

ANNUAL REPORT

2019 - 2020

BOARD OF DIRECTORS 2020



Ross Franklyn-Smith
President



Lee-Ann Taylor
Senior Vice President



Andrew Ward
Junior Vice President



Graham Breckell
Director



Karen Cassel
Director



George McGivern
Director



Salvatore (Sam) Vecchio
Director



John Williams
Director



Christopher Winmill
Director



Marlene Shipley
Chief Executive Officer

BOARD OF DIRECTORS

PRESIDENT:

Ross Franklyn-Smith

SENIOR VICE PRESIDENT:

Lee-Ann Taylor

JUNIOR VICE PRESIDENT:

Andrew Ward

BOARD MEMBERS:

Graham Breckell

Karen Cassel

George McGivern

Salvatore (Sam) Vecchio

John Williams

Christopher Winmill

ADVISORY COMMITTEE

CHAIR:

Brett Greenow

MEMBERS:

Robert Higgins

Joe Hutchinson

William McKinley

George Perrin

William Tervit

Cheryl Watson

Jeffrey Watson

MANAGEMENT

CHIEF EXECUTIVE OFFICER:

Marlene Shipley

FINANCE MANAGER:

Melinda Butler

HUMAN RESOURCES:

Kylie Marquez

OPERATIONS MANAGER:

Scott Dickson

FUNCTIONS CO-ORDINATOR/

RELIEF DUTY MGR:

Tracy Chandler

DUTY MANAGERS:

Warren Cairns, Matthew Kembrey,
Ivanka Leko, Belinda Rosewarne,
Rob Young

SUPERVISOR/RELIEF

DUTY MANAGER:

Sharon Brown

LIFE MEMBERS: Brian King (d), Joan King (d), Edward Heapy (d), Allan Blair (d), Don Adams (d), Ray Gallagher (d), Stewart Robbins (d), Frank Salt (d), Jeffrey Stewart (d), Kevin Watson, Michael Blair, Norman Cobb (d), Gordon Green (d), Edwin Thomas, Elizabeth Fielding (d), Ross Franklyn-Smith (d), Percy Blake (d), John Guest (d), John Rolfe, Ron Ready, Les Garland, Ray Ball, Bob Riggs, Rita Riggs (d), Beverly Jackson (d), Peter Moore, Alan Howle (d), Sam Davies (d), Jeffrey Watson, Jack McLeod (d), Karen Cassel, Cheryl Watson, William Webster, Michael Wiesel, Ross Stevenson, Harold Griffiths, Peter Russell, Uwe Schoenherr, Stephen Perry, Desmond Hartree, Andrew Forsdike, Ian Henricksen, Frederick Seidenkamp, James Backhouse.

AUDITORS:

Berger Piepers

BANKERS:

St George Bank

BRASS BAND OFFICERS

BOARD REPRESENTATIVES: Karen Cassel,
Christopher Winmill

PIPES AND DRUM OFFICERS

PIPE MAJOR: Hugh Strain
CHAIRMAN: Geoff Crane
PIPE SERGEANT: Vacant
DRUM MAJOR: David Ackroyd
DRUM SERGEANT: Geoff Crane
PROPERTY OFFICER: David Ackroyd
SECRETARY: Fiona McLellan
TREASURER: Geoff Crane
PUBLICITY OFFICER: Leanne Wilson
BOARD REPRESENTATIVES: Graham Breckell,
John Williams





PRESIDENT'S REPORT

ROSS FRANKLYN-SMITH

It's been an incredibly challenging year for all concerned, with the amalgamation being finalised and the integration of the RSL and the Band Club into the Diggers and Band Club entity. The amalgamation, the COVID Pandemic, transfers and system changes have all produced many regulatory, legal and compliance issues which have required a response by our Board, Chief Executive Officer, Administration Team and Staff, all of whom are working together to produce the necessary outcomes while implementing the changes and taking the action required to keep pace with the daily criteria required during these times.

The net profit of the company for the year ended 30 June 2020 was \$20,504,207, which included a gain on business combination (amalgamation) of \$20,824,856 (2019: \$531,992 loss). The results for the year were however negatively impacted by periods of closure and trading restrictions resulting from COVID-19.

A total of \$118,515 was distributed by the Club back to the community through Category 1 and Category 2 ClubGRANTS.

The traditions of our Club are well respected and long standing, as our Members and the community will attest to.

To our Bowlers, Pipes and Drums Band, Sub Branch and all the Sub Clubs, as well as our members supporting us through Gaming, Indoor Bowls, Darts, Bingo, Poker, Housie, Rock & Roll, Line Dancing, etc, we thank you for your patience during these times and we look forward to a much brighter future ahead.

To all those who have lost loved ones during the year, please accept our condolences on behalf of the Board, Management and Staff – I am sure they will be sorely missed.

The Club's Boards, both past and present, have done an amazing job in dealing with the issues as presented and they have reacted with a common mindset to ensure outcomes to the standards required by the Members of the Diggers and Band Club.

I have been privileged to have served as both President and a Board member and, during that time we have seen many changes, all of which have been

necessary for the benefit of our Club and Members in moving forward in the community.

Congratulations are in order to our Chief Executive Officer, Marlene Shipley, for her dedication to the Club, her focus and ability to deal with the many challenges presented while carrying forward our traditions and services for the community. Marlene has worked tirelessly with the Board, Administration, Consultants, Legal, Regulators, Members and Staff through demanding and unprecedented times. To Marlene from myself and the Board, thank you – its been a pleasure working with you.

To Janet Hardy, Personal Assistant to the CEO and Secretary to the Board, for her professionalism and efficiency dealing with the Board, her record keeping and other duties, we thank you.

To our Finance Manager, Melinda Butler, our appreciation for your availability to step into this role at short notice during difficult times has been well received. We thank you.



PRESIDENT'S REPORT CONTINUED

ROSS FRANKLYN-SMITH

To our Administration Team, Managers, Consultants and all our Staff, your hard work and dedication in dealing with the Club's daily operations while maintaining a safe, friendly and efficient environment for our Members and Guests, is much appreciated – thank you.

To Michael Lau, Allan, Tom and Nelson and all the Staff at Family Table, thank you for your food offering and service through the year and thank you for your excellent catering services for our functions.

To David Su and Staff who have recently taken over the Restaurant at the Diggers, thank you for your professional approach and your new food offerings, which have been very well received. We wish you well and look forward to continued success in the future.

To Philip Scott and Staff who now operate the Hall Street Brasserie, we welcome you and your team with your new food offerings and friendly service, and we look forward to a successful future in this business venture with the Diggers and Band Club.

Fortunately, our Members have had

the foresight to stand with the Board and Management, which in turn has brought about a significant achievement. Through the continuing patronage of our Members and Guests, I believe the Club is well positioned to withstand the negative times we have had to endure of late.

We look forward to a foreseeable future of change and continued expansion, placing the Diggers and Band Club firmly in the forefront of the community and a force within the Club industry, by and large through the strategic planning of the Board, the guidance of Management, the service of Staff and the patronage of our Members and Guests.

Thank you.

Ross Franklyn-Smith
President



CHIEF EXECUTIVE OFFICER'S REPORT

MARLENE SHIPLEY

I take great pleasure in presenting to the members of the St Marys Diggers and Band Club, the Club's Financial Report for 2019/2020.

What a year it has been! Amalgamation, bush fires, drought, flood and the dreaded COVID-19.

This year has been challenging to say the least. As the community is aware on the 23 March 2020 clubs were shut down overnight forcing the industry into the foetal position. To say it was terrifying is an understatement. In all of our strategic planning, never had a shut down been a consideration in attacking unforeseen trade threats or Risk Management matters. What a challenge we had ahead of us to navigate what this meant.

Prior to officially being shut down we were inadvertently experiencing the challenges that COVID-19 brought with it. We had been experiencing dramatic reductions in patronage - the looming virus had our community vulnerable, scared and insecure.

At the time of closing, the Government had predicted the closure would be for a minimum of six months. Thankfully it lasted only 9 weeks which was a huge relief to the industry – most notably for the mental well-being of thousands of staff across the country.

Although we were able to re-open, the worst wasn't yet behind us. We have spent the last few months as an Industry adjusting and complying with countless new regulations in order to

operate in a COVID-safe environment. I would like to take this opportunity to thank our community for their patience and compliance whilst we all learnt to navigate a new way of life living in a COVID-19 world.

On a positive note, we are very excited that the **SYDNEY METRO PROJECT** was announced earlier this year. The project will deliver approximately 23 kilometres of rail between St Marys Station and the future Western Sydney Aerotropolis in Bringelly; making St Marys a future hub of revitalisation and employment growth. We are excited to see what it brings to our community in the future.

AMALGAMATION

Effective 27 November 2019 St Marys R.S.L & Ex-Servicemen's Club Limited (RSL Club) amalgamated with St Marys District Band Club Limited (Band Club). The entities were amalgamated into the existing legal structure of the RSL Club, with its name changed to St Marys Diggers and Band Club Limited (SMDBC or the Club). The Band Club's legal structure is in the process of being liquidated.

Under the terms of the amalgamation, all assets and liabilities of the Band Club were transferred to St Marys Diggers and Band Club at fair value (as required by Australian Accounting Standards) as at 27 November 2019, however, no consideration was paid by St Marys Diggers and Band Club for the net assets transferred.

Effectively, St Marys Diggers and Band Club obtained a gain on amalgamation equivalent to the net assets transferred (being their fair value less consideration). This gain was \$20,824,856 which represented the net assets/equity of the Band Club at that date and, as a result, consolidated the net assets/equity of the Band Club with the RSL Club to arrive at the overall position of St Marys Diggers and Band Club.

TRADING RESULTS

The net profit of the company for the year ended 30 June 2020 was \$20,504,207 which included a gain on business combination (amalgamation) of \$20,824,856 (2019: \$531,992 loss) after an income tax expense of \$Nil (2019: \$Nil).

We have seen a successful year for our Club, thanks to the ongoing support and patronage of our members and their guests. We continue improving and providing the local community with a hospitality venue that's focus is providing excellent customer service, supported by entertainment, food, beverage and gaming in a safe, warm and friendly environment.

Strategic Planning

The Board is elected by the members in order to set strategy, policy and procedure in order to maintain the long term viability of your Club. Whilst the Board is currently exploring its options for future growth and development, the Club will continue to support the objectives of the constitution – to support a Brass and a Pipes and Drums Band in the traditions and practices of the Band



CHIEF EXECUTIVE OFFICER'S REPORT CONTINUED

MARLENE SHIPLEY

Club and also to support the game of Lawn Bowls.

As a forward-thinking organisation, we are continually seeking opportunities which will further strengthen our brand, our diversity, and our financial position to enable us to better deliver on our vision to our members and the local community.

In conjunction with our 3 to 5-year Strategic Plan for expansion, development, stability and the overall success of the Club, the Board will continue to explore future growth strategies, one of which was the amalgamation (now complete). They now look forward to working with the Community to form a stronger brand.

Review of Operations

Traditionally, I would take this opportunity to review key information explaining major variances, however, given the impact of the amalgamation upon this information, I will refer you to

the financial report for the year 2020 for this year's trading information.

Club Grants / Community Donations

The Club continues to support the local community organisations by way of the Club Grants Scheme. Major contributions to the community this year of \$118,515 were distributed to various local charity organisations within the local Penrith area.

The Grants Scheme process is facilitated by local Council ensuring that Clubs are made aware of, and make funds available to, local organisations that benefit the local community based on what programs that local community requires.

In addition to Club Grants we also continue to support other local organisations such as schools, fundraising committees etc, by way of additional donations that fall outside of the Club Grants Scheme.

Overall Operation

It is once again pleasing as Chief Executive Officer to reflect on the overall operation of the Club over the past 12 months.

Firstly, I would like to thank the Club's President, Ross Franklyn-Smith, Senior Vice President Lee-Ann Taylor, Junior Vice President Andy Ward and the Board of Directors for their support, dedication and commitment during the past 12 months. The position of a Director is voluntary and your Board give up their time to attend various monthly meetings along with strategic planning sessions to achieve the goals identified and to ensure a viable, strategic future for your Club. I would like to thank you for your commitment, level of enthusiasm and most of all passion and dedication to your Club. I would also like to thank you for the confidence that you place in me as your Club's Chief Executive Officer.



CHIEF EXECUTIVE OFFICER'S REPORT CONTINUED

MARLENE SHIPLEY

Management & Staff

I would like to take this opportunity to sincerely thank my team for providing the Club with a high level of advocacy, dedication, support and hard work. The support given as a team is invaluable to the success of the Club.

Janet Hardy, my Personal Assistant and Secretary to the Board of Directors, the Senior Management team Melinda Butler (Finance Manager) and Scott Dickson (Operations Manager), HR Co-Ordinator Kylie Marquez (Human Resources), Function Co-ordinator/Relief Duty Manager Tracy Chandler, Duty Managers, Robert Young, Matthew Kembrey, Warren Cairns, Belinda Rosewarne, Ivanka Leko, Relief Duty Manager Sharon Brown, Simone Seget (Accounts) and Kristy Knappick (Functions/Marketing Co-Ordinator)

Last but definitely not least, to all of our outstanding floor staff throughout the Club, thank you for the fantastic job you continue to do day in and day out and

have done over the past 12 months. You always provide outstanding customer service and look after our Club's valued Members and Guests. You are all the reason why our members feel included and you are the reason they keep coming back. If we didn't have you all on our team, we wouldn't have what we have – a wonderful Club full of wonderful people.

To the teams of staff in each of our restaurants, the Family Table Brasserie, The Hall Street Brasserie and Mr Su's Kitchen, thank you for the fantastic job that you do looking after the Club's valued Members and Guests. The friendly service and excellent offering that you provide is by far second to none.

I would also like to acknowledge members that have passed over the past 12 months. On behalf of the Board of Directors, Management and Staff I would like to pass on our sincere condolences to those that have lost loved ones.

To our valued members, on behalf of the Board, Management and staff a very sincere thank you for your continued patronage and support over the past 12 months. It's been a very tough year and without you we wouldn't have made it through.

See you all soon.

Marlene Shipley
Chief Executive Officer

ANNUAL GENERAL MEETING

SUNDAY 29 NOVEMBER 2020 - 10.00 A.M.
**DIGGERS CLUB AUDITORIUM, CNR MAMRE ROAD
& HALL STREET, ST MARYS**

AGENDA

1. Apologies
2. Confirmation of Minutes of previous Annual General Meeting held on Monday 24 February 2020
3. Officers' Reports
4. Presentation and Consideration of the Financial Report, Directors' Report and Auditor's Report for the Financial Year ending 30 June 2020
5. First Ordinary Resolution
6. Discussion and Recommendations to the Board
7. Correspondence
8. General Business
9. Election of Board of Directors 2020/2022
10. Destruction of Ballot Papers 2020/2022 Election of Board of Directors

The following notice of motion has been received twenty-one (21) days prior to the Annual General Meeting and is currently displayed on the Club's Notice Board.

FIRST ORDINARY RESOLUTION

That pursuant to the Registered Clubs Act the members:

1. approve and agree to expenditure of the Club until the next Annual General Meeting for the following:

- (a) the reasonable cost of a meal and refreshments associated with each Board meeting of the Club where the meeting corresponds with a normal meal time;
- (b) the provision of blazers and associated apparel for the use of Club Directors when representing the Club.
- (c) reimbursement of reasonable expenses incurred by Directors in travelling to and from Directors' meetings or to other meetings, including seminars, lectures, trade displays or similar, as approved by the Board from time to time on the production of invoices, receipts or other proper documentary evidence of such expenditure, as well as

the reasonable cost of Directors attending the ClubsNSW Annual General Meeting, Trade Show and Conference.

- (d) an end of year function to be attended by Directors and their spouses/partners without charge, the cost of such function to not exceed \$5,500.00 (inclusive of GST).
- (e) the reasonable cost of Directors attending other registered Clubs for viewing and assessing their facilities and the methods of operation provided such attendance is approved by the Board as being necessary for the betterment of the Club.
- (f) the reasonable cost of Directors undertaking training as required by the Registered Clubs Act and Regulations.
- (g) the reasonable cost to the Club of providing Directors with iPads or similar devices for Directors' use at Board meetings and other

purposes related to their duties as Directors.

Notes to Members in relation to First Ordinary Resolution

1. The First Ordinary Resolution proposes for members to approve:
 - (a) the Club undertaking the expenditure set out in paragraph 1 of the First Ordinary Resolution; and
 - (b) the Directors receiving certain benefits which are not available to all members.
2. The benefits are much the same as those approved last year and previous years.

Procedural matters

1. To be passed the First Ordinary Resolution requires votes from not less than a majority (50% + 1) of those members, who being eligible to do so, vote in person on the First Ordinary Resolution at the meeting.

2. Only financial Sub Branch members, financial Associate members, financial Band Club members and Life members are entitled to vote on the First Ordinary Resolution.
3. The Registered Clubs Act prohibits proxy voting and prohibits members who are employees of the Club from voting.
4. The Board of the Club requests that members vote in favour of the First Ordinary Resolution.

Dated: 1 November 2020
By direction of the Board



Marlene Shipley
Chief Executive Officer

41J (2) OF THE REGISTERED CLUBS ACT

CORE & NON-CORE PROPERTIES

Pursuant to Section 41J (2) of the Registered Clubs Act for the financial year ended 30 June 2020:

1. the following properties are core properties of the Club:
 - (i) Licensed Building Premises and Bowling Greens and Car Park, Cnr Mamre Road & Hall Street, St Marys
 - (ii) Licensed Building Premises and Car Park, 411 Great Western Highway, St Marys
2. the following properties are non-core properties of the Club:
 - (i) Property incorporating the "Train", Hall Street, St Marys
 - (ii) Youth & Community Hall, Hall Street, St Marys
 - (iii) Vacant Property, north of licensed premises, Mamre Road, St Marys

NOTES TO MEMBERS IN RELATION TO CORE PROPERTY AND NON-CORE PROPERTY

1. Section 41J (2) of the Registered Clubs Act requires the Annual Report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.
2. Core property is defined as any real property owned or occupied by the Club that comprises:
 - (i) the defined (licensed) premises of the Club;
 - (ii) any facility provided by the Club for the use of the members and their guests; or
 - (iii) any other property declared, by a resolution passed by a majority of members present at a general meeting of Ordinary Members of the Club to be core property of the Club.
3. Non-core property is defined as any other property other than that

referred to above as core property and any property which is declared by the members at a general meeting of Ordinary Members of the Club not to be core property.

4. The significance of the difference between core property and non-core property is that the Club cannot dispose of any core property unless:
 - (i) the property has been valued by a registered valuer within the meaning of the Valuers' Act 2003; and
 - (ii) the disposal has been approved at a general meeting of the Ordinary Members of the Club at which the majority of the votes cast support the approval; and
 - (iii) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.
5. These disposal provisions and what constitutes a disposal for the purposes of Section 41J are to some extent modified by regulations made

under the Registered Clubs Act and by Section 41J itself. For example, the requirements of paragraph 4 above do not apply to:

- (i) Core property that is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation by a registered valuer;
- (ii) Core property that is being leased or licensed to a telecommunications provider for the purposes of a telecommunications tower.

NOTICE TO MEMBERS

Questions in relation to the Financial Report must be in writing and be in the hands of the Chief Executive Officer no later than 5.00 p.m. on Friday 20 November 2020.

This requirement is necessary to enable accurate and factual answers to be researched and prepared for members' information prior to the Annual General Meeting.

Dated: 1 November 2020
By direction of the Board



Marlene Shipley
Chief Executive Officer

ST MARYS

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FINANCIALS

DIRECTOR'S REPORT

ST MARYS DIGGERS & BAND CLUB LIMITED
(FORMERLY ST MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED)
(a company limited by guarantee)
A.B.N. 14 000 589 060

Your directors submit their report for the year ended 30 June 2020.

1. DIRECTORS IN OFFICE AT THE DATE OF THIS REPORT

Ross Franklyn-Smith
Karen Cassel
Lee-Ann Taylor
John Williams
Andrew Ward
Graham Thomas Breckell
Salvatore Vecchio
George McGivern
Christopher William Winmill

2. PRINCIPAL ACTIVITIES

The principal activities of the company during the year was to operate a licenced club, and to promote the advancement of all manner of musical, cultural, lawn bowls, social and recreational interests. There has been no significant change in the nature of this activity

3. TRADING RESULTS

The net profit of the company for the year ended 30 June 2020 was \$20,504,207 which included a gain on business combination (amalgamation) of \$20,824,856 (2019:

\$531,992 loss) after an income tax expense of \$Nil (2019: \$Nil).

It should also be highlighted that the results for the year were negatively impacted by periods of closure and trading restrictions resulting from the COVID-19 virus.

4. DIVIDENDS

No dividend was declared or paid during the year. The company's Constitution prohibits the payment of dividends.

5. SHORT AND LONG-TERM OBJECTIVES

The principal activity of the club during the year was the conducting of a licensed club. Our aim is to continue providing the local community with a hospitality venue with the focus being on excellent customer service, supported by entertainment, food, beverage and gaming in a safe, warm and friendly environment.

St Marys Diggers & Band Club is an integral part of the community. The objective short and long term is to continue supporting both Ex Servicemen, lawn Bowls and the

St Mary's District Band Club Brass and Pipes Band, with both bands remaining an integral group within the local community, as defined by the organisation's constitution.

6. STRATEGIES FOR ACHIEVING OBJECTIVES

The Club undertakes a number of strategies enabling the Board, along with Management, to achieve the above objectives as follows;

- The Board along with Management are continually reviewing and updating the Club's short and long-term Strategic Plans.
- These Strategic Plans will then enable the Board to continue to monitor and review the plans in order to achieve the Club's objectives.
- Capital investment will be continually reviewed in order to continue to meet member expectations.

7. MEASUREMENT OF PERFORMANCE

Financial and operational performance is measured using the following key indicators:

- Trading performance to budget
- EBITDA and EBITDARD performance to industry standards
- Cash flow
- Banking Covenants
- Departmental measures such as gross profit and wage percentages
- Member satisfaction
- Membership growth
- Community support
- Mystery shopper reviews

8. CHANGES IN THE STATE OF AFFAIRS

During the financial year the Club finalised its amalgamation with the St Marys District Band Club Limited and changed its name to St Marys Diggers & Band Club Limited.

The Club was impacted during the year by COVID-19 related closure and trading restrictions. This impact will continue into the 2020/21 financial year; however, it is not possible at this stage to determine the extent of this impact.

Apart from the above matters, there were no other significant changes in the state of affairs of the company.

DIRECTOR'S REPORT

ST MARYS DIGGERS & BAND CLUB LIMITED
(FORMERLY ST MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED)
(a company limited by guarantee)
A.B.N. 14 000 589 060

9. DIRECTORS' REMUNERATION

No director of the company has, since the end of the previous financial year, received or become entitled to receive a benefit (other than reimbursed expenses shown in the financial report) by reason of a contract made by the company with the director or with a firm of which they are a member or with a company in which they have a substantial financial interest

10. INFORMATION ON DIRECTORS

BOARD MEETINGS AND DIRECTORS' ATTENDANCES

There were 16 Full Board Meetings held during the financial year 1 July 2019 – 30 June 2020. Attendance by the directors was as follows:

		Full Board Meetings Held While on Board	Full Board Meetings Attended
Ross Franklyn-Smith President from 24/2/2020 (Retired)	Appointed 27/11/2019	10	10
Lee-Ann Taylor Senior Vice President from 24/2/2020 President to 24/2/2020 (Supervisor)	Director since 2016	16	15
Andrew Ward Junior Vice President from 24/2/2020 (Managing Director)	Appointed 27/11/2019	10	10
Christopher William Winmill Vice President to 24/2/2020 (Vinyl layer)	Director since 2014	16	16
Graham Thomas Breckell Vice President to 24/2/2020 (Retired)	Director since 2016	16	14
Salvatore Vecchio (Retired)	Director since 2016	16	15
Karen Cassel (Customer Service)	Appointed 27/11/2019	10	9
John Williams (Retired)	Appointed 27/11/2019	10	10
George McGivern (Risk and Compliance Manager)	Appointed 27/11/2019	10	10
William James McKinley (Storeman)	Resigned 27/11/2019	6	6

DIRECTOR'S REPORT

ST MARYS DIGGERS & BAND CLUB LIMITED
(FORMERLY ST MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED)
(a company limited by guarantee)
A.B.N. 14 000 589 060

10. INFORMATION ON DIRECTORS (continued)

BOARD MEETINGS AND DIRECTORS' ATTENDANCES (Continued)

There were 16 Full Board Meetings held during the financial year 1 July 2019 – 30 June 2020. Attendance by the directors was as follows:

		Full Board Meetings Held While on Board	Full Board Meetings Attended
Robert Higgins (Builder)	Resigned 27/11/2019	6	5
George Perrin (Retired)	Resigned 27/11/2019	6	6
William Tervit (Retired)	Resigned 27/11/2019	6	5
Derek Cocking (Retired)	Resigned 27/07/2019	1	-

BOARD REPRESENTATIVES ON COMMITTEES FOR CLUB ACTIVITIES AT YEAR END

EXECUTIVE – R Franklyn-Smith, L Taylor, A Ward.

DISCIPLINARY – R Franklyn-Smith, L Taylor, A Ward, C Winmill.

WH&S COMMITTEE – K. Cassel.

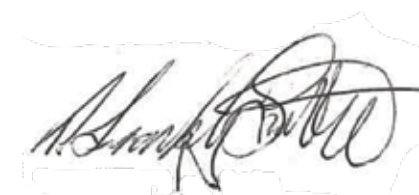
PIPES & DRUMS BAND – G Breckell, J Williams.

BRASS BAND – K Cassel, C Winmill.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and can be found following this report.

On behalf of the board



Ross Franklyn-Smith
President



Lee-Ann Taylor
Vice President

16 September 2020
St Marys

**AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF
ST MARYS DIGGERS & BAND CLUB LIMITED
(FORMERLY ST MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED)**
(a company limited by guarantee)

I declare that, to the best of my knowledge and belief, in relation to the audit of St Marys Diggers & Band Club Limited for the year ended 30 June 2020, there have been:

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



berger piepers
Chartered Accountants



W J Piepers
Partner

16 September 2020
Penrith, NSW



Summit House 286 High Street (PO Box 999) Penrith NSW 2751

Telephone (02) 4726 9666

www.bergerpiepers.com.au Email: bp@bergerpiepers.com.au

Liability limited by scheme approved under Professional Standards Legislation

**AUDITOR'S INDEPENDENCE
DECLARATION TO THE DIRECTORS OF
ST MARYS DIGGERS & BAND CLUB
LIMITED
(FORMERLY ST MARYS R.S.L. & EX-
SERVICEMEN'S CLUB LIMITED)**

**Report on the Audit of the Financial
Report**

Opinion

We have audited the financial report of St Marys Diggers & Band Club Limited, which comprises the statement of financial position as at 30 June 2020, 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 St Marys Diggers & Band Club Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2020 and of the financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section

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

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

We believe that the audit evidence we have obtained is sufficient and

appropriate to provide a basis for our opinion.

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 and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Summit House 286 High Street (PO Box 999) Penrith NSW 2751

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Responsibilities of the Directors for the Financial Report (continued)

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,

but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 skepticism 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;



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Auditor's Responsibilities for the Audit of the Financial Report (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; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

16 September 2020
Penrith, NSW



berger piepers
Chartered Accountants



W J Piepers
Partner



Summit House 286 High Street (PO Box 999) Penrith NSW 2751
Telephone (02) 4726 9666

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Liability limited by scheme approved under Professional Standards Legislation

STATEMENT OF FINANCIAL POSITION

ST MARYS DIGGERS & BAND CLUB LIMITED
(FORMERLY ST MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED)
(a company limited by guarantee)
A.B.N. 14 000 589 060

AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	4	3,077,727	1,418,954
Trade and other receivables	5	15,189	6,835
Inventories	6	123,002	72,206
Other assets	7	346,931	-
TOTAL CURRENT ASSETS		3,562,849	1,497,995
NON-CURRENT ASSETS			
Property, plant and equipment	8	62,748,520	38,717,768
Total non-current assets		62,748,520	38,717,768
TOTAL ASSETS		66,311,369	40,215,763
CURRENT LIABILITIES			
Trade and other payables	9	1,690,385	197,719
Interest bearing loans and borrowings	10	2,931,280	1,000,000
Provisions	11	636,856	1,206,766
Other current liabilities	12	139,175	-
		5,397,696	2,404,485
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	10	2,511,770	-
Provisions	11	86,418	-
TOTAL NON-CURRENT LIABILITIES		2,598,188	-
TOTAL LIABILITIES		7,995,884	2,404,485
NET ASSETS		58,315,485	37,811,278
EQUITY			
Retained surplus		37,594,285	17,090,078
Revaluation reserve	13	20,721,200	20,721,200
TOTAL EQUITY		58,315,485	37,811,278

The accompanying notes form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

ST MARYS DIGGERS & BAND CLUB LIMITED
(FORMERLY ST MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED)
(a company limited by guarantee)
A.B.N. 14 000 589 060

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
REVENUE			
Sale of goods and services	3(a)	8,487,074	5,953,457
Finance income	3(d)	8,370	25,265
TOTAL REVENUE		8,495,444	5,978,722
EXPENSES			
Cost of goods sold	3(b)	873,468	848,254
Depreciation	3(c)	1,319,116	747,562
Finance costs	3(d)	174,166	48,326
Employee benefits	3(e)	2,312,997	1,983,389
Poker machine revenue tax		723,975	622,634
Promotion expenses		503,971	200,257
Repairs and maintenance		607,787	321,844
Cleaning and laundry		295,027	164,174
Light and power		374,559	320,837
Donations		113,749	52,892
Security		104,519	114,432
Insurance		253,337	129,414
Other expenses		1,159,422	956,699
TOTAL EXPENSES		8,816,093	6,510,714
PROFIT/(LOSS) BEFORE AMALGAMATION AND INCOME TAX		(320,649)	(531,992)
Gain on business combination	20	20,824,856	-
PROFIT/(LOSS) BEFORE INCOME TAX		20,504,207	(531,992)
Income tax expense		-	-
PROFIT/(LOSS) FOR THE YEAR		20,504,207	(531,992)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		20,504,207	(531,992)

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

ST MARYS DIGGERS & BAND CLUB LIMITED
(FORMERLY ST MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED)
(a company limited by guarantee)
A.B.N. 14 000 589 060

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		9,278,823	6,425,996
Payments to suppliers and employees		(9,232,874)	(6,276,989)
Interest paid		(174,396)	(48,325)
Interest received		8,370	25,265
Net cash flows from/(used in) operating activities	4	(120,077)	125,947
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received upon amalgamation		1,978,171	-
Payment for property, plant and equipment		(63,371)	(30,917)
Net cash flows from/(used in) investing activities		1,914,800	(30,917)
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings net		(135,950)	(150,000)
Net cash flows used in financing activities		(135,950)	(150,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,658,773	(54,970)
Cash and cash equivalents at beginning of year		1,418,954	1,473,924
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	3,077,727	1,418,954

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

ST MARYS DIGGERS & BAND CLUB LIMITED
(FORMERLY ST MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED)
(a company limited by guarantee)
A.B.N. 14 000 589 060

FOR THE YEAR ENDED 30 JUNE 2020

	Retained Profits \$	Reserves (Note 13) \$	Total Equity \$
AS AT 30 JUNE 2018	17,622,070	20,721,200	38,343,270
(Loss) for the year	(531,992)	-	(531,992)
Other comprehensive income	-	-	-
AS AT 30 JUNE 2019	17,090,078	20,721,200	37,811,278
Profit for the year	20,504,207	-	20,504,207
Other comprehensive income	-	-	-
AS AT 30 JUNE 2020	37,594,285	20,721,200	58,315,485

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

ST MARYS DIGGERS & BAND CLUB LIMITED
(FORMERLY ST MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED)
(a company limited by guarantee)
A.B.N. 14 000 589 060

FOR THE YEAR ENDED 30 JUNE 2020

1. CORPORATE INFORMATION

The financial report of St Marys Diggers & Band Club Limited (Formerly St Marys R.S.L. & Ex-Servicemen's Club Limited) was authorised for issue in accordance with a resolution of the directors on 16 September 2020.

The principal activities of the company during the year was to operate a licenced club, and to promote the advancement of all manner of musical, cultural, lawn bowls, social and recreational interests. There has been no significant change in the nature of this activity

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on an historical cost basis and, except where stated, does not take into account current valuations of non-current assets.

The financial statements have been prepared on the going concern basis. The ability of the company to continue operating as a going concern may be dependent upon the continued financial support of its bankers.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("AIFRS") as issued by the International Accounting Standards Board.

(c) Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and other various factors it believes to be reasonable under the circumstances, the results of which form the basis

of the carrying values of assets and liabilities that are not readily apparent from other sources.

Details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

(d) Property, plant and equipment

Plant and equipment is stated at historic cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing parts is incurred. All other repairs and maintenance are recognised in the profit and loss as incurred.

Land and buildings are measured at fair value, based on periodic valuations by external independent valuers who apply the International Valuations Standards Committee International Standards, less accumulated depreciation on buildings and less any impairment losses recognised after the date of revaluation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

- Freehold buildings 40 to 50 years
- Plant and equipment 3 to 15 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement or statement of comprehensive income in the year the item is derecognised

Revaluations of land and buildings

Any revaluation increment is credited to the asset revaluation reserve included in equity, except to the extent that it reverses a revaluation decrement for the same asset previously recognised in the profit and loss, in which case the increment is recognised in the profit and loss.

Any revaluation decrement is recognised in the profit and loss, except to the extent that it offsets a previous revaluation increment for

NOTES TO THE FINANCIAL STATEMENTS

ST MARYS DIGGERS & BAND CLUB LIMITED
(FORMERLY ST MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED)
(a company limited by guarantee)
A.B.N. 14 000 589 060

FOR THE YEAR ENDED 30 JUNE 2020

the same asset, in which case the decrement is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.

Impairment

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The company conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored for indicators of impairment. If any indication of impairment exists, an estimate of the assets recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Non-financial assets, other than goodwill, that have suffered an impairment, are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period in which they occur.

(f) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the

estimated selling price in the ordinary course of business.

Costs have been assigned to inventory on hand at balance date using the first-in-first-out basis and are determined based on invoice price.

(g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the statement of financial position.

(h) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(i) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

NOTES TO THE FINANCIAL STATEMENTS

ST MARYS DIGGERS & BAND CLUB LIMITED
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FOR THE YEAR ENDED 30 JUNE 2020

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(j) Leases

Finance leases, which transfer to the company substantially all of the risks and benefits incidental to ownership of the leased items, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are charged directly to the income statement.

Capitalised leased assets are amortised over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all of the risks and benefits of ownership of the asset are classified as operating leases. Such leases are subject to treatment according to the new accounting standard AASB 16 "Leases" – refer to discussion at Note 1(n) below.

(k) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when there has been a transfer of risks and rewards to the customer, no further work or processing is required, the quantity and quality of the goods have been determined, the price is fixed and generally title has passed.

Rendering of services

Control of the right to receive payment for the services performed has passed to the company.

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.

(l) Taxes

Income tax

Tax-effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. To the extent timing differences occur between the times items are recognised in the financial statements and when items are taken into account in determining taxable income, the net related taxation benefit or liability, calculated at current rates, is disclosed as a future income tax benefit or a provision for deferred income tax. The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless it is probable that the benefit will be realised.

The directors have adopted a conservative stance in relation to the likelihood of realisation of future income tax benefits in relation to timing differences and have therefore not recognised them as an asset.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where:

- the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

NOTES TO THE FINANCIAL STATEMENTS

ST MARYS DIGGERS & BAND CLUB LIMITED
(FORMERLY ST MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED)
(a company limited by guarantee)
A.B.N. 14 000 589 060

FOR THE YEAR ENDED 30 JUNE 2020

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(m) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets and liabilities transferred. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date.

(n) Application of new and revised Accounting Standards

In the current year the company has applied AASB 16 "Leases" which is effective for annual periods commencing on or after 1 January 2019 therefore the date of initial application of AASB 16 for the company was 1 July 2019.

This new Accounting Standard did not have a material impact on the company, with the company electing not to apply the Standard, as permitted, to leases of low value assets.

(o) Comparative amounts

Where necessary, prior year comparatives have been reclassified in order to facilitate comparison with current year disclosures.

The 2019 comparatives include the results of St Marys R.S.L. & Ex-Servicemen's Club Limited only and its assets and liabilities at 30 June 2019. The 2020 results include seven months of trading of the amalgamated entity and its assets and liabilities at 30 June 2020.

NOTES TO THE FINANCIAL STATEMENTS

ST MARYS DIGGERS & BAND CLUB LIMITED
(FORMERLY ST MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED)
(a company limited by guarantee)
A.B.N. 14 000 589 060

FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
3. REVENUES AND EXPENSES		
(a) Sale of goods and services		
Bars	1,514,771	1,160,964
Poker machines	5,664,774	3,608,824
Members' subscriptions	27,271	26,524
Keno and TAB commissions	141,918	114,278
Coffee shop, functions and catering	677,180	537,842
Other commissions	119,488	110,090
Bowling green	23,311	30,162
Miscellaneous	318,361	364,773
	<u>8,487,074</u>	<u>5,953,457</u>
(b) Cost of goods sold		
Cost of inventories	<u>873,468</u>	<u>848,254</u>
(c) Depreciation		
Depreciation of non-current assets	<u>1,319,116</u>	<u>747,562</u>
(d) Finance costs/income		
Bank borrowings and overdrafts	<u>174,166</u>	<u>48,326</u>
Bank interest received	<u>8,370</u>	<u>25,265</u>
(e) Employee benefits		
Wages and salaries	2,393,048	1,734,483
Government wage subsidies	(407,250)	-
Payroll tax	97,552	56,247
Superannuation	229,647	192,659
Total employee benefits	<u>2,312,997</u>	<u>1,983,389</u>
(f) Expenses included in other expenses		
Director expenses	<u>22,427</u>	<u>21,040</u>

NOTES TO THE FINANCIAL STATEMENTS

ST MARYS DIGGERS & BAND CLUB LIMITED
(FORMERLY ST MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED)
(a company limited by guarantee)
A.B.N. 14 000 589 060

FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
4. CASH AND CASH EQUIVALENTS		
Cash at bank	2,681,947	1,323,954
Cash on hand	395,780	95,000
	<u>3,077,727</u>	<u>1,418,954</u>
Reconciliation of the net profit/(loss) after tax to the net cash flows from operations:		
Net (loss)/Profit	20,504,207	(531,992)
<i>Adjustments for:</i>		
Depreciation and amortisation	1,319,116	747,562
Gain on business combination	(20,824,856)	-
Changes in assets and liabilities		
Decrease/(Increase) in prepayments/receivables	(140,428)	(6,696)
Decrease (Increase) in inventories	63,314	(11,591)
Increase/(decrease) in trade creditors/payable	(134,136)	(114,764)
Increase/(Decrease) in provisions	(907,294)	43,428
	<u>(120,077)</u>	<u>125,947</u>
Net cash flow from/(used in) operating activities		
	<u>(120,077)</u>	<u>125,947</u>
Finance facilities		
The company has access to the following credit standby facilities:		
<i>Amount of facility</i>		
- commercial	5,053,600	-
- bill bank loan	864,050	1,000,000
	<u>5,914,650</u>	<u>1,000,000</u>
Facility utilised	<u>5,443,050</u>	<u>1,000,000</u>
Facility unutilised	<u>474,600</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

ST MARYS DIGGERS & BAND CLUB LIMITED
(FORMERLY ST MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED)
(a company limited by guarantee)
A.B.N. 14 000 589 060

FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
5. TRADE AND OTHER RECEIVABLES (CURRENT)		
Other receivables	15,189	6,835
6. INVENTORIES (CURRENT)		
Trading stock at cost	123,002	72,206
7. OTHER CURRENT ASSETS		
Prepayments	132,174	-
Wages clearing	214,757	-
	346,931	-
8. PROPERTY, PLANT AND EQUIPMENT		
Freehold land & buildings – at valuation	70,929,122	47,015,454
Less: accumulated depreciation	(11,071,975)	(9,627,468)
	59,857,147	37,387,986
Plant, equipment and furniture - at cost	9,439,138	2,195,453
Less: accumulated depreciation	(7,759,671)	(1,507,764)
	1,679,467	687,689
Poker machines – at cost	9,049,868	2,044,796
Less: accumulated depreciation	(7,890,702)	(1,406,521)
	1,159,166	638,275
Musical instruments - at cost	131,284	-
Less: accumulated depreciation	(127,008)	-
Carrying amount at end of year	4,276	-

NOTES TO THE FINANCIAL STATEMENTS

ST MARYS DIGGERS & BAND CLUB LIMITED
(FORMERLY ST MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED)
(a company limited by guarantee)
A.B.N. 14 000 589 060

FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
8. PROPERTY, PLANT AND EQUIPMENT (continued)		
Motor vehicles – at cost	153,768	30,989
Less: accumulated depreciation	(105,304)	(27,171)
Carrying amount at end of year	48,464	3,818
Total property, plant and equipment	62,748,520	38,717,768
Reconciliations		
Reconciliations of the carrying amount of each category of property, plant and equipment at the beginning and end of the current and previous financial years.		
<i>Land and buildings at valuation</i>		
Carrying amount at beginning	37,387,986	37,875,000
Acquisition on amalgamation	23,167,077	-
Additions	13,668	-
Depreciation expense	(711,584)	(487,014)
	59,857,147	37,387,986
<i>Plant, furniture and equipment at cost</i>		
Carrying amount at beginning	687,689	765,007
Acquisition on amalgamation	1,122,982	-
Additions	38,603	181
Depreciation expense	(169,807)	(77,499)
	1,679,467	687,689
<i>Poker Machines at cost</i>		
Carrying amount at beginning	638,275	789,737
Acquisition on amalgamation	940,267	-
Additions	11,100	30,735
Depreciation expense	(430,476)	(182,197)
	1,159,166	638,275

NOTES TO THE FINANCIAL STATEMENTS

ST MARYS DIGGERS & BAND CLUB LIMITED
(FORMERLY ST MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED)
(a company limited by guarantee)
A.B.N. 14 000 589 060

FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
8. PROPERTY, PLANT AND EQUIPMENT (continued)		
<i>Musical instruments at cost</i>		
Carrying amount at beginning	-	-
Acquisition on amalgamation	4,536	-
Depreciation expense	(260)	-
	<hr/>	<hr/>
	4,276	-
	<hr/>	<hr/>
<i>Motor vehicles at cost</i>		
Carrying amount at beginning	3,818	4,670
Acquisition on amalgamation	51,635	-
Depreciation expense	(6,989)	(852)
	<hr/>	<hr/>
	48,464	3,818

Assets pledged as security

A mortgage over freehold land and buildings has been granted as security for the commercial bill bank facilities (see note 11). The terms of the mortgage preclude the assets being sold or being used as security for further mortgages without the permission of the mortgage holder. The mortgage also requires buildings that form part of the security to be fully insured at all times.

A floating charge over the assets has also been granted as security for the commercial bills (see note 11) except for assets under lease or hire purchase that are pledged as security for the associated lease liabilities (see note 11).

Valuations

The company's land and buildings were valued, with these valuations based upon the estimated realisable values in an open market at that date.

As a result of this valuation, land and buildings were revalued upwards by \$20,721,200 to their fair value at that date.

The directors are of the opinion that land and buildings are not being carried at amounts in excess of their fair value at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

ST MARYS DIGGERS & BAND CLUB LIMITED
(FORMERLY ST MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED)
(a company limited by guarantee)
A.B.N. 14 000 589 060

FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
9. TRADE AND OTHER PAYABLES (CURRENT)		
Trade payables	213,369	128,981
Poker machine tax	724,001	43,914
Taxation payable (capital gains)	285,729	-
Accrued expenses and other payables	467,286	24,824
	<u>1,690,385</u>	<u>197,719</u>
10. INTEREST-BEARING LOANS AND BORROWINGS		
CURRENT		
Borrowings secured:		
Commercial bills	2,605,000	-
Bank loans	326,280	1,000,000
	<u>2,931,280</u>	<u>1,000,000</u>
NON-CURRENT		
Borrowings secured:		
Commercial bills	1,974,000	-
Bank loans	537,770	-
	<u>2,511,770</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
--	------------	------------

10. INTEREST-BEARING LOANS AND BORROWINGS (continued)

Terms and conditions relating to the above financial instruments:

The facilities are subject to certain financial and non-financial covenants and are secured by a registered mortgage over freehold land and buildings and a floating charge over assets.

The company has in place bank loan and commercial bill facilities totalling \$5,917,650 (2019: \$1,000,000). These facilities comprise the following:

- (i) A fixed rate facility of \$2,605,000 which requires the payment of interest only and expires on 1 January 2021 with an interest rate of 5.15%. At 30 June 2020 \$2,605,000 of this facility had been utilised;
- (ii) A facility comprised of \$474,600 floating rate and \$1,974,000 fixed rate interest only (5.5%). At 30 June 2020 this fixed portion of this facility, which expires on 4 February 2022, had been fully drawn down whilst the floating rate facility was not utilised. The floating rate facility is subject to an annual reduction of \$246,000; and
- (iii) A variable rate bank loan facility of \$864,050 (2019: \$1,000,000) which is subject to monthly interest and principal payments of \$29,292, has an interest rate of 1.6% at 30 June 2020 and expires on 24 February 2023.

The facilities are subject to certain financial and non-financial covenants and are secured by a registered mortgage over freehold land and buildings and a floating charge over assets.

11. PROVISIONS

CURRENT

Employee entitlements	598,103	1,206,766
Accumulated jackpots	38,753	-
	<hr/>	<hr/>
	636,856	1,206,766

NON-CURRENT

Employee entitlements	86,418	-
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
--	------------	------------

12. OTHER CURRENT LIABILITIES

Subscriptions in advance	10,736	-
Catering income in advance	111,618	-
Unearned income	16,821	-
	<hr/>	
	139,175	-
	<hr/>	

13. RESERVES

Asset revaluation reserve		
At beginning and end of year	20,721,200	20,721,200
	<hr/>	

Nature and purpose of reserve

The asset revaluation reserve is used to record increases and decreases in the fair value of land and buildings to the extent that they offset one another.

14. MEMBERS' EQUITY

The club is a company limited by guarantee. Each member of the company is liable to contribute an amount not exceeding \$4 in the event of the company being wound up during the time he/she is a member or within one year thereafter.

15. CONTINGENT LIABILITIES

Details and estimated maximum amounts of contingent liabilities (for which no provisions are included in the financial statements) arising in respect of:

Members mortality benefits

On the death of a member who joined the club prior to February 1980 a benefit of \$200 is payable to the spouse. Qualifying members at 30 June 2020 were 147 (2019: Nil).

	29,400	-
	<hr/>	

16. CAPITAL EXPENDITURE COMMITMENTS

Capital expenditure of \$Nil (2019: \$Nil) was contracted for at balance date, but not provided for in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

ST MARYS DIGGERS & BAND CLUB LIMITED
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FOR THE YEAR ENDED 30 JUNE 2020

2020
\$

2019
\$

17. RELATED PARTY INFORMATION

Directors

The directors named in the attached directors' report each held office as a director of the company during the year ended 30 June 2020 for the periods indicated in the directors' report.

Transactions with related parties

All transactions with related parties are made on normal commercial terms and conditions.

Remuneration of directors

No director received a salary, fee or superannuation benefit. Expenses incurred by, or reimbursed to, the directors amounted to:

22,427

21,040

18. SEGMENT INFORMATION

The company operates in the registered club industry wholly within New South Wales, Australia.

19. ECONOMIC DEPENDENCY

The ongoing operation of the company is dependent upon the continued financial support of the its bankers.

NOTES TO THE FINANCIAL STATEMENTS

ST MARYS DIGGERS & BAND CLUB LIMITED
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FOR THE YEAR ENDED 30 JUNE 2020

20. BUSINESS COMBINATIONS

On 27 November 2019, St Marys RSL & Ex-Servicemen's Club Limited acquired the operations of St Marys District Band Club Limited, following the completion of a successful amalgamation process. The combination resulted in a gain of \$20,824,856 being the fair value of the net assets acquired under the business combination.

Details of the acquisition are as follows:

	Fair Value \$
Cash and cash equivalents	1,978,171
Trade and other receivables	16,468
Inventory	114,110
Other assets	198,389
Property, plant and equipment	25,286,497
Trade and other payables	(1,218,954)
Taxation liabilities	(285,729)
Financial liabilities	(4,579,000)
Provisions	(450,292)
Other liabilities	(234,804)
	<hr/>
Net assets acquired	20,824,856
	<hr/>
Goodwill	-
	<hr/>
Acquisition-date fair value of the total	20,824,856
	<hr/>
Representing:	
Transfer of net assets	20,824,856
	<hr/>

21. EVENTS AFTER THE END OF THE REPORTING PERIOD

The company continues to be negatively impacted by the COVID-19 virus into the 2020/21 financial year. At this stage it is not possible to determine the extent of this impact.

NOTES TO THE FINANCIAL STATEMENTS

ST MARYS DIGGERS & BAND CLUB LIMITED
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FOR THE YEAR ENDED 30 JUNE 2020

21. FINANCIAL INSTRUMENTS

Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, is as follows:

	Floating Interest Rate		Fixed Interest Within 1 Year		Fixed Interest Maturing 1-5 Years		Fixed Interest Maturing More Than 5 Years		Non-Interest Bearing		Average Interest Rate	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$	2020 %	2019 %
Financial Assets												
- Cash	2,681,947	1,323,954	-	-	-	-	-	-	395,780	95,000	0.1	0.1
Financial Liabilities												
-Commercial bills	-	-	2,605,000	-	1,974,000	-	-	-	-	-	5.3	-
-Bank loan	864,050	1,000,000	-	-	-	-	-	-	-	-	1.6	3.7
	864,050	1,000,000	2,605,000	-	1,974,000	-	-	-	-	-		

All other financial assets and financial liabilities are non-interest bearing.

Credit Risk

The maximum exposure to credit risk at balance date on recognised financial assets is the carrying amount, net of any provisions for losses, as disclosed in the statement of financial position.

Net Fair Values

The net fair values of financial assets and financial liabilities of the company at balance date approximate the book values as disclosed in the statement of financial position.

DIRECTORS' DECLARATION

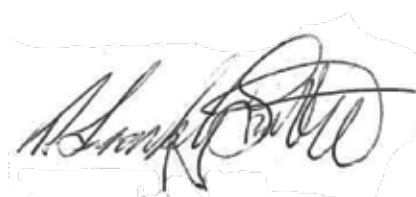
ST MARYS DIGGERS & BAND CLUB LIMITED
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In accordance with a resolution of the directors of St Marys Diggers & Band Club Limited, we state that:

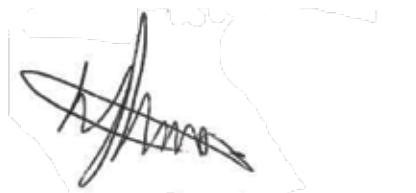
In the opinion of the directors:

- (a) the financial statements and notes of the company are in accordance with the Corporations Act 2001, including:
 - (ii) Giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
 - (iii) Complying with Accounting Standards and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

On behalf of the board



Ross Franklyn-Smith
President



Lee-Ann Taylor
Vice President

16 September 2020
St Marys

ST MARYS RSL SUB-BRANCH

St Marys RSL Sub-Branch has been proactive in fulfilling RSL aims and objectives during the last financial year, and continues to do so within COVID restrictions. We have achieved these aims by:

- Looking after the welfare of our Sub-Branch members by holding regular meetings, social media access, welfare account, welfare and pension services.
- By working in tandem with the St Marys Outpost Veterans' Support Centre in looking after the welfare needs of serving and ex-service members of the Australian Defence Force.
- By supporting selected struggling Sub-Branches, access to welfare and pension services, assistance through the Outpost Support Centre, and involvement with the Australian Forces Overseas Fund (AFOF).

- By promoting the objectives of the RSL within the local community with the Colin Shepherd OAM Memorial School Scholarships, assistance to schools for excursions to points of military/cultural interest, and school, rehabilitation and aged care facilities' commemorative services
- Providing relevant and accessible opportunities for all in our community to commemorate those ADF members lost or injured in the service of Australia to attend ANZAC, Vietnam Veterans' and Remembrance Day services.

We have achieved the above, however a few have had to be cancelled or modified to comply with COVID-19 restrictions, those being:

- School, rehabilitation, hospitals and aged care facilities – limited access or cancelled.

- ANZAC Day services – ANZAC Sunday service cancelled, ANZAC Day service was videoed and broadcast on Facebook and YouTube with 17,000 hits.
- General Meetings – April, May and June meetings cancelled due to COVID.
- Badge Selling – ANZAC Day badge selling to raise money for welfare assistance was cancelled.

Successful activities were:

- Vietnam Veterans' Day held in the Diggers Club's auditorium.
- AFOF – both trips in September and March to Randwick Army Barracks, with around 4,000 Care Packages packed for our troops overseas.
- Colin Shepherd OAM School Scholarships – 18 students from 5 local and 1 country High School shared \$25,000 in scholarship funds to further their

schooling in years 11 and 12.

- Remembrance Day 2019 was held at Victoria Park, with Lyn Forde of the St Marys & District Historical Society giving a speech on St Marys' recovery from the impact of World War I.

Overall, we are pleased with our efforts and hopefully, with a cure for COVID-19, we will be able to return to normal in the coming year.

Finally, thank you to the Board, Management and Staff of the St Marys Diggers and Band Club for their ongoing support to the RSL Sub Branch during the period.

Ron Blakely
President

ST MARYS RSL BOWLERS

2019-2020 has been a challenging year – who would have thought that something that happened in China last year would stop us playing bowls in Australia this year – no Pennants, reduced or cancelled Zone 5 fixtures, no St Marys tournaments and Club Championships still being scheduled, played and hopefully completed.

There were however some events worthy of note. Brad and Jason Johnson flew the St Marys flag and did us proud by progressing to the State play-offs in the Champion of Club Champions Pairs.

No doubt the biggest change in the 2019-2020 period was the merger of the St Marys RSL and the St Marys Band Club to become the St Marys Diggers and Band Club – our new mother Club.

Now to thank the people without whose time and efforts our Club would grind to a halt. To the Bowls Committee for steering the Club through the ups and downs of the past 12 months, I extend my appreciation. I especially want to thank Ian Henriksen. His job is difficult enough at the best of the times, but during the 3 month closure of the licensed premises he worked for the most part on his own to ensure we would be able to resume bowling as soon as possible. I would also like to thank the Ladies Committee

for their help and input. Thanks to our Selectors for their efforts. Thanks to our umpires for giving their time when required, and thanks to Ron Janes for continuing to run his coaching sessions.

I would also like to thank Wayne Bratby and his boys for keeping our greens up to scratch and the surrounds looking good despite his interrupted schedule. A big thank you to the Board, Management and Staff of the RSL and Diggers and Band Club for the help and assistance they have provided throughout the year. But, above all, I would like to thank the Club Members who, over the past 12 months, have done what was needed, no matter what was required.

Congratulations to the winners of the Club Championships already played, and the winners to come.

We also remember those members and supporters who have passed away during the year. Lest We Forget.

Pat Cahill
President

ST MARYS DIGGERS & BAND CLUB PIPES & DRUMS

In a somewhat chaotic year, the Pipe Band's program, like all other groups, has been seriously affected by the COVID-19 virus.

During the second half of 2019, the Band attended and competed at the Canberra Highland Gathering in October, followed by the Central Coast Scottish Spectacular Competition in Gosford.

One of the major engagements of the year is performing at the St Marys Spring Festival in September, but unfortunately it was cancelled due to predicted high winds.

The Band was also represented by Pipe Major, Hugh Strain, at the Armistice Day Commemoration Service at the St Marys War Memorial in November.

The Band's program was also affected by the cancellation of many opportunities and engagements to showcase the Band

such as the Kuala Lumpur Highland Games, the St Marys Pre-ANZAC Service and the Griffith ANZAC Day Service.

On a positive note, during the past year we have gained new experienced players to boost Band numbers. With the support of the Club, the Band is always looking to welcome new members to join its experienced playing group or to learn the bagpipes, the snare/tenor or bass drum. The Band would like to extend its thanks to the Board of the St Marys Diggers and Band Club for their continued support, especially in the year of the Club's amalgamation with St Marys RSL.

Geoff Crane
Chairman

WELFARE REPORT 2020

To all our new members and those that do not know, our Welfare Book is kept at Reception and is used to record information regarding members who are in hospital or who have passed away. If you are unable to drop in and let us know, you can always telephone the Reception Desk and your message will be passed on.

It is with great sorrow we note the passing of many of our members during the year.

On behalf of the Board of Directors, Management and Staff, we convey to family and friends our deepest sympathy.