



CLUB FOUNDED 1893

NEW SOUTH WALES MASONIC CLUB

MAGAZINE

Issue 61, October 2020

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Cellos Grand Dining Room:
a timeless, heritage jewel for
your most precious memories...



INCLUDES 2020 ANNUAL REPORT

Image courtesy of John Laham
Wedding Photographer www.johnlaham.com



NSW Masonic Club

ABN 79 000 003 289

169 Castlereagh St, Sydney NSW 2000

Phone: (02) 9284 1000 | www.nswmasonicclub.com.au

FOLLOW US



OFFICIALS & COMMITTEES

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MW Bro AR (Tony) Lauer, APM, JP

President

Stephen G. Bates

Vice President

Robert Eaglesham

Honorary Treasurer

Stephen Hodgson

Directors

Graham W Byrne

Stephen Hodgson

Peter Read

William (Bill) Redpath

Steve C Wearne

Peter Zeilic

General Manager

Paul Brasch

House, Supply & Staff Committee

Robert Eaglesham (Convenor)

Peter Read

William (Bill) Redpath

Peter Zeilic

Finance Committee

Graham Byrne (Convenor)

Stephen Hodgson

Steve Wearne (Acting Convenor)

CONTACT US

Street Address

169 Castlereagh St,
Sydney NSW 2000

Phone: (02) 9284 1000

Fax: (02) 9284 1045

Hotel Reservations: 1800 801 576

Postal Address: PO Box A1160,
Sydney South NSW 1235

WEBSITES & EMAILS

New South Wales Masonic Club

Website:

www.nswmasonicclub.com.au

Email Address:

admin@nswmasonicclub.com.au

Castlereagh Boutique Hotel

Website:

www.thecastlereagh.com.au

Email Addresses:

reservations@thecastlereagh.com.au

functions@thecastlereagh.com.au

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CAFÉ REAGH

STREET LEVEL

Opening Times

7.30 am – 2.00 pm | Monday to Friday

Our street-facing petite café serving breakfast, coffee and snacks for those “on the go”.



REAGH BAR

GROUND FLOOR

Open 2 nights in November

Special opening for the Great Southern Nights entertainment experience!

6pm, Friday 6 Nov - Everyday People Band

6pm, Friday 20 Nov - Paul Sun, Jazz Vocalist



CASTLEREAGH LOUNGE

LEVEL 2

Opening Times

10.00 am – 3.00 pm | Monday to Friday

Lunch served 12.00 noon – 2.00 pm



Cellos

Grand Dining Room

LEVEL 4

Event and function bookings only

BOOKINGS: 02 9284 1006

See pages 6 to 9 for the latest events.

DRESS REGULATIONS

Club Members and their guests are requested to observe the following dress codes which have been approved by the Board to preserve the dignity of our historic Club.

- The Reagh Bar (Ground Floor), Castlereagh Lounge (Level 2) and Cellos Grand Dining Room (level 4): smart casual attire at all times.
- Smart casual attire is:
 - For gentlemen, a collared shirt with trousers or slacks, shorts with closed in shoes.
 - For ladies, dress or blouse and skirt or tailored slacks. Sandals are acceptable.
 - Items of clothing which are not permitted include: baseball caps, torn or excessively faded jeans, t-shirts, thongs or sandals for men.

Castlereagh Boutique Hotel guests, as Temporary Members, are expected to observe the above dress regulations when availing themselves of the Club facilities. Exceptions are extended to guests arriving at, or departing directly from, the accommodation rooms.

The Club Management reserves the right to refuse any person not suitably attired admission to the Club areas or the food and beverage outlets.

President's Report

Dear Fellow Members

This edition of our Club Magazine includes the audited financial statements for the year ended 30 June 2020, Notice of Annual General Meeting and Ordinary Resolutions. The Annual General Meeting is scheduled for Monday the 23rd of November 2020 at 1pm in Cello's Restaurant and I look forward to seeing as many members as can possibly attend under the existing Covid-19 NSW Government restrictions. The financial results for the 2019/20 financial year would have been pleasing but for the outbreak of Covid-19 and the massive disruption this virus has caused, both economically and psychologically, for many of us. What would have been a healthy operating profit before income tax for the Club was turned right around in the last four months of the financial year. The result was a before tax operating loss of \$361,607. The only positive aspect of this result is the fact that the Club still managed to generate a cash flow profit from operations of \$204,135 as compared to \$336,278 the previous year.

At the date of my report I note that the Club's main source of revenue, hotel accommodation, continues to be seriously suppressed with occupancy at only seven percent instead of closer to the usual 80%. We have never seen such dire financial circumstances in decades. Closed international borders as well as some interstate borders will mean that our accommodation revenue has no realistic opportunity to recover. Since March 2020, your Club has incurred cash losses from operations. Cash reserves have been further depleted during this time due to capital works programs that were already in place.

Your Board of Directors, of which there are only seven instead of nine as I write, have made a number of important



decisions over the past several months that will protect the cash reserves of your Club and ensure the Club remains financially viable throughout this economic recovery period. The Board has suspended all capital expenditure programs, reduced all operating costs in consultation with the General Manager, suspended all Directors Fees, curtailed building maintenance schedules and continues to maintain strict oversight of cash including detailed monthly cash flow forecasting. Your Board is doing everything it possibly can to keep the future survival of your Club.

On a positive note, the Club's General Manager, Mr Paul Brasch, has done a tremendous job keeping our Club Covid Safe. This has enabled the Club to recommence its food and beverage offerings and I encourage all Members to check out and book in for one or more Club functions in the lead up to Christmas. I hope to see you there soon. Membership renewals will soon be sent out for the 2021 calendar year. I encourage you to renew early. This will help your Club with its cash flow. Please keep an eye open for your membership renewal and any information that accompanies it.

Don't forget that the Club's Members Rewards program continues to deliver discounts in the form of reduced food and beverage prices. The menus on our level two Lounge Bar have been refreshed and enhanced and is great value for money. Remember to present your membership card to secure your discount.

It continues to be a privilege to serve as your Club President. I look forward to 2021 in the hope that the world economy, and that of Australia, will see the recovery that we all need. I look forward to meeting you at the AGM and in the lead up to Christmas 2020. Stay safe.

Best wishes.

Stephen Bates | President
NSW Masonic Club

CASTLEREAGH Boutique Hotel



Spring into Sydney

**Deals from \$100 per night
for two people**

Enjoy the beautiful spring blooms and fresh spring air, while strolling through the lush gardens and colourful vistas of Sydney.

For the social butterflies, our calendar is packed with events and entertainment, so why not make a night of it, or indulge in a spring weekend in Sydney?

**Call 9284 1000 to grab a hot
spring deal, or book online:**

www.castlereagh.com.au

**To access exclusive Members' Rates
enter promo code: NSWMCMEMBER**



It's great to be back!

**Members and guests had a blast with the
singing chef at our 'Welcome Back' lunch.**



Destination NSW

***All deals exclude 30 & 31 December 2020
and are not applicable to any other
promotional offer or Members' discount.**



NEW SOUTH WALES MASONIC CLUB

NOTICE OF ANNUAL GENERAL MEETING 2020

Notice is hereby given that the 128th Annual General Meeting of the New South Wales Masonic Club will be held in Cellos Dining Room, Level 4, 169-171 Castlereagh Street, Sydney, NSW on Monday, 23rd November 2020 at 1:00pm.

BUSINESS AGENDA

Item No 1

Confirmation of the Minutes of the previous meeting held on 25th November 2019.

Item No 2

To receive and consider the Directors' Report, the Financial Statements for the year ended 30th June 2020 and the Auditors' Report thereon.

Item No 3

Members will be asked to consider and if thought fit, pass the following Ordinary Resolutions.

FIRST ORDINARY RESOLUTION

Pursuant to the Registered Clubs Act the Members hereby approve and agree to the expenditure by the Club in a sum not exceeding \$33,000, together with GST, until the next Annual General Meeting of the Club for the following activities of Directors:

- (i) The reasonable cost of a meal and beverages for each Director immediately before or immediately after a Board or Committee meeting on the day of that meeting when that meeting corresponds with a normal meeting;
- (ii) Reasonable expenses incurred by Directors in travelling to and from Directors meetings or other duly constituted committee meetings approved by the Board from time to time on production of invoices, receipts or other proper documentary evidence of such expenditure;
- (iii) Reasonable travel, accommodation, meal, beverages and other out of pocket expenses incurred by Directors in relation to such other duties including attendances at official functions on behalf of the Club in New South Wales and interstate, entertainment of special guests of the Club and promotional activities performed by Directors, providing all such activities and expenses relating thereto are approved by the Board in advance, and on production of receipts, invoices or other proper documentary evidence;
- (iv) An annual President's Dinner with the persons in attendance to comprise the Directors and their partners and other persons (with their partners) as chosen by the President;
- (v) An annual Board Partners' Dinner in appreciation of their support.

SECOND ORDINARY RESOLUTION

That pursuant to the Registered Clubs Act the members hereby approve and agree to the expenditure by the Club in a sum not exceeding \$5,000, together with GST, for the professional development and education of Directors until the next Annual General meeting and being:

- (i) The reasonable cost of Directors attending the Registered Clubs Association's Annual General Meeting;
- (ii) The reasonable cost of Directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time;
- (iii) The reasonable cost of Directors attending other registered clubs for the purpose of viewing and assessing their facilities and methods of operation provided such attendances are approved by the Board as being necessary for the betterment of the Club.

THIRD ORDINARY RESOLUTION

That pursuant to the Registered Clubs Act the members hereby approve and agree to expenditure by the Club of the following benefits for Members:

- (i) That the President be allowed to order food and beverages in the Club at a cost of \$8,000.
- (ii) (a) That the Convenor (Chairman) of each of the House Supply & Staff Committee and the Finance Committee be allowed to order food and beverages in the Club at a cost of \$4,500;
(b) That the other Members of the Board be allowed to order food and beverages in the Club at a cost of \$4,500.
- (iii) That the allowances for food and beverages referred to earlier in this resolution shall include allowances for items consumed:
(a) on the day of and/or the day before and/or the day after any of the events specified in the First Resolution where travelling arrangements and/or the duties of a Director make the consumption reasonable;
(b) on such other days when a Director is in attendance at the Club in the discharge of his/her duties and the consumption is approximate in time to those duties and reasonable.
- (iv) That the Members of the New South Wales Masonic Club Seniors' Association be entitled each month to receive meals at such reduced price as may be determined by the Board from time to time, provided such meals are taken at a function organised in the Club for that Association;
- (v) That the Board of the Club make such donations as it considers fit to each of the duly constituted social and sporting sub-clubs within the Club, having regard to the needs and expenditure of those sub-clubs and without being required to maintain equality of expenditure between such sub-clubs.

FOURTH ORDINARY RESOLUTION

That pursuant to the Registered Clubs Act the members hereby approve and agree to expenditure by the Club of the following benefits for members:

- (i) That the President be paid an Honorarium of \$12,500 until the next Annual General Meeting.
- (ii) That the Convenor (Chairman) of the House Supply & Staff Committee and the Finance Committee be paid an Honorarium of \$5,750 until the next Annual General Meeting of the Club;
- (iii) That each other Director be paid an Honorarium of \$5,000 until the next Annual General Meeting of the Club.

FIFTH ORDINARY RESOLUTION

To consider and if thought fit, to pass the following resolution, as an ordinary resolution:

- (i) That, for the purposes of section 327B (1) of the Corporations Act 2001 and for all other purposes, BDO Audit Pty Ltd of 11/1 Margaret Street, Sydney, having been nominated by a member and consented in writing to act as auditor of the Company, be appointed auditor of the Company, effective immediately.

Notes for Members – First to Fourth Ordinary Resolutions

The Ordinary Resolutions are to approve various benefits for Directors and Members of duly constituted Social & Sporting Clubs within the Club which should be approved by the Members each year as they are not offered equally to all Members of the Club. Expenditure proposed in the resolution has been assessed having regard to sums approved at last year's Annual General Meeting for these benefits.

Notes to Members – Fifth Ordinary Resolution

As announced to members on 21 October 2019, BDO Audit Pty Ltd ("BDO Audit") was appointed auditor of the Company following the resignation of BDO East Coast Partnership ("BDO ECP") and ASIC's consent to the resignation in accordance with s329(5) of the Corporations Act 2001 ("the Act").

The change of auditor arose as a result of BDO ECP restructuring its audit practice to provide for audits to be conducted by BDO Audit, an authorised audit company, rather than by BDO ECP.

As a result of the timing of the change, BDO Audit filled a casual vacancy in accordance with s327C(1) of the Act. Under section 327C(2) of the Act, an auditor who has been appointed under s327C(1) of the Act only holds office until the Company's next annual general meeting.

The Company is required to appoint an auditor to fill any vacancy at each annual general meeting (after its first annual general meeting) pursuant to s327B(1) (b) of the Act.

Pursuant to section 328B of the Act, the Company received a valid notice of nomination of auditor that nominated BDO Audit to be appointed as the auditor of the Company. A copy of the nomination is attached as Annexure A to this Notice of Meeting.

BDO Audit has provided the Company with its written consent to act, subject to members' approval being granted, as the Company's auditor in accordance with s328A(1) of the Act.

In accordance with s327B(1)(b) of the Act, an ordinary resolution is required at this Annual General Meeting to appoint BDO Audit as the Company's auditor and members' approval is sought to that appointment.

PASSING OF RESOLUTIONS:

An Ordinary Resolution requires votes from a simple majority of Members who being eligible to vote are present and who vote on the resolution at the meeting.

Under the Registered Clubs Act proxy voting is prohibited and employees of the Club who are members are ineligible to vote.

Item No 4

To transact any other business which may be brought forward before the meeting, in conformity with the Club's Memorandum and Articles.

By order of the Board

Paul Brasch – General Manager

Dated: 7 October 2020

25% DISCOUNT FOR 2021 MEMBERSHIP RENEWALS

The Board is pleased to advise that Members who have paid the full 2020 Membership Fee, will receive a 25% discount for their 2021 Membership Fee only.

(Not applicable for multiple-year Memberships.)



General Manager's Report

Dear Members,

Welcome to our 2020 Magazine and Annual Report. I hope this finds you in good health.

I am sure that I don't have to remind our Members how tough this year has been on all of us, especially those working in the Club and Hospitality Industries. I would also like to reach out to our Members and Guests living in isolation. Feel free to call us any time on 9284 1000 for a friendly chat. When we welcomed in 2020, none of us knew that the world would literally grind to a halt, economically and physically, and that the outbreak of Coronavirus would be the most impactful global event since World War 2. However, we are resilient people with tenacity, and we will get through this.

I would like to start my report on a positive and run you through all the good things we have achieved in the 2019/2020 Financial Year:

- From July 2019 to February 2020, we achieved a 79% hotel occupancy, \$2.7 Million in gross accommodation revenue, \$1.06 Million in Food and Beverage revenue, and other income of \$214,000. Every bit of this revenue is needed to operate and re-invest into the Club.
- We unexpectedly took over the "Pie Face" shop in August 2019 and re-branded it "Café Reagh".
- We sold the poker machine licences in January and completed a light refurbishment of the Level 2 Lounge, mostly by our own staff, and we replaced the air conditioning system.

On 23 March 2020, the NSW State Government ordered all Clubs in NSW to close. We complied with all Covid Safe requirements and kept the hotel operating



for security purposes, and to complete a range of pre-planned capital and maintenance projects, and to look after our in-house guests. We did not participate in the Hotel Quarantine program.

This was a devastating time when we switched off the lights to most of the building, for possibly the first time since the building opened in September 1927.

The Club re-opened on 1 June 2020. We thank our many Members and Guests for returning and supporting the Club and Hotel. Over the past six or so months, we have completed a range of major, disruptive projects including:

- A new ceiling for the kitchen, the replacement of aging water mains into the building and new lines to allow us the capacity to install sprinklers in the whole building when we need to.
- We completed a partial heritage makeover of room 904 (as seen on page 3) and completed a new design in a small hotel room (Room 808). Both are an integral part of our future planning. We now have a holistic design direction for the whole building, by an Interior Designer, and have achieved DA approval for the Hotel Rooms and Double Glazing, for when funds become available.
- We completed many maintenance jobs, particularly repainting every set of stairs from the roof to the basement, for the first time in many years, utilising in-house labour.

On the negative side, in September 2019, the City Of Sydney Council issued the building with a Fire Order which means that we have to undertake a series of fire-related upgrades over a 3 year period. We appointed a Project Manager and a suite of Consultants to work through this complex matter and are currently re-negotiating the priority areas and timeframes, in light of the changed economic hardship we are now facing. We also dealt with the noisy demolition of the carpark on the adjoining Sydney

Metro site, removal of the acoustic shed and months of rock hammering. The site is now being prepared for construction of the Pitt Street North Metro Station. We also challenged the Liberty Place Bar (again) and met with the CEO of the City of Sydney Council onsite regarding the proposed Cycleway, which is still in it's planning phase.

Since March 2020 we have trimmed operating costs and wages to a viable level and to stretch out our cash reserves. We made good use of all Government support offered. We are extremely grateful for the Federal and State Government support, particularly JobKeeper, received during this time to help keep our team employed.

We made an audited loss of \$348,056 for the 2019/20 financial year, after tax and adjustments.

Whilst we are 'tightening the belt', we are seeing good growth opportunities with accommodation, functions and meeting room usage all slowly picking up. Please call in and use the facilities again, join us for one of our Club events, or book your next meeting or function with us. We miss you! We have all the Covid Safe Protocols in place to ensure your health and safety is paramount.

I sincerely thank my loyal team at the Club, and the Board, for their enormous hard work and dedication during this tough year. I would like to especially acknowledge the contribution that Steve Wearne has made to the Board over the past 15 years and wish him well in his retirement. We are busy planning a range of enhancements for when funds become available and will keep you updated on these projects in Club Chat.

Take care.

Paul Brasch | General Manager
NSW Masonic Club
and Castlereagh Boutique Hotel

MEMBERSHIP RENEWAL 2021

If you have a due date of 2021 or beyond, your membership has already been paid and is not due for renewal.

Please complete this section and return with payment.
Your number and membership type can be found on your card.

Full Name:

Due Date	Member Number	Member Type	Amount Due
31/12/20			
Masonic (lodge member)	Type 1		\$30.00 (Save 25%)
Masonic (unattached)	Type 2		\$37.50 (Save 25%)
Associate	Type 3		\$37.50 (Save 25%)

CREDIT CARD PAYMENT DETAILS

Cardholder Name:

Please charge my credit card the sum of: \$

☐ Visa ☐ Mastercard ☐ American Express

Card No.

Expiry Date: /

Signature:

Date:

Return this form, or the form on the front of your Club Magazine address label, plus your payment to:

PO Box A1160, Sydney South NSW 1235
Ph 02 9284 1000 | Fax 02 9284 1999

Online renewals can be completed at www.nswmasonicclub.com.au



WE'RE HOSTING

GREAT SOUTHERN NIGHTS

LAND OF 1000 GIGS

NOVEMBER 2020

REAGH BAR, FRIDAY 6

NOVEMBER NIGHTS - EVERYDAY PEOPLE BAND
6PM | FREE

CELLOS RESTAURANT, FRIDAY 13

THE METROPOLITAN ORCHESTRA TRIO
10AM - MORNING TEA WITH THE GOVERNOR | \$30.00PP
12.30 PM - THE CELLOS EXPERIENCE LUNCH | \$65.00PP

REAGH BAR, FRIDAY 20

NOVEMBER NIGHTS - PAUL SUN, JAZZ VOCALIST
6PM | FREE

CELLOS RESTAURANT, FRIDAY 27

CADENA STRINGS
12.30 PM - THE CELLOS EXPERIENCE LUNCH | \$65.00PP

Bookings 9284 1006

admin@nswmasonicclub.com.au

greatsouthernights.com.au



Everyday People Band



The Metropolitan Orchestra Trio



Paul Sun, Jazz Vocalist



Cadenza Strings

Melbourne Cup Day Lunch

TUESDAY 3 NOVEMBER | 12.30 PM

November is off and racing with the eagerly-awaited Melbourne Cup Lunch in Cellos! Dust off your best ties and hats for a fantastic afternoon of racing action, on the huge TV screens. With sweeps and prizes galore this Melbourne Cup Day will be the social highlight of the year!

PLUS, THERE WILL BE MELBOURNE CUP DAY FESTIVITIES, FOOD AND ENTERTAINMENT THROUGHOUT THE CLUB!

\$80 Members, \$85 Non-members*

Includes a 3-course alternate serve menu, canapés and a glass of sparkling wine served on arrival, plus a bottle of wine between 4 diners.*Inclusive of GST.



Remembrance Day Lunch

WEDNESDAY 11 NOVEMBER | 12.30 PM

Join us for lunch in the Adam Room with a special Commemorative Service to follow at 2.30pm in the Reagh Bar.

\$75 per person*

Includes 2-course lunch with drinks (local beer, house wine and soft drink). *Inclusive of Members' discount and GST.



Morning Tea with the Governor

FRIDAY 13 NOVEMBER | 10AM - 12PM

featuring The Metropolitan Orchestra Trio

Indulge in an intimate Morning Tea with Her Excellency the Honourable Margaret Beazley AC QC, Governor of New South Wales, and Mr Dennis Wilson in Cellos Grand Dining Room.

Members and guests must arrive by 9.30am, and be seated by 9.45am, before the arrival of the Vice Regal Couple.

\$30 per person*

*Inclusive of morning tea, Members' Discount and GST.



The Cellos Experience Lunch

FRIDAY 13 & 27 NOVEMBER | 12.30 PM

Featuring The Metropolitan Orchestra Trio on the 13th November and Cadena Strings Trio on the 27th November.

\$65 per person*

Includes 2-course lunch, Members' discount and GST.



Members & Friends Christmas Lunch

WEDNESDAY 2 DECEMBER | 12.30 PM

Our annual Christmas lunch with a special performance by the crew from Faulty Towers "The Dining Experience!"

Members \$89, Non-members \$95

Includes a 3-course Christmas-themed set menu with two beverages (soft drink, local beer or house wine), and GST.



BOOKINGS - Call Rita on 9284 1006 or email admin@thecastlereagh.com.au
Ask about our exciting events being planned for 2021 - the new 2020!

FAMOUS MASONS

GOVERNOR MACQUARIE

By Ted Simmons



Lachlan Macquarie was always a man of action and he made certain that his stay in Sydney would always be remembered.

Streets, parks and suburbs carry his name and his vision during his 12 years term turned Sydney and the State of NSW from a penal colony into a thriving metropolis.

The year 2020 is the 210th anniversary of the arrival of Macquarie and his wife Elizabeth, who also is recognised by the names of Elizabeth Bay, Elizabeth Street and Mrs Macquarie's Chair.

Lachlan Macquarie was born on Scotland's Isle of Mull on 31 January 1762 and he packed into his 63 years of living enough travel, work and success to leave a permanent mark in the history books. He joined the army when he was 16 but did not become involved in Australia until he heard of the Rum Rebellion and the problems of Governor Bligh. He accepted a recommendation to become Governor of NSW, left London in 1809 and visited South Africa to see how a colony was organised before arriving in Sydney on New Year's Day 1810. He faced a raft of problems in his new position and quickly used his powers to introduce a tax on liquor to fund development and instituted a colonial bank. It was also clear to him that Sydney was growing beyond its penal colony status and many citizens were earning a respectable living. So he closed disreputable public houses, founded schools for disadvantaged children, renamed and rebuilt Sydney's streets, reformed the treatment of women convicts and made town planning a priority.

Merchants Blaxland, Lawson and Wentworth were given a three year monopoly on the liquor business in return for their support in building the (Sydney) hospital which still stands in Macquarie Street.

When newly arrived convict and architect Francis Greenway arrived, he became an ally in helping to rebuild the colony by designing churches, roads and hospitals while Macquarie tried to stabilise trade and credit. However, certain settlers and farmers who had monopolised business until Macquarie arrived banded together to force his resignation. He returned to London to fight for his career but died suddenly in 1824 from a kidney complaint while presenting his case.

Many tributes can be found to him - Macquarie Street, Macquarie University, Lake Macquarie, Hyde Park, many churches and roads.

Lachlan Macquarie was initiated into Lodge No 1 Bombay in January 1793. He was buried on the Isle of Mull and his grave is maintained by the National Trust of Australia.



CLUBS WITHIN THE CLUB

INTERNAL CLUBS

TOURING GROUP AND SOCIAL CLUB

Tours, day trips and inhouse events held throughout the year.

Contact: Margaret Neverley-Grant

Phone: 0400 802 032

Meetings: 1st Tuesday of the month at 11am - Nov 3, Dec 1, Jan 5, Feb 2, Mar 2, Apr 6

NSW MASONIC SUB BRANCH RSL

Contact: Kenneth Gulline

Email: jeanettekenneth@optusnet.com.au

Meetings: 3rd Monday of the month at 11am - Nov 16, Dec 21, Jan 18, Feb 15, Mar 15, Apr 19

CASTLEREAGH PROBUS CLUB

Meetings and activities held throughout the year.

Contact: Maria Bieber

Phone: 9571 9370

Meetings: 2nd Monday of the month at 10.30am - Nov 9, Dec 14, Jan 11, Feb 8, Mar 8, Apr 12

DINE AND WINE CLUB

Wine tasting luncheons and events held throughout the year.

Contact: John Moore

Phone: 9758 7620

NSW MASONIC CLUB SENIORS' ASSOCIATION

Contact: Nick Matis

Phone: 9662 6648

Meetings: 4th Monday of the month at 11.30am - Nov 23, Jan 25, Feb 22, Mar 22, Apr 26

SYDNEY BIRTHDAY CLUB

Monthly meetings, lunch and networking. Gentlemen only.

Contact: Tim Foster

Email: tim.foster@bigpond.com.au

Meetings: 2nd Thursday of the month from 12 noon - Nov 12, Dec 10, Jan 14, Feb 11, Mar 11, Apr 8

COMMUNITY GROUPS

ROTARY CLUB OF SYDNEY

As a major service club, the Rotary Club of Sydney is actively engaged in the raising of funds for worthwhile community causes.

Phone: 9231 7557

Website: www.sydneymrotary.com

Meetings: Every Tuesday in Cellos Grand Dining Room at 1pm

ROYAL COMMONWEALTH SOCIETY

Monthly meetings with guest speakers, special event luncheons held throughout the year.

Contact: David Beale

Email: rcsnsw.db@gmail.com

Meetings: 3rd Thursday of the month in the Adam Room

SYDNEY LIONS CLUB

The Lions Club of Sydney welcomes visitors to attend our lunchtime meetings, held each month at the NSW Masonic Club.

Contact: David Pell

Email: dgpell@bigpond.com

Meetings: 3rd Tuesday of the month in the Castlereagh Meeting Room

SYDNEY '76 IONIANS

Monthly meetings with guest speakers and special events held throughout the year.

Email: sydney76ionian@hotmail.com

Meetings: 4th Wednesday of the month, morning tea on level 2 at 10am followed by meeting at 10.30am and lunch in Cellos Grand Dining Room.

CHEESE & WINE CLUB

Monthly meetings with a 2-course lunch cheese and wine.

Contact: Julie Danks

Email: julie.danks@icloud.com

Meetings: 2nd Thursday of the month in the Adam Room

OUR RECIPROCAL CLUBS

Another great advantage of being a Club Member!

AUSTRALIA

COMMERCIAL CLUB

618 Dean St, Albury NSW 2640

Phone: 02 6021 1133

Email: info@commercialclubalbury.com.au

www.commercialclubalbury.com.au

Accommodation: 02 6057 2850

FORSTER-TUNCURRY MEMORIAL SERVICES CLUB

Strand St, Forster NSW 2428

Phone: 02 6591 6591

www.clubforster.com.au

GRADUATE HOUSE - UNIVERSITY OF MELBOURNE

224 Leicester St, Carlton VIC 3053

Phone: 03 9347 3438

Email: sec@graduatehouse.com.au

www.graduatehouse.com.au

ORANGE EX-SERVICES CLUB

231 Anson St, Orange NSW 2800

Accommodation: 02 6362 5611

Email: enquiries@oesc.com.au

www.oesc.com.au

PUBLIC SCHOOLS CLUB INC.

207 East Trc, Adelaide SA 5000

Reservations: 08 8223 3213

Email: psclub@internode.on.net

www.publicschoolsclub.com.au

THE RENMARK CLUB

160 Murray Ave, Renmark SA 5341

Phone: 08 8586 6611

Email: enquiry@renmarkclub.com.au

www.remarkclub.com

THE RIVERINE CLUB

Cnr of Tarcutta St & Sturt St, Wagga

Wagga NSW 2650

Phone: 02 6921 2031

Email: office@riverineclub.com

www.riverineclub.com

ROYAL AUTOMOBILE CLUB OF VIC

501 Bourke St, Melbourne VIC 3000

Phone: 03 9944 8888

Email: cityclub@racv.com.au

www.racv.com.au

THE HAMILTON CLUB

39 Gray St, Hamilton VIC 3300

Phone: 03 5572 2299

Email: info@hamiltonclub.com.au

ULLADULLA GUEST HOUSE

39 Burrill St, Ulladulla NSW 2539

Reservations: 1800 700 905

Email: ugh@guesthouse.com.au

www.guesthouse.com.au

UNITED SERVICE CLUB

183 Wickham Tce, Brisbane QLD 4000

Phone: 07 3831 4433

Email: enquiries@unitedserviceclub.com.au

www.unitedserviceclub.com.au

UNIVERSITY HOUSE - CANBERRA

1 Balmain Cres, Acton ACT 2601

Phone: 02 6125 5275

Email: Unihouse@anu.edu.au

www.anu.edu.au/unihouse/

UNIVERSITY OF TASMANIA

Launceston TAS 7250

Phone: 1300 138 497

Email: enquiries@accommodation.utas.edu.au

www.accommodation.utas.edu.au

WAGGA RSL CLUB

Dobbs St, Wagga Wagga NSW 2650

Phone: 02 6921 3624

RSL Motel - Phone: 1300 797 079

Email: theclub@waggarsl.com.au

www.waggarsl.com.au

INTERNATIONAL

ROYAL OVER-SEAS LEAGUE

Over-Seas House, Park Place,
St James St, LONDON SW1A 1LR

Phone: +44 20 7408 0214

Email: info@rosl.org.uk

www.rosl.org.uk

UNION CLUB OF BRITISH COLUMBIA

805 Gordon St, Victoria, British
Columbia, CANADA, V8W1Z6

Phone: +1 (250) 384-1151

Email: info@unionclub.com

www.unionclub.com

SINGAPORE MASONIC CLUB

Freemasons' Hall, 23A Coleman St,
SINGAPORE 179806

Phone: +65 6336 3541

Email: admin@fmhbsg.org

www.fmhbsg.org

THE WINDSOR CLUB

2072 Riverside Drive East, Building 25,
Windsor, Ontario N8Y 4S5

Phone: +1 519 258 1465

Email: admin@windsorclub.com

www.windsor-club.com



IT'S BACK! Faulty Towers The Dining Experience

THURSDAYS 3 & 17 DECEMBER
Doors Open 7pm, Show Starts 7.30pm

**Experience The World's
No 1 Experience in Cellos!**

**Interactive Theatre International presents:
Faulty Towers The Dining Experience**

Become part of the action as Basil, Sybil and Manuel serve up mayhem on a plate alongside a 3-course meal and two hours of non-stop laughter. Expect nothing short of guaranteed fun and a brilliant night out as you climb inside the BBC's iconic TV show and experience it from the inside out...

With over 70% improvised, this is the completely immersive and highly interactive comedy spectacular where anything can happen... and usually does!

Tickets \$110 per person

All tickets include a 3-course meal and 2-hour interactive show

BOOKINGS & INFORMATION: 1300 308 193

www.faultytowersdining.com

RECIPROCAL CLUB PROCEDURE

If you would like to visit a reciprocal club, please read the following instructions before contacting any reciprocal club:

1. Contact the reciprocal clubs directly for a list of the services and rates offered at the proposed time of your visit, and to find out if your Letter/Card of Introduction must be faxed to them prior to your arrival. Members desiring accommodation at reciprocal clubs should request reservations in advance and should advise that they are members of NSW Masonic Club.
2. Have your NSW Masonic Club membership card with you when visiting a reciprocal club.
3. **Obtain a Letter of Introduction:** Please contact Administration on 02 9284 1006, or email: admin@nswmasonicclub.com.au

NEW SOUTH WALES MASONIC CLUB

ABN 79 000 003 289



DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

Your directors present their report on the New South Wales Masonic Club (the "Club") for the financial year ended 30 June 2020.

The names, qualifications, experience and special responsibilities of the directors in office at any time during, or since the end of, the year are:

Stephen George Bates, B. Bus, CA.

Elected to the Board in 1996.

Occupation: Director, Watson Erskine & Co Pty Ltd, Chartered Accountants.

President since 23 November 2015.

Graham William Byrne, BA

Elected to the Board on 26 November 2007.

Occupation: Managing Director, Graham Byrne & Associates Pty Ltd, Management Consultants.

Special Responsibilities: Convenor, Finance Committee.

Robert Eaglesham, Dip. All

Elected to the Board on 23 November 2015.

Occupation: Company Director.

Vice President since 25 November 2019.

Special Responsibilities: Convenor, House Supply and Staff Committee.

Allan Ezzy, AM, APM, Justice of the Peace

Elected to the Board on 28 November 2011.

Retired on 25 November 2019.

Occupation: Police Officer. Retired.

Special Responsibilities: Convenor, House Supply and Staff Committee.

Alice (Kate) Foot, B. Ed (Adults)

Elected to the Board on 23 November 2015.

Retired on 25 November 2019.

Occupation: Company Director.

Special Responsibilities: Member, House Supply and Staff Committee.

John Joseph Moore, AM, RFD, ED, HDA

Elected to the Board on 2 July 2008. Elected Vice President on 23 November 2015. Retired on 25 November 2019.

Occupation: Public Relations Consultant.

Special Responsibilities: Vice President; Member, House Supply and Staff Committee.

Peter Read, B. Bus, CPA, Justice of the Peace

Elected to the Board on 23 November 2015.

Occupation: Principal, Present and Accounted For, Strategic Financial Consultants.

Special Responsibilities: Treasurer; Member, Finance Committee, Member House Supply and Staff Committee.

Stephen Caldwell Wearne, FCA

Elected to the Board on 2 March 2005.

Occupation: Director, Boroughs Australia Pty Ltd, Chartered Accountants.

Special Responsibilities: Member, Finance Committee.

Peter Zeilic, B. Sc., B. Arch, M. Proj Mgmt, Justice of the Peace

Elected to the Board on 23 November 2009.

Occupation: Managing Director, Peter Zeilic Pty Ltd, trading as Dimension 5 Design Architecture & Project Management.

Special Responsibilities: Member, House Supply and Staff Committee.

Stephen Hodgson, Dip. Co. Directorship, Dip. Forensic Medicine, Justice of the Peace

Elected to the Board on 25 November 2019.

Occupation: Managing Director, KASH Images Pty Ltd, Forensic Inspection Reporting Services & Testing (FIRST)

Special Responsibilities: Treasurer, Member, Finance Committee.

William Redpath

Elected to the Board on 25 November 2019.

Occupation: Retired.

Special Responsibilities: Member, House Supply and Staff Committee.

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

Meetings of Directors

During the financial year, the Board of Directors met on 12 occasions, the House, Supply and Staff Committee met on 13 occasions and the Finance Committee met on 12 occasions. The number of meetings attended by each director during the year out of the total number possible were:

	Board	Committees
SG Bates	12/12	23/25
GW Byrne	10/12	11/13
RJ Eaglesham	12/12	14/16
A Ezzy	5/5	5/5
K Foot	4/5	4/5
S Hodgson	7/7	8/8
JJ Moore	3/5	5/5
P Read	11/12	11/13
W Redpath	7/7	10/10
SC Wearne	10/12	11/13
P Zeilic	10/12	12/12

Club's Objectives

The Club's short term objectives are to:

- Provide its Members with bars, restaurant/bistro, meeting rooms, function rooms and a high quality of service;
- Provide Members and guests with high quality accommodation facilities;
- Provide Members and guests with service of the highest practical level;
- Provide Members and guests with a high standard of food and beverage offering; and
- Provide appropriate training for staff and directors.

The Club's long term objectives are to:

- Continually upgrade the quality of the hotel in order to maximise its commercial returns for the overall betterment of the Club and the facilities it provides to its Members; and
- Continually upgrade the quality of service offered by staff.

To achieve these objectives the Club has adopted the following strategies:

- Development of an integrated capital improvements program funded from retained and current earnings;

- Development of a refurbishment and maintenance program designed to uphold the heritage status of the building and enhance the quality of the facilities available to Members; and
- Maintenance of best practice technology to maximise returns from accommodation and ancillary revenue streams for the benefit of the Club.

New Accounting Standards Implemented

The principal activities of the Club during the year were to provide Members with amenities and facilities usually associated with a Licensed Social Club and to operate a boutique hotel at not less than a four-star standard. No significant change in the nature of these activities occurred during the year.

These activities have assisted in achieving the short and long term objectives of the Club by being consistent in all respects with those objectives.

The Club measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the Club's short-term and long-term objectives are being achieved. Key performance benchmarks used include:

- Average monthly room rate for accommodation;
- Average monthly room rate for accommodation net of commissions;
- Monthly occupancy rate for accommodation;
- Monthly EBITDA against budget;
- Monthly departmental operating results against budget;
- Cash flow forecasting;
- Function enquiries capture rate;
- Feedback from members, guests and social media;
- Survey of members and guests;
- Membership growth;
- Capital expenditure program against set milestones; and
- Monitoring of regular training programs for employees.

Operating Results

The loss for the year amounted to \$348,056 (2019 profit: \$51,074) after allowing for income tax expense.

Review of Operations

The highly infectious coronavirus COVID-19 was declared a pandemic by the World Health Organisation on 11 March 2020. The pandemic has had a catastrophic human impact and economic cost worldwide. The consequences for the Australian economy are likely to be far-reaching and long-lasting, with the first recession in almost three decades confirmed in early September. The initial impact on the Club was an immediate and dramatic reduction in accommodation revenue, coupled with the need to stand down most employees.

The impact of COVID-19 has had a serious impact on the Club's revenue for the year with a significant decline in contribution from the accommodation segment. The food and beverage contribution declined due to COVID-19 and closure of the Club's food and beverage operations from 23 March to 1 June 2020. As a result, the contribution achieved from all of the Club's operational areas was \$687,000 lower than the previous year. Investment and other revenue was \$227,000 lower than the previous year due to lower rental and interest income and losses on the disposal of PP&E, whilst costs were \$478,000 lower than the previous year,

due mainly to lower repairs and maintenance costs and wage and income subsidies received from the Australian Government. The Club's operating result before tax declined by \$436,000 compared to the previous year.

The Board of Directors, in conjunction with the General Manager, have made a number of decisions to mitigate as much as possible the ongoing financial impact of COVID-19 including:

- Suspending capital expenditure programs as of 16 July 2020;
- Suspending payment of Directors fees from 31 July 2020 to 30 November 2020;
- Curtailing the Club's building maintenance program, and
- Reducing operating expenses to the extent possible.

After Balance Date Events

Transport for NSW's construction of the Sydney Metro station to the immediate south of the Club's building continues, with the project now in the final demolition phase prior the commencement of construction of the Metro train station. To this date there has been minimal effect on the Club's building and its operations resulting from the Metro construction works. However, the future effect of such construction works on the Club's building and operations cannot be determined at this stage.

The Club is progressing its obligations under the Sydney City Council ("SCC") issued Fire Safety Order, supported by our fire safety engineers and heritage consultants to develop a timeline and engineered solution that preserves the heritage character of the Club's building. Substantial capital expenditure continues to be incurred as funds permit.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Club, the result of those operations, or the state of affairs of the Club in future financial years other than the continuing adverse financial effects of COVID-19 upon our accommodation and food and beverage revenue streams.

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business for a period of at least twelve months from the date these financial statements were approved.

The Club also notes the unpredictability of the COVID-19 situation, and the potential impact on

the going concern basis of preparation. On 22 March 2020, the Government announced forced closure of registered and licensed clubs, licensed premises in hotels and pubs, entertainment venues and cinemas, casinos and nightclubs effective from Midday 23 March 2020 until further notice. As such, the Club was closed for all food, beverage and function activities from this date. On 1 June 2020, the Club reopened on legislated social distancing requirements. This closure has had a significant impact on the Club's operating cash flows and financial position for the period prior to year-end. At the date of this report, the Club has been trading for approximately four months, however the financial position has yet to significantly recover. Due to the uncertainty around the ongoing impacts of COVID and any potential future increases in restrictions, there is a degree of uncertainty associated with forecasting cash flows over the following 12 month period. Therefore, existing cash flow forecasts are based on minimal cash inflows and known cash outflows to enable the Board to determine the maximum monthly cash flow loss.

The directors believe there are reasonable grounds to conclude the company will continue as a going concern on the basis of the following:

- The Club maintains significant balances of term deposit cash and liquid equity investments on which to draw, to fund expected shortfalls in cash flow for a period of over 24 months from signing of the financial report; and
- The Club holds no external debt, and as such is not subject to servicing any significant external liabilities.

Liability of Members on a Winding Up

For every class of membership the amount for which every Member is liable to contribute if the Club is wound up is:

- Such amount as may be required not exceeding \$4.00;
- In the event that the liability of any Member of any class becomes unlimited, then such other amount as may be required according to the circumstances in which that event occurred. Any Member's liability becomes unlimited if that Member makes (or knowingly consents to or assists in the making of) an unauthorised payment or transfer of any part of the income or property of the Club to any Member or former Member of the Club or to any person claiming through them.

If the Club is wound up the total amount payable by all Members of every class will, except in any case of unlimited liability, be not more than an amount equal to the number of Members of every class multiplied by \$4.00.

Membership

At 30 June 2020 total Members numbered 1,454 comprising 523 Mason Members, 902 Associate Members, 6 Gold Members, 1 Patron and 22 Honorary Members.

Core Property

The Core Property of the Club as at 30 June 2020 was the property known as 169-173 Castlereagh Street, Sydney.

As at that date the Non-Core Property of the Club was nil.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2019 has been received and can be found adjacent.

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



Stephen G Bates
(President)

Dated: 7th day of October 2020

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF NEW SOUTH WALES MASONIC CLUB

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

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



BDO Audit Pty Ltd
Clayton Eveleigh
Director

Date: 7th day of October 2020
Level 11
1 Margaret Street
SYDNEY NSW 2000

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Revenue	2	3,475,547	4,576,497
(Loss)/gain on disposal of assets	2	(170,166)	243
Raw materials and consumables used		(338,145)	(407,571)
Employment benefits expense		(1,837,039)	(1,879,404)
Australian government jobkeeper subsidy		227,100	-
Depreciation of property, plant and equipment	3	(523,740)	(523,220)
Occupancy expense		(778,907)	(1,206,660)
Impairment of trade receivables		(5,155)	-
Other expenses		(411,102)	(485,420)
(Loss)/profit before income tax expense		(361,607)	74,465
Income tax benefit/(expense)	4	13,551	(23,391)
(Loss)/profit for the year		(348,056)	51,074

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
(Loss)/profit for the year		(348,056)	51,074
Other comprehensive income ("OCI") after income tax:			
Items that will not be reclassified subsequently to profit or loss:			
Net gain on revaluation of non-current assets, net of tax	10	2,825,456	-
Net (loss)/gain on revaluation of financial assets at fair value through OCI, net of tax	2	(16,194)	9,919
Other comprehensive income for the year, net of tax		2,809,262	9,919
Total comprehensive income for the year		2,461,206	60,993
Total comprehensive income attributable to: Members of the Club		2,461,206	60,993

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	5	363,044	254,274
Trade and other receivables	6	160,375	127,641
Financial assets	7	2,600,000	3,400,000
Inventories	8	18,141	25,773
Other assets	9	56,894	79,385
TOTAL CURRENT ASSETS		3,198,454	3,887,073
NON-CURRENT ASSETS			
Financial assets	7	454,513	434,273
Property, plant and equipment	10	38,509,989	35,525,104
Deferred tax assets	12	104,138	84,992
TOTAL NON-CURRENT ASSETS		39,068,640	36,044,369
TOTAL ASSETS		42,267,094	39,931,442
CURRENT LIABILITIES			
Trade and other payables	11	267,955	313,102
Employee benefits liabilities	13	179,831	225,116
Other liabilities	14	60,747	112,435
TOTAL CURRENT LIABILITIES		508,533	650,653
NON-CURRENT LIABILITIES			
Employee benefits liabilities	13	47,424	30,858
TOTAL NON-CURRENT LIABILITIES		47,424	30,858
TOTAL LIABILITIES		555,957	681,511
NET ASSETS		41,711,137	39,249,931
MEMBERS' EQUITY			
Reserves		35,583,337	32,774,075
Retained earnings		6,127,800	6,475,856
TOTAL MEMBERS' EQUITY		41,711,137	39,249,931

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members and guests		3,633,500	5,098,421
Payments to suppliers and employees		(3,821,153)	(4,813,773)
Rent received		49,672	122,223
Dividends received		19,512	21,904
Interest received		65,664	86,848
Government grants received		227,100	-
Income tax refunds/(payments)		29,840	(179,345)
Net cash provided by operating activities		204,135	336,278
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		3,909	-
Payments for property, plant and equipment		(856,570)	(828,416)
Proceeds from sale of investments		2,641	55,546
Payments for investments in listed securities		(45,345)	(23,823)
Funds withdrawn from term deposits		800,000	200,000
Net cash used in investing activities		(95,365)	(596,693)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash provided by/(used in) financing activities		-	-
Net increase/(decrease) in cash		108,770	(260,415)
Cash and cash equivalents at beginning of the financial year		254,274	514,689
Cash and cash equivalents at end of the financial year	5	363,044	254,274

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

The financial statements cover the New South Wales Masonic Club (the "Club") as an individual entity, incorporated and domiciled in Australia. The Club is a company limited by guarantee.

The financial statements were authorised for issue on 7 October 2020 by the directors of the Club.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations of the Australian Accounting Standards Board. The Club is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

New or amended Accounting Standards and Interpretations adopted

The Club has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The following Accounting Standards and Interpretations are most relevant to the Club:

AASB 15 Revenue from Contracts with Customers

The Club has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers (performance obligations), at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

AASB 16 Leases

The Club has adopted AASB 16 from 1 July 2019. The standard replaces

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

	Retained Earnings \$	Capital Reserve \$	Asset Revaluation Reserve \$	Financial Asset Reserve \$	Total \$
Balance as at 30 June 2018	6,424,782	1,319,388	31,458,037	(13,269)	39,188,938
Profit attributable to Members	51,074	-	-	-	51,074
Total other comprehensive income for the year	-	-	-	9,919	9,919
Balance as at 30 June 2019	6,475,856	1,319,388	31,458,037	(3,350)	39,249,931
Loss attributable to Members	(348,056)	-	-	-	(348,056)
Total other comprehensive income for the year	-	-	2,825,456	(16,194)	2,809,262
Balance as at 30 June 2020	6,127,800	1,319,388	34,283,493	(19,544)	41,711,137

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

AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The Club did not have any operating leases to which the Club was a party as a lessee, and therefore no amounts have been recognised on the statement of financial position as a result of the adoption of the new accounting standard. The Club is the landlord for the Jewellers retail outlet at the entrance to the Club and this new standard has had no financial impact with respect to that lease including no impact on the recognition of income derived therefrom and no requirement to record any asset and liability with respect to the retail lease.

Impact of adoption

The adoption of new Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company as at 30 June 2020 nor on opening retained profits as at 1 July 2019.

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business for a period of at least twelve months from the date these financial statements were approved.

As at 30 June 2020, the Club incurred a net loss of \$348,056 (2019: net income of \$51,074) and an operating cash inflow of \$204,135 (2019: cash inflow of \$336,278).

The Club also notes the unpredictability of the COVID-19 situation, and the potential impact on the going concern basis of preparation. On 22 March 2020, the Government announced forced closure of registered and licensed clubs, licensed premises in hotels and pubs, entertainment venues and cinemas, casinos and nightclubs effective from Midday 23 March 2020 until further notice. As such, the Club was closed for all food, beverage and function activities from this date. On 1 June 2020, the Club reopened on legislated social distancing requirements. This closure has had a significant impact on the Club's operating cash flows and financial position for the period prior to year-end. At the date of this report, the Club has been trading for approximately four months, however the financial position has yet to significantly recover. Due to the uncertainty around the ongoing impacts of COVID and any potential future increases in restrictions, there is a degree of uncertainty associated with forecasting cash flows over the following 12 month period. Therefore, existing cash flow forecasts are based on minimal cash inflows and known cash outflows to enable the Board to determine the maximum monthly cash flow loss.

The directors believe there are reasonable grounds to conclude the company will continue as a going concern on the basis of the following:

- The Club maintains significant balances of term deposit cash and liquid equity investments on which to draw, to fund expected shortfalls in cash flow for a period of over 24 months from signing of the financial report; and
- The Club holds no external debt, and as such is not subject to servicing any significant external liabilities.

Accounting Policies

(a) Income Tax

The Club pays tax on income derived other than from members. The income tax expense/(revenue) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside the profit and loss when the tax relates to items that are recognised outside the profit and loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions

are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value.

(c) Property, Plant and Equipment

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

Land and Buildings

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in other comprehensive income. Decreases that offset previous increases of the same asset are charged against revaluation surpluses directly in other comprehensive income; all other decreases are charged to the profit and loss account.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Club commencing from the time the asset is held ready for use. Depreciation is recognised in the profit and loss account.

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

Class of Fixed Asset	Depreciation Rate
Buildings	1.0% - 2.5%
Plant & Equipment	10.0% - 33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit and loss account. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

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

(d) Financial Instruments

Financial instruments are recognised initially on the date that the Club becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Club classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Club changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Club's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

The Club's investments in equity instruments not held for trading have been designated as fair value through other comprehensive income. The movement in fair value on equity instruments is accumulated in the financial assets reserve.

Dividend revenue received on underlying equity instruments investment is recognised in profit or loss.

Financial assets through profit or loss

The Club did not have any financial assets at fair value through profit or loss during the financial year.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

Under AASB 9 Financial Instruments, an expected credit loss model is applied in measuring impairment losses on financial assets. To reflect changes in credit risk this expected credit loss model requires the Club to account for expected credit losses since initial recognition. If the credit risk on a financial instrument has not shown significant change since initial recognition, an expected credit loss amount equal to the 12-month expected credit loss is used. However, a loss allowance is recognised at an amount equal to the lifetime expected credit loss if the credit risk on that financial instrument has increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Club considers reasonable and supportable information that is relevant and available. This includes both quantitative and qualitative information and analysis based on the Club's historical experience and informed credit assessment and including forward looking information.

The Club uses the presumption that an asset which is more than 90 days past due has seen a significant increase in credit risk.

The Club uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Club in full, without recourse to the Club to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Club in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Trade receivables (and contract assets)

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Club has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in the statement of profit or loss. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Club measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Club comprise trade and other payables.

(e) Impairment of Assets

At the end of each reporting period, the Club assesses whether there is any indication that an asset has been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit and loss account.

Where it is not possible to estimate the recoverable amount of an individual asset, the Club estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Employee Benefits

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to balance 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. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employees may not satisfy vesting requirements. Those cash flows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows.

(g) 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.

Provisions are measured using the best estimate of the amounts required to settle the obligation at reporting date.

(h) 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.

(i) Revenue Recognition

The Club has applied AASB 15: Revenue from Contracts with Customers. This accounting standard only applies to revenue from customers. The Club has adopted the standard using the modified retrospective method and, as such, there has been no impact to opening retained earnings at the date of adoption.

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Club expects to receive in

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognise revenue as the performance obligations are satisfied.

Accommodation revenue

Accommodation revenue is recognised at the point in time services are provided to the guest.

Room hire revenue

Other room hire is recognised at the time service is provided to the hirer.

Food and beverage sales

Food and beverage sales are recognised at the time the goods are delivered to the customer, being the point of sale. Income received in advance of the date of food and beverage consumption is deferred.

Membership subscription revenue

Membership income is recognised over time, through the period to which the membership renewal relates. Any membership subscription revenue relating to periods beyond the current financial year is carried forward in the Statement of Financial Position as income received in advance.

Lease income

Lease income from the tenanted shop is recognised on a straight line basis over the term of the lease.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Dividend income

Dividend revenue is recognised when the right to receive a dividend has been established.

(j) 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 statement of financial position are shown inclusive of GST.

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

(k) Comparative Figures

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

	2020 \$	2019 \$
NOTE 2: REVENUE AND OTHER INCOME		
Provision of accommodation services	2,598,390	3,607,987
Sales of food and beverage	354,228	385,145
Poker machine takings	(761)	7,642
Rent received	48,205	110,938
Members subscriptions	65,889	68,204
Room hire	118,104	114,454
Interest received	59,418	89,654
Dividends received	19,512	21,904
Compensation payments received	46,000	168,590
Australian Government Covid-19 cash boost	62,500	-
Sale of gaming entitlements	102,667	-
Other	1,395	1,979
Total revenue	<u>3,475,547</u>	<u>4,576,497</u>
Other income/(expense):		
Net (loss)/gain on disposal of property, plant and equipment	(169,491)	-
Net (loss)/gain on disposal of investments	(675)	243
	<u>(170,166)</u>	<u>243</u>
Net gain/(loss) on available-for-sale financial assets at fair value (after tax effect)	<u>(16,194)</u>	<u>9,919</u>
Net loss on fair value of financial assets has been determined with reference to the market value of the investments at reporting date.		

NOTE 3: PROFIT BEFORE INCOME TAX

Depreciation of buildings	216,000	306,000
Depreciation of plant and equipment	307,740	217,220
Auditor's remuneration – for audit services	30,420	21,500
Auditor's remuneration – for other services	3,850	3,600
Superannuation contributions	139,578	142,031
Bad debts written off – trade and other receivables	-	-

NOTE 4: INCOME TAX EXPENSE

The components of tax expense comprise:

Current tax	-	47,047
Deferred tax	(13,551)	(23,656)
	<u>(13,551)</u>	<u>23,391</u>

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

Prima facie tax (recoverable)/payable at 27.5% (2019: 27.5%)	(99,442)	20,478
Less tax effect of:		
Income tax rate change on deferred tax assets	5,612	-
Mutuality rate change on timing differences	(14,300)	3,150
Franked dividends received	(5,009)	(5,907)
Net non-allowable/non-assessable items	(17,095)	(535)
Net mutual income and non-allowable items	19,733	6,205
Benefit of tax losses not taken up	96,950	-
Income Tax (Benefit)/Expense	<u>(13,551)</u>	<u>23,391</u>
The applicable weighted average effective tax rates are:	<u>3.75%</u>	<u>31.4%</u>

NOTE 5: CASH AND CASH EQUIVALENTS

Cash on hand	5,000	17,000
Cash at bank	358,044	237,274
	<u>363,044</u>	<u>254,274</u>

NOTE 6: TRADE AND OTHER RECEIVABLES

Current

Trade receivables	3,935	86,700
Allowance for expected credit losses	(5,155)	-
Other receivables	161,595	40,941
	<u>160,375</u>	<u>127,641</u>

Lease commitments receivable

Future minimum lease payments receivable from non-cancellable operating leases at reporting date:

Receivable -		
Not later than one year	18,692	31,276
Later than one year and not later than five years	-	26,991
	<u>18,692</u>	<u>58,267</u>

Lease receivables relate to premises owned and let by the Club.

NOTE 7: FINANCIAL ASSETS

Current

Fixed interest deposits	2,600,000	3,400,000
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Non Current

Investments in equity instruments designated as at fair value through other comprehensive income

Listed investments:		
- shares in listed corporations	454,513	434,273

Investments in equity instruments comprise investments in the ordinary share capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

NOTE 8: INVENTORIES

Current - at cost

Raw materials		
- Liquor and beverage	18,141	25,773

NOTE 9: OTHER ASSETS

Current

Prepayments	56,894	49,545
Income tax recoverable	-	29,840
	<u>56,894</u>	<u>79,385</u>

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

	2020 \$	2019 \$
NOTE 10: PROPERTY, PLANT & EQUIPMENT		
(a) Land and Buildings		
Freehold land at independent valuation 2020	13,000,000	13,000,000
Buildings, lifts and integral plant and equipment - at independent valuation 2020	24,800,000	22,000,000
Accumulated depreciation	-	(604,048)
	<u>24,800,000</u>	<u>21, 395,952</u>
Building improvements – at cost	-	696,993
Accumulated depreciation	-	(3,871)
	-	693,122
Total buildings	<u>24,800,000</u>	<u>22,089,074</u>
Total land and buildings	<u>37,800,000</u>	<u>35,089,074</u>
(b) Plant and Equipment		
Plant, furniture and equipment – at cost	2,410,674	2,481,662
Accumulated depreciation	(2,172,045)	(2,078,777)
	<u>238,629</u>	<u>402,885</u>
Capital works in progress – at cost	471,360	33,145
Total plant and equipment	<u>709,989</u>	<u>436,030</u>
Total property, plant and equipment	<u>38,509,989</u>	<u>35,525,104</u>

Movements in carrying amounts

The movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Freehold Land \$	Buildings \$	Plant and Equipment \$	Total \$
Balance at the beginning of the year	13,000,000	22,089,074	436,030	35,525,104
Independent revaluation	-	2,825,456	-	2,825,456
Additions	-	101,470	755,100	856,570
Disposals	-	-	(173,401)	(173,401)
Depreciation	-	(216,000)	(307,740)	(523,740)
Carrying amount at the end of the year	<u>13,000,000</u>	<u>24,800,000</u>	<u>709,989</u>	<u>38,509,989</u>

Asset revaluations

The freehold land and buildings were independently valued at 30 June 2020 by Andrew Nock Pty Limited. The valuation was based on fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, recent sales data for land and buildings in the area and took into account the heritage status of the building. The valuation resulted in a valuation increment of \$2,825,456 being recognised in the revaluation reserve for the year ended 30 June 2020.

	2020 \$	2019 \$
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NOTE 11: TRADE AND OTHER PAYABLES

Current		
Trade payables	193,438	99,601
Sundry payables and accrued expenses	74,517	213,501
	<u>267,955</u>	<u>313,102</u>

Current

Financial liabilities at amortised cost classified as trade and other payables:		
Trade and other payables		
- Total current	267,955	313,102
- Total non-current	-	-
Financial liabilities as trade and other payables	<u>267,955</u>	<u>313,102</u>

NOTE 12: INCOME TAX

Deferred Tax Assets

Deferred tax assets comprise:

Provisions and accruals	45,067	43,283
Property, plant & equipment – tax allowances	51,582	39,372
Revaluation adjustments taken directly to equity	6,866	1,271
Capital losses carried forward	623	1,066
Total net non-current deferred tax assets	<u>104,138</u>	<u>84,992</u>

NOTE 13: EMPLOYEE BENEFITS LIABILITIES

Current

Employee entitlements		
Annual leave	132,474	147,866
Long service leave	47,357	77,250
	<u>179,831</u>	<u>225,116</u>

Non-Current

Employee entitlements		
Long service leave	47,424	30,858

A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon the historical data. The measurement and recognition criteria for employee benefits have been included in Note 1(f).

	2020 \$	2019 \$
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NOTE 14: OTHER LIABILITIES

Current

Subscriptions received in advance	31,557	36,217
Advance booking deposits	27,574	67,908
Security deposits held relating to leased premises	952	4,292
Deferred income	664	4,018
	<u>60,747</u>	<u>112,435</u>

NOTE 15: RELATED PARTY TRANSACTIONS

The following benefits were provided to directors and their guests under the terms of the resolutions passed at the 2019 Annual General Meeting:

	2020 \$	2019 \$
Meetings – food and beverages	8,428	11,660
Accommodation and travelling	-	-
President's dinner	-	8,490
Board members' partners night	3,243	656
Professional development	-	603
Food and beverage allowance - directors	12,210	16,063
Directors fees paid or payable to all directors of the Club	<u>51,500</u>	<u>55,000</u>

	No.	No.
The number of directors whose income from the Club fell within the following bands:		
\$0 - \$10,000	10	8
\$10,001 - \$20,000	1	1

NOTE 16: KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel (KMP).

The totals of remuneration paid to KMP of the Club during the year are as follows:

	2020 \$	2019 \$
KMP compensation	<u>239,441</u>	<u>250,823</u>
	No.	No.
KMP compensation	12	10

There were no other related party transactions during the year other than as disclosed in Note 15 and 23. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

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

NOTE 17: RESERVES

(a) Capital Reserve

The capital reserve records profits on sale of non-current assets.

(b) Asset Revaluation Reserve

The revaluation reserve records revaluations of non-current assets.

(c) Financial Assets Reserve

The financial assets reserve records revaluation of financial assets.

NOTE 18: CAPITAL AND LEASING COMMITMENTS

Capital expenditure commitments

Capital expenditure commitments contracted for at the reporting date amounted to nil (2019 \$nil).

NOTE 19: FINANCIAL RISK MANAGEMENT

The Club's financial instruments consist primarily of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, listed securities and leases.

Totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	2020 \$	2019 \$
Financial Assets at Amortised Cost		
Cash and cash equivalents	363,044	254,274
Term deposits and receivables	2,760,375	3,527,641
Investments in equity instruments at fair value through OCI:		
- Listed investments	454,513	434,273
Total Financial Assets	<u>3,577,932</u>	<u>4,216,188</u>
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	267,955	313,102
Total Financial Liabilities	<u>267,955</u>	<u>313,102</u>

NOTE 20: MEMBERS' GUARANTEE

The Club is a company limited by guarantee, incorporated and domiciled in Australia. If the Club is wound up, the Memorandum of Association states that each Member is required to contribute a maximum of \$4 each towards meeting any outstanding obligations of the Club. At the reporting date the number of Members was 1,454 (2019 – 1,568).

In any case, where a Member has been in breach of paragraph 4 of the Club's constitution, entitled "Memorandum of Association", the liability of a Member on winding up is unlimited. Please refer to "Liability of Members on a Winding Up" as set out in the Directors' Report.

NOTE 21: EVENTS AFTER THE REPORTING PERIOD

Transport for NSW's construction of the Sydney Metro station to the immediate south of the Club's building continues, with the project now in the final demolition phase prior the commencement of construction of the Metro train station. To this date there has been minimal effect on the Club's building and its operations resulting from the Metro construction works. However, the future effect of such construction works on the Club's building and operations cannot be determined at this stage.

The Club is progressing its obligations under the Sydney City Council ("SCC") issued Fire Safety Order, supported by our fire safety engineers and heritage consultants to develop a timeline and engineered solution that preserves the heritage character of the Club's building. Substantial capital expenditure continues to be incurred as funds permit.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Club, the result of those operations, or the state of affairs of the Club in future financial years other than the continuing adverse financial effects of Covid-19 upon our accommodation and food and beverage revenue streams.

NOTE 22: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingent assets or liabilities.

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

NOTE 23: SPECIAL REPORTING REQUIREMENTS

The Registered Clubs Act (as amended) requires the Club to make available to Members the following information in relation to the financial year:

- (i) There were no contracts of employment with a top executive of the Club approved during the reporting period.
- (ii) Purpose and details of overseas travel by a director or employee of the Club. Nil
- (iii) Total profits/(losses) from gaming machines in the Club during the 12 month period ended 30 November in the financial year to which this report relates. (\$623)
- (iv) Amount applied by the Club to community development and support during the 12 month period ended 30 November in the financial year to which this report relates. Nil
- (v) Loans made to employees of the Club. Nil
- (vi) No consultants to the Club were paid in excess of \$30,000.
- (vii) Total consultancy fees paid, excluding amounts disclosed above \$60,300
- (viii) There was no settlement made with a Member of the governing body or employee as a result of a legal dispute and no associated legal fees.
- (ix) No legal fees were paid on behalf of a Member of the governing body or an employee.
- (x) The Core Property of the Club as at 30 June 2020 was the property known as 169-173 Castlereagh Street, Sydney. As at that date the Non-Core Property of the Club was nil.
- (xi) Set out below are disclosures made by a director, top executive or employee in relation to:
 - A material personal interest that a director has in a matter relating to the affairs of the Club – nil.
 - A personal or financial interest of a director or top executive in a contract relating to the procurement of goods or services or any major capital works of the Club:
 - Peter Zeilic \$20,177
 - Any financial interest of a director or top executive in a hotel situated within 40 kilometres of the Club's premises – nil.
 - A gift or remuneration of \$1,000 or more from an affiliated body of the Club or from a person or body that has entered into a contract with the Club – nil.
- (xii) Donations made to the Club's internal sub-clubs, other entities utilising the Club's facilities and charitable institutions amounted to \$3,509.

Training

The Board of Directors has met its governance obligations under Part 6 of the Registered Clubs Regulations 2015. The following directors and General Manager (Club Secretary) have completed the required training, as prescribed:

Robert Eaglesham Director
Paul Brasch General Manager

DIRECTORS' DECLARATION

The directors of the New South Wales Masonic Club (the "Company") declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards Reduced Disclosure Requirements applicable to the Company; and
 - (b) give a true and fair view of the financial position as at 30 June 2020 and performance for the year ended on that date of the Company,
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



STEPHEN G BATES
(President)

Dated: 7th day of October 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW SOUTH WALES MASONIC CLUB

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of New South Wales Masonic Club (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of New South Wales Masonic Club, 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 its financial performance for the year ended on that date; and
- (ii) 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 (including Independence Standards) (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 the Company, 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.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the annual report, 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 on the other information obtained prior to the date of this auditor's report, 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 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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 has 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd



Clayton Eveleigh
Director
Sydney, 7 October 2020

DISCOUNTED PARKING

Parking vouchers for Hilton Secure Carpark are on sale at the hotel reception desk.

The discounted parking options are offered by the Castlereagh Boutique Hotel to all Members and guests as a service, however, it is ultimately the responsibility of the guests to ensure that they adhere to the entry/exit conditions that apply.

PROCEDURE

- Please contact Hotel Reception on the day **at least an hour prior to arrival**.
- Reception will reserve parking and provide you a code to enter Car Park.
- Hilton Secure Parking is located at 259 Pitt Street, Sydney and operated 24 hours.
- To exit take lift from Hilton Hotel Lobby to car park area.
- Please follow exit instructions on your Reservation.

HILTON SECURE CARPARK

259 Pitt St, Sydney CBD

Access: Turn left into the Hilton Hotel entrance from Pitt Street – access via the 2nd driveway Secure Parking.

RATES

\$55.00 Voucher
Mon - Fri

Day Voucher
Single entry / exit
Maximum 24 hours
from the time of entry.

\$25.00 Voucher
Mon - Fri

Evening/Overnight
Single entry / exit
Valid for entry after 6pm exit by 9am the following day. CANNOT be used in conjunction with Day and Weekend Vouchers.

\$25.00 Voucher
Sat - Sun

Weekends
Single entry / exit
Maximum 24 hours
from the time of entry.

Late checkout penalties apply.

Club Members Enjoy a Great Range of Benefits

RENEW YOUR MEMBERSHIP TODAY!

- » 15% Discount on Hotel Accommodation Rates
- » 10% Discount on Food and Beverages throughout the Club
- » Special Members' Prices for Club Functions
- » Members' Reward Points on Personal Purchases.
- » Reciprocal Club Privileges within Australia and Overseas
- » Club Magazine and Club Chat Newsletter
- » Birthday Wine Voucher and exclusive 'Members Only' Offers



THE FOLLOWING ACCOUNTS DO NOT FORM PART OF THE AUDITED FINANCIAL REPORT

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Income			
Trading profit		1,524,172	2,210,917
Poker machine (loss)/profit (excluding depreciation)		(2,737)	2,338
Members subscriptions		65,889	68,204
Donations		250	600
Rent received		48,205	110,938
Room hire		118,104	114,454
Interest received		59,418	89,654
Dividends received		19,512	21,904
Net (loss)/gain on disposal of investments		(675)	243
Net (loss)/gain on disposal of property, plant & equipment		(169,491)	-
Sundry income		212,313	169,969
		<u>1,874,960</u>	<u>2,789,221</u>
Expenses			
General overhead expenses		754,810	1,167,790
Administration expenses		693,872	712,694
Auditors' remuneration:			
Audit fees		30,420	21,500
Accountancy and taxation services		3,850	3,600
Donations		2,409	4,100
Social amenities and activities		29,624	52,518
Directors and related persons' benefits	15	23,881	37,472
Directors fees		51,500	55,000
Depreciation:			
Building		216,000	306,000
Plant and equipment		307,740	217,220
Rates and taxes		122,461	136,862
		<u>2,236,567</u>	<u>2,714,756</u>
(Loss)/profit before income tax		<u>(361,607)</u>	<u>74,465</u>
Income tax benefit/(expense)	4	<u>13,551</u>	<u>(23,391)</u>
Profit after income tax		<u>(348,056)</u>	<u>51,074</u>

TRADING ACCOUNT FOR THE YEAR ENDED 30 JUNE 2020

	Accommodation	Reagh Bar	Cellos	Lounge Bar	Café Reagh	Total 2020	Total 2019
	\$	\$	\$	\$	\$	\$	\$
Income							
Sales	2,598,390	109,721	136,400	41,242	66,865	2,952,618	3,993,131
Expenses							
Cost of Sales	91,586	89,170	89,688	35,245	37,611	343,300	407,570
Gross Profit	<u>2,506,804</u>	<u>20,551</u>	<u>46,712</u>	<u>5,997</u>	<u>29,254</u>	<u>2,609,318</u>	<u>3,585,561</u>
Direct labour expenses	834,657	13,754	-	36,636	57,572	942,619	1,180,600
Direct expenses	112,463	2,400	23,531	2,095	2,038	142,527	194,044
	<u>947,120</u>	<u>16,154</u>	<u>23,531</u>	<u>38,731</u>	<u>59,610</u>	<u>1,085,146</u>	<u>1,374,644</u>
Trading profit	<u>1,559,684</u>	<u>4,397</u>	<u>23,181</u>	<u>(32,734)</u>	<u>(30,356)</u>	<u>1,524,172</u>	<u>2,210,917</u>

POKER MACHINE OPERATING ACCOUNT FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
Net takings	(761)	7,642
Less direct expenses		
Repairs and maintenance	1,976	5,304
	<u>(2,737)</u>	<u>2,338</u>
Less: Depreciation	570	1,120
Trading profit	<u>(3,307)</u>	<u>1,218</u>

WE'D LIKE TO WELCOME OUR NEWEST MEMBERS TO THE CLUB

Mr Robert Beer, Retired
Mr Robert Bonella, Retired
Mrs Patricia Bradley, retired
Mr David Brooks-Horn, Operation Manager
Mr Alan Burton-Stark, Retired Solicitor
Mr Joshua Campbell, Author
Miss Josephine Chand, Receptionist
Mr David Close, Advisory Director
Mr Robert Cochrane, Retired
Prof R. Max Conway, Medical Practitioner & CEO
Mr John Cowling, Manager
Ms Patricia Davies, Management Consultant
Mr Robert Debus, Retired Cabinet Minister
Mr Bernard Duckett, Retired
Ms Kathryn Duly, Affiliate Promotion
Mr Stephen Duncan, Merchant Banker
Mr Ciaran Dunning, Manager
Mr Geoffrey Dyer, Retired
Mr Scott Alexander Fender, Risk Management
Mr Christopher Fritzsims, Retired Lawyer
Mr Sergio Gutierrez Gonzalez, Sales Director
Mr Peter Green, Engineer
Mrs Jacqueline Hapgood, Accountant
Mrs Annette Harman, Coordinator
Children's Services
Mr Manfred Kahmann, Uni Lecturer/Design Engineer

Ms Lesley Kerl, Celebrant
Mr Neil Kirkpatrick, Chartered QS, Chartered Builder
Mrs Pamela Lazzarini, Retired lawyer
Mr Grant Leonard, CFO
Mr Michael Levenston, Treasury Manager
Dr Ross Macpherson, Medical Practitioner
Mr Ian Macpherson, Accountant
Mr Peter Magnuson, Retired
Mr Warwick Mahoney, Retired Teacher
Mrs Rebecca Mahoney, Retired Teacher
Mr Joshua Manasseh, Plumber
Ms Ellen McKenzie, Solicitor
Ms Peta Moore, Archivist
Mr Angus Moore, Student
Mr Brent O'Bell, Trader
Mr Patrick O'Halloran, Solicitor
Mr Allan Pank, Bricklayer
Ms Elsebeth Petersen, Educator
Mr Dario Priori, Retired
Mr David Quirk, Hospistal Manager
Mr Tony Rizzotto, Hospitality Restaurateur
Mr Neville Rossiter, Regional Manager
Mr John Rudd, Retired Accountant
Mr George Sabados, Business Broker
Mr Grant Saunders, Technical Director
Mrs Joan Margaret Shields, Retired
Mr Norris Alwyn Smith, Journalist

Mr Samuel Stringer, Accountant
Mr Erik Talmat, Senior Postal services Officer
Mr Marcelo Veloz, CEO
Mrs Suzanne Verdich
Mr David Waite, Professor
Ms Margaret Elizabeth Wood, Retired
Mr Christopher Wood, Teacher
Mr Zile Yu, Laywer

DECEASED MEMBERS

It is with great sadness that we report the passing of the following loyal Members of the Club and we express our sympathies to their families.

Mr Denis Arbuckle
Mr Norman Lee-Martin
Mrs Adele Donnelly
Miss Janice Jeanette Bransgrove
Mr Desman Edward Scott
Mr John Kennedy

Party around the World this Christmas!

Let's bring some magic from across the world to your Christmas Party

"All the world is made of faith, trust, and a little bit of pixie dust," J.M. Barrie.

We all remember the days when we could travel especially during Christmas and Holiday Season! So, we are offering a selection of event themes to satisfy your appetite and incorporate the best from cultures all across the globe for your Christmas or end of year party.

Simply choose your country theme, select one of our food and beverage packages, and we'll select the right room for your event (depending on numbers and social distancing requirements).



1. CHOOSE YOUR THEME

- » Santa's Merry Workshop
- » Spirit of Oktoberfest
- » Festive Mexican Fiesta
- » Christmas with the Clan
- » Toast a Taste of Italian Yule

2. SELECT A FOOD & BEVERAGE PACKAGE

- » Menus designed to reflect the country's culture
- » Two-course menu from \$65 per person
- » Three-course menu from \$75 per person
- » Two-hour beverage package \$25 per person
- » Three-hour beverage package \$28 per person
- » Alternatively, you may select to pay for drinks on a consumption basis

3. FUNCTION ROOM

- » Let us know how many guests are attending and we will suggest the most suitable room for your event size and theme
- » Minimum booking of 20. Entertainment available with prices on application.

SPECIAL EVENT AND FUNCTION ENQUIRIES

Call Rita on 02 9284 1006, email admin@thecastlereagh.com.au | www.nswmasonicclub.com.au



FUNCTIONS AND MEETINGS ARE BACK!

The Club can accept function bookings from 5 to 120 people in various rooms, with appropriate social distancing and strict health measures in place. Now is an ideal time to explore our unique venues for future events: luncheons, meetings, seminars, special occasion dinners, reunions, commemorations, and more!

Or you can consider a private area of the Castlereagh Lounge, Level 2, or the Reagh Bar on the ground floor.