Year								
Balance at the beginning of year	3,196,232	24,909,068	2,846,445	1,167,011	105,327	1,165,403	-	33,389,486
Additions	-	3,763,687	-	314,713	-	457,541	-	4,535,941
Disposals	-	-	-	(31,859)	-	-	-	(31,859)
Transfers	-	2,846,445	(2,846,445)	-	-	-	-	-
Depreciation	-	(1,043,365)	-	(374,363)	(17,167)	(553,230)	-	(1,988,125)
Carrying amount at the end of year	3,196,232	30,475,835	-	1,075,502	88,160	1,069,714	-	35,905,443

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Notes to the Financial Statements

For the year ended 31 December 2020

9 Intangible Assets

	2020	2019
	\$	\$
Poker machines licenses		
Cost	549,427	549,427
Net carrying amount	549,427	549,427
Total Intangibles	549,427	549,427

10 Trade and Other Payables

	2020	2019
	\$	\$
CURRENT		
Unsecured liabilities		
Accrued employee entitlements	643,845	637,317
Sundry payables and accrued expenses	826,988	811,707
	1,470,833	1,449,024

11 Provisions

	2020	2019
	\$	\$
CURRENT		
Employee benefits	685,838	694,506
Jackpot provisions	27,522	37,330
	713,360	731,836

	2020	2019
	\$	\$
NON-CURRENT		
Employee benefits	147,430	88,022
	147,430	88,022

12 Members' Guarantee

The company is limited by guarantee. If the company is wound up, the constitution states that each member is to contribute a maximum of \$1 each towards meeting any outstanding obligations of the company. At 31 December 2020 the number of financial members totalled \$7,754 (2019: \$8,097).

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Notes to the Financial Statements

For the year ended 31 December 2020

13 Capital and Leasing Commitments

Capital commitments at year end regarding the finalisation of the property improvements were \$nil.

14 Key Management Personnel Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of that entity. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Key Management Persons (KMP) have been taken to comprise the directors and the members of the executive management responsible for the day to day financial and operational management of the club. Directors who acted for the club during the financial year are listed in the directors' report.

The aggregate Compensation of Key Management Persons including non-monetary benefits, post-employment and other long term benefits paid or payable or provided for was as follows:

	2020	2019
	\$	\$
Directors	32,020	32,915
Key management personnel (other than directors)	418,415	439,401
Total compensation	450,435	472,316

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Notes to the Financial Statements

For the year ended 31 December 2020

15 Other Related Party Transactions

In addition to the above, the Club has agreed to meet costs up to:

- \$20,000 in total per annum in relation to the Directors, to assist them in the carrying out of their duties including: telephone costs, uniforms and parking;
- \$75,000 in total per annum in relation to the Directors' professional development and education;
- \$145,000 in total per annum in relation to the food, travel and entertainment related to Directors' other duties.

In 2020 John Edmondson V.C. Memorial Club purchased entertainment from Director, Tony Hogan.

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

	2020	2019
	\$	\$
Transactions		
Tailoring services	-	1,150
Entertainment	12,600	45,485
Total	12,600	46,635

16 Subsequent Events

Nil.

17 Club Details

(a) Registered office

The registered office of the club is:

John Edmondson V.C. Memorial Club Limited
185 George Street
Liverpool NSW 2170

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

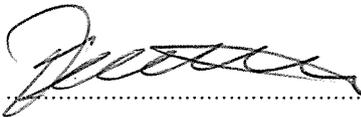
Directors' Declaration

The directors of the club declare that:

1. The financial statements and notes, as set out on pages 5 to 23, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2020 and of the performance for the year ended on that date of the club.
2. In the directors' opinion, there are reasonable grounds to believe that the club will be able to pay its debts as and when they become due and payable.

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

Director



Director



Dated 23 February 2021

Independent Auditor's Report

To the Members of John Edmondson V.C. Memorial Club Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of John Edmondson V.C. Memorial Club Limited (the "Company"), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- a) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



James Winter
Partner – Audit & Assurance
Sydney, 23 February 2021

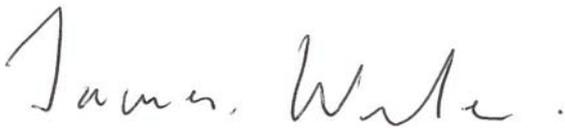
Disclaimer for the year ended 31 December 2020

To the Directors of John Edmondson V.C. Memorial Club Limited

The additional financial data following and presented on pages 29 to 35 is in accordance with the books and records of the Club which have been subjected to the auditing procedures applied in our statutory audit of the club for the year ended 31 December 2020. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than John Edmondson V.C. Memorial Club Limited) in respect of such data, including any errors or omissions therein however caused.



Grant Thornton Audit Pty Ltd
Chartered Accountants



James Winter
Partner – Audit & Assurance

Sydney, 23 February 2021

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John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Schedules

For the year ended 31 December 2020

BAR TRADING ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
SALES	555,057	841,658
LESS: COST OF GOODS SOLD		
Opening Stock	79,286	41,287
Purchases	219,887	373,619
	299,173	414,906
Less: Closing stock	56,021	79,286
	243,152	335,620
GROSS PROFIT	311,905	506,038
LESS : DIRECT EXPENSES		
Bar Promotions	-	-
Stocktake fees	-	10,200
Wages	611,527	505,045
	611,527	515,245
NET INCOME after direct expenses	(299,622)	(9,207)

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Schedules

For the year ended 31 December 2020

CATERING TRADING ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
SALES	495,730	790,503
LESS : COST OF GOODS SOLD		
Opening Stock	13,512	15,212
Purchases	270,569	357,375
	284,081	372,587
Less : Closing Stock	23,215	13,512
	260,866	359,075
GROSS PROFIT	234,864	431,428
LESS : DIRECT EXPENSES		
Wages	606,906	667,485
NET INCOME/(LOSS) after direct expenses	(372,042)	(236,057)

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Schedules

For the year ended 31 December 2020

POKER MACHINE REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
NET RECEIPTS	10,095,142	12,943,816
LESS : DIRECT EXPENSES		
Machines tax	2,250,140	2,918,713
Promotions and other direct expenses	566,075	1,117,766
Repairs & maintenance	-	146,743
Wages	723,824	862,500
	3,540,039	5,045,722
NET INCOME after direct expenses	6,555,103	7,898,094

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Schedules

For the year ended 31 December 2020

TAB TRADING ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
INCOME		
Commission received	4,149	13,968
LESS : EXPENSES		
Wages	17,940	23,300
Other direct expenses	77	475
	18,017	23,775
NET INCOME/(LOSS)	(13,868)	(9,807)

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Schedules

For the year ended 31 December 2020

KENO TRADING ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
INCOME		
Commission received	52,220	72,078
LESS : EXPENSES		
Wages	28,283	40,340
Other Costs	8,957	12,626
	37,240	52,966
NET INCOME/(LOSS)	14,980	19,112

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Schedules

For the year ended 31 December 2020

PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
NET INCOME		
Poker machine revenue	6,555,103	7,898,094
Bar trading	(299,622)	(9,207)
Catering trading	(372,042)	(236,057)
Commission received & other income	684	1,106
Keno trading	14,980	19,112
Dividends received	83	267
Subscriptions received	18,460	19,447
TAB trading account - loss	(13,868)	(9,807)
COVID Stimulus and JobKeeper	1,306,000	-
Sundry income	74,678	17,180
Profit/(loss) on disposal of non-current assets	156,636	69,432
	7,441,092	7,769,567
LESS : OPERATING CHARGES		
Advertising	105,720	153,844
Audit, consultancy and accountancy fees	93,024	112,598
Bank charges	7,326	12,704
Cleaning and laundry	314,855	395,215
Club functions, artists & bands	158,956	375,262
Depreciation	1,986,628	1,988,127
Directors expenses	4,644	15,360
Donations	186,647	256,583
Entertainment	60,036	103,722
Fringe benefits tax	17,812	14,134
Games	2,007	17,013
Gas & electricity	300,961	396,803
Insurance	344,667	280,230
Legal expenses	-	3,876
Members transport	39,045	136,630
Motor vehicle expenses	16,100	25,545
Payroll tax	89,831	198,053
Postage	7,356	9,234
Printing and stationery	24,665	59,259
Property taxes	130,460	137,004
Repairs & maintenance - general	613,143	517,649

John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

Schedules

For the year ended 31 December 2020

	2020	2019
	\$	\$
Replacements	17,835	33,665
Security services	174,767	334,028
Staff training, meals, drinks & amenities	105,538	166,387
Subscriptions and licences	75,773	101,816
Superannuation	318,885	375,263
Telephone	25,996	40,439
Uniforms & clothing	16,742	7,247
Waste disposal	28,797	30,740
Wages & entitlements	2,017,689	1,975,237
TOTAL CHARGES	7,285,905	8,273,667
OPERATING PROFIT PRIOR TO INVESTMENT INCOME AND BEFORE INCOME TAX	155,187	(504,100)
ADD : INVESTMENT INCOME		
Interest received	55,645	167,414
OPERATING PROFIT BEFORE INCOME TAX	210,832	(336,686)