

ANNUAL REPORT 2021



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Liverpool Catholic Club Limited
Incorporating
Thurgoona Country Club Resort
ACN 00 874 073
ABN 78 000 874 073

ANNUAL REPORT 2021

PATRON

Most Reverend Bishop David Cremin D.D Emeritus Auxiliary
Bishop of Sydney

CHAPLAIN

Rev. Paul Monkerud P.P.

BOARD OF DIRECTORS

PRESIDENT – Gregory Richardson

VICE-PRESIDENT – George Ajkay

Anthony Atkins, Phillip Coleman, Joe Mancini, Van Nguyen,
Fortunato (Lucky) Legato

CHIEF EXECUTIVE OFFICER – Dave Vidler

BANKERS – Commonwealth Bank of Australia

SOLICITORS – Pigott Stinson Lawyers

AUDITORS – BDO Audit Pty Limited

PRESIDENT'S REPORT

It is with pleasure that I present on behalf of the Board the Annual Report of the Liverpool Catholic Club for the year ending 31 December 2021.

I closed last year's report with the hope that 2021 would be a brighter year than 2020. As everyone has experienced, 2021 proved to be every bit of a challenging year and somewhat mirrors our experiences of 2020. The Club, along with many other businesses, organisations and individuals endured yet another difficult year due to the continued impacts of COVID-19 and the additional virus variants in the community.

2021 saw another period of restrictions imposed by the spread of COVID-19. Unfortunately, that again meant that most of our facilities and services were stopped or severely reduced in our Club and for a period of some 15 weeks the Club, Gym and sports centre were closed, impacting the employment of our staff. We recognise again the government assistance via the Jobsaver program which enabled our Club to again assist our staff through this period and we thank once again all our staff for their understanding and support during another difficult period.

However, despite these challenges, through the leadership of our Club management and the Board we were still able to generate a profit of almost \$4.9 million for the year. Though lower than last year by some \$3 million it was a good result considering the impacts of another lockdown and Club closure but our financial position is still strong with net assets of over \$153 million and a solid cash bank balance. The full details of the results are contained in the financial sections of this Annual report.

As I mentioned last year, the Board and Management continue to be grateful to all our members who have continued to support the Club both in Liverpool and Thurgoona during the restrictions and as we once more return to 'normal' operations. We hope that there will be no further impacts to prevent all our members enjoying our facilities.

Thurgoona Country Club, similarly, impacted by restrictions, performed very well and achieved a very good result for the year, building on the successes of 2020 and achieving year on year profitability. This again was reflective of the hard work of the management and the team there. This year we will see the return of the successful NSW Seniors Golf Tournament to Thurgoona, which unfortunately had to be cancelled for the last 2 years.

The financial support of our local Catholic parishes, schools and the wider community of the Liverpool area is a Club priority and whilst this too has been impacted by COVID-19, we were still able to contribute over \$790,000 in donations during 2021, in addition to the sporting and community facilities we provide at the Club and via our Intra-Club groups. The Board once again thanks the executive committees, coaches, managers and volunteers of our Intra-Clubs for their efforts and contributions to the success of our Club during another year of upheavals to schedules and competitions.

Despite the trading difficulties of 2021 we continue to invest in the Club for the continued enjoyment of our members. During 2022 we will commence work on upgrading and extending our alfresco areas and include a new sports lounge area with upgraded TV's for sports viewing entertainment. Over at the Gym complex we will be upgrading our exercise equipment and improving the toilet and change room areas for members. In Thurgoona we are partnering with a local group to install PADEL courts which will compliment our Tennis court facilities.

In closing I thank my fellow directors for their ongoing support and commitment during another challenging year and look forward to 2022 as a year of continued improvement for the Club, our members and the wider Liverpool community.

Greg Richardson
President



**THANK YOU TO OUR LIFE
MEMBERS WHO HAVE MADE GREAT
CONTRIBUTIONS TOWARDS THE
SUCCESS OF OUR CLUB**

LIFE MEMBERS

ROBERT BRASSELL

WARREN F. WILLIAMS

LEO SULLIVAN **

BRUCE A. MAYBERRY **

REV. FATHER R.A. DELANEY **

JOHN H. MANSFIELD **

PHILLIP M. POWER **

JOHN T. BEST **

JOHN P. DUFFY

CHARLES C. GULLOTTA

PETER THOMAS **

NOEL HICKEY **

SILVIO MARUCCI

MAUREEN MURRAY

JOHN T. CAIRNS

NORMAN JONES **

FREDERICK A. DIEHM **

DENIS R. WILLIAMS **

PHILLIP V. COLEMAN

ANTHONY M. ATKINS

VALDA M. HOOD **

SHELLEY A. MORETTI

COLIN A. PURCELL **

CATHERINE T. COLEMAN

PETER J. HURLEY

ELSIE MALLET

BRIAN VAN DER MEER

FRANK MIRARCHI

JULIE BRADLEY

JAN CLEARY

CHERYL PAGE

ANTOINETTE SULTANA **

FORTUNATO LEGATO

JULIE MARTIN

JEAN GARARD

** *Deceased*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given of the 51st Annual General Meeting of LIVERPOOL CATHOLIC CLUB LIMITED to be held on Sunday 15 May 2022 commencing at 12:00 noon at the premises of the Club, Hoxton Park Road, Liverpool, New South Wales.

BUSINESS

The business of the meeting will be as follows:

1. Apologies.
2. To confirm the minutes of the 50th Annual General Meeting held on 23rd May 2021.
3. To receive and consider the following reports in respect of the Club for the year ended 31 December 2021:
 - a. the directors report;
 - b. the financial report;
 - c. the auditors report

Note 1: *The Club's Annual Report for the year ended 31 December 2021 containing these reports is available on the Club website (www.liverpoolcatholic.com.au). A copy will also be provided either in hard copy or by email to any member who makes a written request to the Club for a copy of the Annual Report.)*

Note 2: *Members who wish to ask questions regarding the financial report or other matters relating to the affairs of the Club, are asked to provide the Chief Executive Officer notice in writing of their questions by 8 May 2022. This will allow appropriately researched responses to be prepared for the benefit of members. Failure to give written notice of questions will not prevent members asking questions at the meeting but it may not be possible to give considered answers to such questions.)*

4. To consider and if thought fit pass each of the Eight Ordinary Resolutions in relation to benefits to Directors and Life Members and the Life Membership Resolution set out in Annexure A to this Notice.
5. To declare the results of the election of Directors.

NOMINATIONS FOR ELECTION AS DIRECTOR

Notice is given that nominations for the office of Director must be lodged with the Secretary/Chief Executive Officer by 5:00pm on 24th April 2022 being the closing time for nominations.

Under the triennial rule there are three directors' positions that are eligible to be filled and each position is for a three (3) year term.

If by the close of nominations the number of candidates nominated is less than three, the candidates nominated shall be declared elected and additional nominations shall be called for at the Annual General Meeting.

If more than three candidates are nominated by the close of nominations, an election by ballot will be conducted prior to the Annual General Meeting.

That ballot will be a postal ballot under the supervision of a Returning Officer appointed by the Board.

Details of the election system are set out in Rule 40 of the Club's Constitution.

Dated: 23rd March 2022

By direction of the Board



Dave Vidler
Secretary/Chief Executive Officer

“A”

This and the following 2 pages are the Annexure “A” referred to in the Notice of Annual General Meeting of Liverpool Catholic Club Limited to be held on 15 May 2022.

ORDINARY RESOLUTIONS

The Ordinary Resolutions are to be read in conjunction with the notes to members set out on pages 2 and 3 of this Annexure “A” following the Eighth Ordinary Resolution.

FIRST ORDINARY RESOLUTION

That the members hereby approve and agree to expenditure by the Club in a sum not exceeding \$250,000 until the next Annual General Meeting of the Club for sponsorship of Intra Clubs.

SECOND ORDINARY RESOLUTION

- a. That the members hereby approve and agree to expenditure by the Club in a sum not exceeding \$60,000 until the next Annual General Meeting of the Club for Directors’ Expenses as follows:
- i. The reasonable cost of a meal and beverage 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 meal time.
 - ii. Reasonable expenses incurred by Directors in travelling to and from Directors’ meetings or other duly constituted committee meetings as approved by the Board from time to time on production of invoices, receipts or other proper documentary evidence of such expenditure.
 - iii. Reasonable expenses incurred by Directors in relation to such other duties including entertainment of special guests to the Club and other promotional activities performed by Directors which activities and the expenses therefrom are approved by the Board before payment is made on production of receipts, invoices or other proper documentary evidence of such expenditure.
 - iv. The reasonable cost of Directors and their spouses/partners (if required) attending any club, community or charity function as the representatives of the Club and authorised by the Board to do so.
 - v. The reasonable cost of Club uniforms being provided to Directors as required.
 - vi. The provision of a designated car parking space for the exclusive use of each Director.
 - vii. The reasonable documented expenses incurred by Directors for club related telephone calls.
 - viii. The provision of a bouquet of flowers or similar gift to the value of \$100 for the spouse or partner of a Director in appreciation of their support of the Director throughout the year.
- b. That the members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those who are Directors of the Club and the spouses/partners of Directors.

THIRD ORDINARY RESOLUTION

- a. That the members hereby approve and agree to expenditure by the Club in a sum not exceeding \$65,000 for the professional development and education of Directors until the next Annual General Meeting and being:
- i. The reasonable cost of Directors attending conferences, seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time;
 - ii. 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;
 - iii. The reasonable cost of Directors and their spouses (if required) attending the Clubs NSW Annual General Meeting and Conference provided however that the expenses in relation to Directors’ spouses or partners will be limited to:
 - » Economy airfares or other reasonable travel expenses;
 - » Accommodation for the duration of the conference only;
 - » The cost of tickets to the conference dinner.
- b. (b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those who are Directors of the Club and the spouses/partners of Directors.

FOURTH ORDINARY RESOLUTION

That the members hereby approve and agree to expenditure by the Club in a sum not exceeding \$20,000 until the next Annual General Meeting of the Club for the reasonable costs of functions (such as wakes) to be held at the Club to honour the memory and work of members of the Club who have served the Club in a voluntary capacity over many years and who die during the course of the year. The holding of such functions and the extent of the expenditure paid or borne by the Club for such functions shall in each case be entirely at the discretion of the Board of Directors.

FIFTH ORDINARY RESOLUTION

- a. That the members hereby approve the Club providing a complimentary meal to each Honorary member when they attend the Club at a time which coincides with a normal meal time.
- b. The members acknowledge that the benefits in paragraph (a) are not available for members generally but are only for those who are Honorary members of the Club.

SIXTH ORDINARY RESOLUTION

- c. That the members hereby approve and agree to expenditure by the Club in the sum not exceeding \$7,000 until the next Annual General Meeting for the reasonable costs as a token of goodwill (such as food, beverage, hospitality or a small gift at Christmas) in recognition of the dedication and assistance of Life members over many years. The extent of the expenditure paid or borne by the Club in respect of the token of goodwill shall be entirely at the discretion of the Board of Directors.
- d. The members acknowledge that the benefits in paragraph (a) are not available for members generally but are only for those who are Life members of the Club.

SEVENTH ORDINARY RESOLUTION

That the members hereby approve the Club paying honorariums for Directors in recognition of their services as Directors of the Club from the date of this Annual General Meeting until the date of the Annual General Meeting in 2023 as follows:

President	\$16,900	(inclusive of the Superannuation Guarantee Charge)
Ordinary Board members	\$11,250 each	(inclusive of the Superannuation Guarantee Charge)

Such honorariums to be payable by quarterly instalments in arrears.

EIGHTH ORDINARY RESOLUTION

That the members hereby approve and agree that Directors may purchase travel insurance for their personal travel needs through the Club insurance providers where the terms of such insurance and premiums are more favourable than available to the general public and can only be obtained because of the corporate terms between the Club and its insurance providers.

LIFE MEMBERSHIP RESOLUTION

That **Jodie Page** be elected to Life membership of the Club in recognition of her outstanding service to our Intra Clubs over many years.

NOTES TO MEMBERS ON THE EIGHT ORDINARY RESOLUTIONS

FIRST ORDINARY RESOLUTION

1. The First Ordinary Resolution is to have the members approve an amount no greater than \$250,000 for sponsorship of the intra-clubs.
2. The amount proposed by the First Ordinary Resolution is unchanged from that approved by members at the Annual General Meeting in 2021.

SECOND ORDINARY RESOLUTION

3. The Second Ordinary Resolution is to have the members approve an amount no greater than \$60,000 for expenses incurred by Directors in the performance of their duties. Included in the resolution is the cost of Directors attending functions as representatives of the Club and the costs of their spouses/partners also attending those functions.
 4. The amount to be provided is the same as that approved by members at the Annual General Meeting in 2021.
-

THIRD ORDINARY RESOLUTION

2. The Third Ordinary Resolution is to have the members approve an amount no greater than \$65,000 for the expenditure by the Club for Directors to attend conferences, seminars, lectures trade displays and other similar events and to visit other clubs to enable the Club's governing body to be kept abreast of current trends and developments which may have a significant bearing on the nature and way in which the Club conducts its business. Also included will be expenditure for Directors and their spouses (if required) to attend the ClubsNSW Annual Meeting and Conference.
3. The amount is the same as that approved by members at the Annual General Meeting in 2021.

FOURTH ORDINARY RESOLUTION

4. The Fourth Ordinary Resolution is to have the members approve the Club providing funding until the next Annual General Meeting for functions (such as wakes) to honour distinguished members of the Club on their death. Without such a resolution it is arguable that the Club is not entitled to provide such functions without someone (normally members of the family of the deceased) being responsible for the cost.

FIFTH ORDINARY RESOLUTION

5. The Fifth Ordinary Resolution is to have the members approve the Club providing a meal to each Honorary member when they are attending the Club at a time which coincides with a normal meal time. In practice this will happen only by the Honorary member producing his or her Gold Honorary membership card.

SIXTH ORDINARY RESOLUTION

6. The Sixth Ordinary Resolution is to have members approve expenditure by the Club in a sum not exceeding \$7,000 until the next Annual General Meeting of the Club for reasonable costs towards recognising the dedication and assistance from life members over many years. Such recognition may be in the form of food, beverage, hospitality or a small gift at Christmas as determined by the Board of Directors.
7. The amount represents an increase of \$1,000 over that approved by members at the Annual General Meeting in 2021. This is the first increase since the 2019 AGM.

SEVENTH ORDINARY RESOLUTION

8. The Seventh Ordinary Resolution is to have members approve honorariums for the President and ordinary Directors. The amount to be provided represents approximately a 3% increase over that approved in 2021.

EIGHTH ORDINARY RESOLUTION

9. The Eighth Ordinary Resolution is to have members approve Directors being eligible to take up insurance policies for their own personal travel insurance which is available to them through the Club's insurance providers. The terms of those policies and premiums are very favourable and not available to ordinary members of the public or members of the Club other than Directors. While these policies have to date never been used by Directors they are available and as such constitute a benefit not equally available to all members.

LIFE MEMBERSHIP RESOLUTION

10. Clause 14 of the Club Constitution provides that any Voting member who has rendered outstanding service to the Club, may be elected to Life membership of the Club by a resolution carried by a two-thirds majority of those present and voting at a general meeting (which includes an Annual General Meeting) following the submission to such meeting of an appropriate recommendation from the Board of the Club.
11. The Board of the Club has passed a resolution recommending Jodie Page be admitted to Life membership in recognition of her outstanding service rendered to the Club.

PROCEDURAL MATTERS ON ORDINARY RESOLUTIONS

12. To be passed, an Ordinary Resolution must receive votes from not less than a majority of members who, being eligible to do so, vote in person at the meeting.
13. Proxy voting is prohibited by the Registered Clubs Act.
14. Only financial Voting members and Life members can vote on the Resolutions.
15. Any member who is an employee of the Club is prohibited from voting by the Registered Clubs Act.
16. The Board of the Club recommends each of the resolutions to members.

Dated: 23rd March 2022

By direction of the Board



Dave Vidler
Secretary/Chief Executive Officer

**Liverpool Catholic
Club Limited**

ABN 78 000 874 073

**ANNUAL
FINANCIAL
REPORT**

31 December 2021

DIRECTORS' REPORT

The directors present their report, together with the financial statements of Liverpool Catholic Club Limited (the company) for the year ended 31 December 2021.

DIRECTORS

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

George Zoltan	Ajkay	
Anthony Michael	Atkins	
Michael Francis	Coffey OAM	(Passed away 11/01/2021)
Phillip Vincent	Coleman	
Fortunato (Lucky)	Legato	(Appointed 12/03/2021)
Joseph	Mancini	
Dang Tuong Van	Nguyen	
Gregory Peter	Richardson	

INFORMATION ON DIRECTORS

GEORGE ZOLTAN AJKAY, B.Bus (NSWIT) Dip.Tech.Management

Retired Managing Director Beta Trading Co Pty Ltd. Joined Club 1997. Elected to Board April 2004. Chairman of Building and Site Development Committee. Vice President February 2021 to current.

ANTHONY MICHAEL ATKINS, B.Surv (UNSW)

Registered Surveyor. R.P.S. Group (Consulting Surveyors). Director Rose Atkins Rimmer (Water Infrastructure). Club Director since March 1989. Member Building and Site Development Committee. Vice-President 1998-2003, President 2003-2016, Chairman Risk and Governance Committee.

PHILLIP VINCENT COLEMAN, CLO

Retired. Formerly Technical Officer, Australian Atomic Energy Commission. Foundation Member, Elected to Board June 1982. Vice-President May 1994. Member Finance & Membership Committees. Member Building and Site Development Committee. President 1996-2003. Chairman Intra-Clubs Committee.

FORTUNATO (Lucky) LEGATO (Appointed 12/03/2021)

Retired TAFE Teacher & Workplace Assessor (28 years). Business Owner – building and renovation company. President / Committee member LCC Bocce Club, 2002 to current, also President / Committee member of Toastmasters 2008 to current.

JOSEPH MANCINI, B.Bus (Charles Sturt), CPA

Accountant. Member since 1990. Appointed Director January 2015. Treasurer 2015 to Current, Member Risk and Governance Committee.

DANG TUONG VAN NGUYEN, B. Applied Science - Physiotherapy (USYD)

Company Director. Joined Club 2015, selected to fill Board vacancy February 2019. Owner/ Director and Principal, Movement Essentials. Committee member netball intra-club 2009 – current.

GREGORY PETER RICHARDSON

Executive Director, Ernst & Young. Member since 1981. Appointed Director September 2003. Member of Intra-Clubs Committee. Member Risk and Governance Committee. Vice President 2016 to January 2021. President January 2021 to present.

DIRECTORS' REPORT

DIRECTORS' MEETINGS

The number of meetings of the company's Board of Directors (the Board) and of each board committee held during the year ended 31 December 2021, and the number of meetings attended by each director were:

BOARD MEETINGS

Director	Number of Meetings Attended	Number of Meetings Held
Ajkay, George Zoltan	13	13
Atkins, Anthony Michael	12	13
Coffey OAM, Michael Francis	-	-
Coleman, Phillip Vincent	12	13
Mancini, Joseph	13	13
Nguyen, Dang Tuong Van	13	13
Richardson, Gregory Peter	13	13
Fortunato (Lucky) Legato	9	9

In addition to the Board meetings listed above all Board members attend various Committee meetings which occur at least monthly.

MEMBERSHIP

The company is a company limited by guarantee and is without share capital. The number of members as at 31 December 2021 and the comparison with last year is as follows:

	2021	2020
Ordinary	19,548	19,733
Associate/Social	29,081	30,174
Life	18	19
Honorary	83	85
LCC Sports – Juniors	952	1,034
	49,682	51,045

MEMBERS' LIMITED LIABILITY

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter. The total liability in the event of winding up is \$99,364 (2020: \$102,090).

DIRECTORS' REPORT

OPERATING RESULT

The profit after tax of the company for the year ended 31 December 2021 was \$4,894,701 (2020: \$8,090,339).

The table below shows a reconciliation of earnings before interest, income tax, depreciation, amortisation and impairment losses. This is referred to as EBITDA.

	2021 \$	2020 \$
Net profit after income tax expense attributable to members	4,894,701	8,090,339
Add back:		
Depreciation and amortisation expense	10,440,751	10,133,185
Net loss/(gain) on disposal of property, plant and equipment	18,036	(26,348)
Net finance costs	631,042	717,692
EBITDA	15,984,530	18,914,868

OBJECTIVES

The short and long term objectives of the company are to provide members and guests with high quality social, cultural and sporting facilities whilst maintaining a focus on Catholic education, community needs and sporting activities as described in the company's Constitution.

STRATEGY FOR ACHIEVING THE OBJECTIVES

Performance is assessed regularly against relevant internal and industry benchmark enabling assessment as to whether strategic initiatives have been effective in achieving the Club's short and long term objectives.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were to operate licensed social clubs and hotel operations.

There were no significant changes in the nature of the activities of the company during the year.

EVENTS SUBSEQUENT TO REPORTING DATE

On 24 January 2022, the Company signed an Approved Facility Term Sheet from Commonwealth Bank of Australia. The modification extends the repayment terms of the existing facilities to 31 May 2025. No other significant changes were noted in the revised offer. The executed agreement will be signed in late March 2022.

There are no other matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

DIRECTORS' REPORT

PERFORMANCE MEASUREMENT AND KEY PERFORMANCE INDICATORS

Financial performance is measured by:

- » Comparison of actual results against budget;
- » Monitoring key performance indicators (KPIs) in various areas including wage costs and gross profit margins;
- » Monitoring cashflows; and
- » Calculating and comparing EBITDA performance.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 12.

Signed in accordance with a resolution of the directors.

Dated at Liverpool this 23rd day of March 2022.



Gregory Richardson
President

DECLARATION OF INDEPENDENCE BY CLAYTON EVELEIGH TO THE DIRECTORS OF LIVERPOOL CATHOLIC CLUB LIMITED

As lead auditor of Liverpool Catholic Club Limited for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

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



Clayton Eveleigh
Director

BDO Audit Pty Ltd
Liverpool, 23 March 2022

INDEPENDENT AUDITOR'S REPORT

To the members of Liverpool Catholic Club Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

OPINION

We have audited the financial report of Liverpool Catholic Club Limited (the Company), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in members' funds 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 Liverpool Catholic Club Limited, is in accordance with the Corporations Act 2001, including:

- i. Giving a true and fair view of the Company's financial position as at 31 December 2021 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 Director's 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, 23 March 2022

DIRECTORS' DECLARATION

The directors of the company declare that:

- a. In the directors' opinion the financial report and notes set out on pages 16 to 38, are in accordance with the Corporations Act 2001, including:
 - i. Giving a true and fair view of the company's financial position as at 31 December 2021 and of its performance, for the financial year ended on that date; and
 - ii. Complying with Australian Accounting Standards – Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- b. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 295 (5)(a) of the Corporations Act 2001.

On behalf of the directors

Dated at Liverpool this 23rd day of March 2022.



Gregory Richardson
President

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
Revenue	1	54,653,908	56,227,641
Expenses			
Raw materials and consumables used		(4,286,601)	(3,920,544)
Depreciation expense	2	(10,440,751)	(10,133,185)
Donations		(790,732)	(688,972)
Employee benefits expense	2	(14,250,307)	(12,058,027)
Entertainment, marketing and promotional costs		(1,648,971)	(1,847,111)
Poker machine licences and taxes		(9,272,723)	(10,426,148)
Occupancy expenses		(3,865,271)	(3,569,639)
Repairs and maintenance		(1,687,820)	(1,509,651)
Net loss on disposal of property, plant and equipment		(18,036)	-
Other expenses		(2,866,953)	(3,266,333)
Total operating expenses		(49,128,165)	(47,419,610)
Operating profit before interest and income tax		5,525,743	8,808,031
Interest income		536	673
Interest expense		(631,578)	(718,365)
Net interest expense		(631,042)	(717,692)
Profit before income tax		4,894,701	8,090,339
Income tax expense	3	-	-
Net profit after income tax expense		4,894,701	8,090,339
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		4,894,701	8,090,339

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 20 to 38.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

ASSETS	Note	2021 \$	2020 \$
Current Assets			
Cash and cash equivalents	4	8,802,341	8,284,217
Trade and other receivables		258,685	218,560
Inventories		525,085	480,184
Prepayments		1,062,107	1,018,885
Total Current Assets		10,648,218	10,001,846
Non-Current Assets			
Property, plant and equipment	5	184,257,792	186,416,287
Right-of-use asset	6	506,253	-
Intangible assets	7	3,244,840	3,244,840
Total Non-Current Assets		188,008,885	189,661,127
Total Assets		198,657,103	199,662,973
LIABILITIES			
Current liabilities			
Trade and other payables	8	3,455,897	5,123,597
Employee benefits	11	3,139,398	2,758,969
Lease liability	10	170,784	-
Deferred revenue		460,142	572,060
Financial liabilities	9	38,000,000	-
Total Current Liabilities		45,226,221	8,454,626
Non-Current Liabilities			
Financial liabilities	9	-	43,000,000
Employee benefits	11	234,206	245,568
Lease liability	10	339,196	-
Total Non-Current Liabilities		573,402	43,245,568
Total Liabilities		45,799,623	51,700,194
Net Assets		152,857,480	147,962,779

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 20 to 38.

STATEMENT OF FINANCIAL POSITION (CONTINUED) AS AT 31 DECEMBER 2021

Members' Funds

Retained profits	152,857,480	147,962,779
Total Members' Funds	152,857,480	147,962,779

STATEMENT OF CHANGES IN MEMBERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2021

	Retained profits \$	Total Members' Funds \$
Balance at 31 December 2019	139,872,440	139,872,440
Net profit after income tax expense for the year	8,090,339	8,090,339
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	8,090,339	8,090,339
Balance at 31 December 2020	147,962,779	147,962,779
Net profit after income tax expense for the year	4,894,701	4,894,701
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	4,894,701	4,894,701
Balance at 31 December 2021	152,857,480	152,857,480

The Statement of Changes in Members' Funds should be read in conjunction with the accompanying notes set out on pages 20 to 38.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
Cash Flows From Operating Activities			
Receipts from customers (inclusive of GST)		58,674,862	62,041,256
Payments to suppliers and employees (inclusive of GST)		(45,459,440)	(45,697,588)
Receipts from Government Grants		1,200,000	4,486,500
Interest received		536	672
Finance costs paid		(631,578)	(718,365)
Net cash inflow from operating activities		13,784,380	20,112,475
Cash Flows From Investing Activities			
Proceeds from sale of property, plant and equipment		(79,072)	100,533
Payment for property, plant and equipment		(8,187,184)	(8,350,770)
Payment for intangible assets		-	(190,000)
Finance costs paid on qualifying assets		-	(508,766)
Net cash outflow from investing activities		(8,266,256)	(8,949,003)
Cash Flows From Financing Activities			
Proceeds from borrowings		-	1,747,813
Repayment of borrowings		(5,000,000)	(9,070,036)
Net cash outflow from financing activities		(5,000,000)	(7,322,223)
Net increase in cash and cash equivalents		518,124	3,841,249
Cash and cash equivalents at the beginning of the financial year		8,284,217	4,442,968
Cash and cash equivalents at the end of the financial year	4	8,802,341	8,284,217

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 20 to 38.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

ABOUT THIS REPORT

Liverpool Catholic Club Limited is a company limited by guarantee, incorporated and domiciled in Australia and is a non-for-profit entity for the purposes of preparing the financial statements. The financial statements are for Liverpool Catholic Club Limited as a standalone legal entity. The financial statements were approved for issue by the Directors on 23 March 2022.

The financial statements are general purposes financial statements which:

- Have been prepared in accordance with the requirements of the Corporations Act 2001 and Australia Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board ('AASB');
- Have been prepared under the historical cost convention;
- Are presented in Australian dollars; and
- Where necessary comparative information has been restated to conform with changes in presentation in the current year.

GOING CONCERN

At 31 December 2021 the Company was in a net current liability position of \$34,578,003 due to the Club Loan Facility and Construction of Stage II Hotel market rate loans expiring on 31 May 2022. This resulted in the balance of the loan facility, as disclosed in note 9, to be reclassified as a current liability, as no revised facility was negotiated at balance date.

Subsequent to year end on 24 January 2022, the Club has renegotiated its facility and extended the repayment terms to 31 May 2025 (refer to note 9). Accordingly, the Directors are of the opinion that there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable and that the going concern assumption remains appropriate.

STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

This standard is applicable to annual reporting periods beginning on or after 1 November 2021. AASB 1060 provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of Australian Accounting Standards for SMEs. Given that the company already prepares financial statements under the reduced disclosure requirements there is not likely to be an impact on the company's financial statements on adoption of this standard."

CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the process of applying the company's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates that are material to the financial statements are detailed further in the following notes:

Estimation of useful lives of assets	Note 5
Lease Term	Note 6
Recoverability of intangible assets	Note 7

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 \$	2020 \$
1. REVENUE AND OTHER INCOME		
Sale of goods	10,360,153	9,066,796
Rendering of services	43,093,755	47,134,497
	53,453,908	56,201,293
Other income		
Net gain on sale of property, plant and equipment	-	26,348
JobSaver grant income	1,200,000	-
	54,653,908	56,227,641
Total Revenue and Other Income	54,653,908	56,227,641

RECOGNITION AND MEASUREMENT

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the taxation authority. Transfer of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

SALE OF GOODS

Revenue from the sale of goods comprises of revenue earned from the provision of food, beverage and other goods and is recognised (net of rebates, returns, discounts and other allowances) at a point in time when the performance obligation is satisfied, that is, on delivery of goods to the customer.

RENDERING OF SERVICES

Revenue from rendering services comprises revenue from gaming facilities together with other services to members and other patrons of the club and is recognised at a point in time when the services are provided.

INTEREST REVENUE

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

OTHER INCOME

Sale of Property, Plant and Equipment

The gain or loss on disposal of property, plant and equipment is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs) and is recognised as other income at the date control of the asset passes to the buyer.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. REVENUE AND OTHER INCOME (CONTINUED)

Government Grants

Government grants are recognised as income when it is reasonably certain that the company complies with the conditions attached to them and when the right to receive payment is established. During the year the Company received a total of \$1,200,000 of JobSaver subsidies have been recognised as other income for the 31 December 2021 financial year. In the prior year the company received \$4,486,500 from JobKeeper scheme payments which the company elected to recognise as an offset within employee benefits expenses in the financial statements.

	2021 \$	2020 \$
2. EXPENSES		
PROFIT BEFORE INCOME TAX INCLUDES THE FOLLOWING SPECIFIC EXPENSES:		
Employee benefits expense		
Wages and salaries	10,884,313	8,402,507
Superannuation	1,102,426	1,148,604
Decrease in liabilities for employee benefits	369,067	(75,191)
Other associated expenses	1,894,501	2,582,107
	14,250,307	12,058,027
Depreciation and amortisation		
Buildings and improvements	4,894,293	4,735,657
Leasehold improvements	23,326	23,326
Holiday units	12,730	12,730
Motel- Thurgoona	72,206	72,207
Furniture, plant and equipment	3,990,287	4,073,971
Poker machines and accessories	1,447,909	1,215,294
	10,440,751	10,133,185
Finance costs		
Expensed to profit and loss	631,578	718,365
Capitalised to work in progress	-	508,766
	631,578	1,227,131

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCE COSTS

Finance costs include interest, premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges.

Finance costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use or sale. In these circumstances, finance costs are capitalised to the cost of the assets. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of finance costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, finance costs are capitalised using a weighted average capitalisation rate.

	2021 \$	2020 \$
3. INCOME TAX EXPENSE		
The amount set aside for income tax in profit or loss has been calculated as follows:		
Proportion of net taxable income attributable to non-members	6,539,178	6,919,539
Less: Proportion of expenses attributable to non-members	(5,448,178)	(5,264,701)
	<u>1,091,000</u>	<u>1,654,838</u>
Add: Other taxable income	<u>4,196,895</u>	<u>4,354,481</u>
Less: Other deductible expenses	<u>(7,183,752)</u>	<u>(7,200,582)</u>
Taxable income	(1,895,856)	(1,191,263)
Tax losses utilised	1,895,856	1,191,263
Net income subject to tax	<u>-</u>	<u>-</u>
Deferred tax assets have not been recognised in respect of the following items:		
Deductible temporary differences	(62,306)	123,216
Tax losses	2,024,024	1,446,869
	<u>1,961,718</u>	<u>1,570,095</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. INCOME TAX EXPENSE (CONTINUED)

RECOGNITION AND MEASUREMENT

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates that are enacted or substantively enacted. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

MUTUALITY PRINCIPLE

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

Amendments to the Income Tax Assessment Act 1997 ensure social clubs continue not to be taxed on receipts from contributions and payments received from members.

4. CASH AND CASH EQUIVALENTS

RECONCILIATION OF CASH

Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2021 \$	2020 \$
Cash at bank	6,388,375	5,890,396
Cash on hand	2,413,966	2,393,821
Cash and cash equivalents	8,802,341	8,284,217

RECOGNITION AND MEASUREMENT

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 \$	2020 \$
5. PROPERTY, PLANT AND EQUIPMENT		
Freehold land		
<i>At cost</i>	11,958,868	11,958,868
Buildings and improvements		
<i>At cost</i>	186,962,581	178,617,517
<i>Accumulated depreciation</i>	(49,188,235)	(44,294,212)
	137,774,346	134,323,305
Leasehold improvements		
<i>At cost</i>	389,028	389,028
<i>Accumulated depreciation</i>	(354,463)	(331,137)
	34,565	57,891
Holiday units		
<i>At cost</i>	510,917	509,200
<i>Accumulated depreciation</i>	(284,763)	(270,316)
	226,154	238,884
Motel - Thurgoona		
<i>At cost</i>	2,142,509	2,142,509
<i>Accumulated depreciation</i>	(1,014,874)	(942,668)
	1,127,635	1,199,841
Furniture, plant and equipment		
<i>At cost</i>	56,778,562	54,832,409
<i>Accumulated depreciation</i>	(28,526,729)	(24,708,746)
	28,251,833	30,123,663
Poker machines and accessories		
<i>At cost</i>	15,778,257	15,512,442
<i>Accumulated depreciation</i>	(11,565,499)	(10,564,848)
Capital work in progress		
<i>At cost</i>	671,633	3,566,241
Total property, plant and equipment net book value	184,257,792	186,416,287

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATIONS

MOVEMENTS IN CARRYING AMOUNTS

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:

	2021 \$	2020 \$
Freehold land		
Carrying amount at beginning of year	11,958,868	11,958,868
Carrying amount at end of year	11,958,868	11,958,868
Buildings and improvements		
Carrying amount at beginning of year	134,323,305	134,727,158
Additions	6,700,474	219,709
Transfer from capital works in progress	1,644,860	4,187,295
Disposals	-	(75,200)
Depreciation	(4,894,293)	(4,735,657)
Carrying amount at end of year	137,774,346	134,323,305
Leasehold improvements		
Carrying amount at beginning of year	57,891	81,217
Amortisation	(23,326)	(23,326)
Carrying amount at end of year	34,564	57,891
Holiday units		
Carrying amount at beginning of year	238,884	251,614
Depreciation	(12,730)	(12,730)
Carrying amount at end of year	226,154	238,884
Motel-Thurgoona		
Carrying amount at beginning of year	1,199,841	1,272,048
Depreciation	(72,206)	(72,207)
Carrying amount at end of year	1,127,635	1,199,841

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	2021 \$	2020 \$
Furniture, plant and equipment		
Carrying amount at beginning of year	30,123,663	31,773,724
Additions	237,080	889,235
Transfer from capital works in progress	1,881,377	1,534,675
Disposals	-	-
Depreciation	(3,990,287)	(4,073,971)
	<hr/>	<hr/>
Carrying amount at end of year	28,251,833	30,123,663
Poker machines and accessories		
Carrying amount at beginning of year	4,947,594	5,479,629
Additions	737,284	684,324
Disposals	(24,211)	(1,065)
Depreciation	(1,447,909)	(1,215,294)
	<hr/>	<hr/>
Carrying amount at end of year	4,212,758	4,947,594
Capital work in progress		
Carrying amount at beginning of year	3,566,241	2,221,943
Additions	631,629	6,557,502
Capitalised interest	-	508,766
Transfers to buildings and improvements	(1,644,860)	(4,187,295)
Transfers to furniture, plant & equipment	(1,881,377)	(1,534,675)
Transfers to freehold land	-	-
	<hr/>	<hr/>
Carrying amount at end of year	671,633	3,566,241

Independent Valuation

The independent valuation of the company's property, plant and equipment was carried out in October and November 2021 by Jeff Millar (RGD No.67391) and P.L. Warren (RGD No.232) of Global Valuation Services on the basis of open market value for existing use which resulted in a valuation of land of \$43,000,000, the golf course and buildings and improvements of \$181,100,000 and plant and equipment of \$15,360,000.

This valuation includes the completed works relating to the Food Court refurbishment and cladding replacements during the year. As property, plant and equipment is held at cost the valuation has not been brought to account. The fair value of the assets in Thurgoona property, plant and equipment that has been included in the amount above. The directors do not believe that there has been a material movement in the fair value since the valuation date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECOGNITION AND MEASUREMENT

All property, plant and equipment is stated at historical cost less depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings and Improvements	40 years
Leasehold Improvements	40 years
Holiday Units	40 years
Motel – Thurgoona	40 years
Hotel – Liverpool	40 years
Furniture, Plant and Equipment	3 – 33 years
Poker Machine and Accessories	4 – 20 years
Assets under lease	7 years

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.

KEY ESTIMATE AND JUDGEMENT: USEFUL LIVES OF ASSETS

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

CORE AND NON-CORE PROPERTIES

Pursuant to section 41J of the Registered Clubs Amendment Act 2006, the club defines property as follows:

Core Property

- i. Defined premises (licensed premises of the Club) at Hoxton Park Road, Liverpool, NSW;
- ii. Defined premises (licensed premises of the Club) at Thurgoona Drive, Thurgoona; and
- iii. Golf course at Thurgoona Drive, Thurgoona.

Non-core Property

- All other property including the:
- iv. Sports complex at Hoxton Park Road, Liverpool;
 - v. Motel at Thurgoona Drive, Thurgoona;
 - vi. Tennis courts at Thurgoona Drive, Thurgoona; and
 - vii. Property at Hoxton Park Road Liverpool (other than the defined/licensed premises of the Club).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

6. RIGHT-OF-USE ASSETS

	2021 \$	2020 \$
Poker machines – right-of-use		
At cost	512,352	-
Less accumulated amortisation	(6,099)	-
Total right-of-use assets at year end	506,253	-
Movements in carrying amounts of right-of-use assets:		
Poker machines – right-of-use		
Carrying amount at the beginning of the year	-	-
Additions	512,352	-
Depreciation expense	(6,099)	-
Carrying amount at the end of the year	506,253	-

RECOGNITION AND MEASUREMENT

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset. Right-of-use assets are amortised on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the amortisation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

KEY ESTIMATE AND JUDGEMENT: LEASE TERM

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

6. RIGHT-OF-USE ASSETS (CONTINUED)

the club's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The club reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

7. INTANGIBLE ASSETS	2021 \$	2020 \$
Poker machine entitlements		
<i>Cost at the beginning of the year</i>	3,043,488	2,853,488
<i>Additions</i>	-	190,000
<i>Cost at the end of the year</i>	3,043,488	3,043,488
Water rights		
<i>At cost</i>	201,352	201,352
Total intangibles	3,244,840	3,244,840

RECOGNITION AND MEASUREMENT

i. Poker Machine Entitlements

Poker machine entitlements are administrated by the state government who restrict the number of poker machines that can be installed by the license club holder. The entitlements which may be transferred or acquired and sold do not have an expiration date and are therefore deemed to have an indefinite useful life. Poker machine entitlements are internally generated and therefore are only recognised when acquired and are valued at cost.

ii. Water Rights

Water rights are not amortised as they are deemed to have an indefinite useful life. They have an indefinite useful life as they do not expire and under current government legislation there is no plan to remove such entitlements. As a result, water rights are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and are carried at cost less accumulated impairment losses.

KEY ESTIMATE AND JUDGEMENT: RECOVERABILITY OF INTANGIBLE ASSETS

Impairment of poker machine entitlements is recognised based on a value in use calculations and is measured at the present value of the estimated future cash inflows available to the company from the use of these licenses. In determining the present value of the cash inflows, growth rates and appropriate discount factors have been considered.

The following key assumptions were used in the discounted cash flow model for the poker machine entitlements:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

7. INTAGIBLE ASSESTS (CONTINUED)

- a. 2.0% pre-tax discount rate;
- b. 7.9% per annum projected revenue growth rate;
- c. 7.9% per annum increase in operating costs and overheads.

Management believes that reasonable changes in the key assumptions on which the recoverable

	2021 \$	2020 \$
8. TRADE AND OTHER PAYABLES		
Trade payables	732,750	534,825
Goods and Services Tax (GST) payable	516,237	482,926
Poker machine duties payable	1,301,538	3,946,084
Other payables and accrued expenses	905,372	159,762
	3,455,897	5,123,597
	3,455,897	5,123,597

RECOGNITION AND MEASUREMENT

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

	2021 \$	2020 \$
9. FINANCIAL LIABILITIES		
Current		
Secured Market Rate Loans	38,000,000	-
Non-Current		
Secured Market Rate Loans	-	43,000,000
	38,000,000	43,000,000
	38,000,000	43,000,000

FINANCING ARRANGEMENTS

The company has access to the following lines of credit:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

9. FINANCIAL LIABILITIES (CONTINUED)

	2021 \$	2020 \$
Total facilities available:		
Bank overdraft	200,000	200,000
Bank guarantee	10,000	10,000
Corporate charge card facility	60,000	-
Market Rate Loan (Food Court)	26,000,000	26,000,000
Market Rate Loan (Construction of Stage II Hotel)	25,000,000	25,000,000
	51,270,000	55,710,000
Facilities utilised at reporting date:		
Bank overdraft	-	-
Bank guarantee	10,000	10,000
Corporate charge card facility	-	-
Market Rate Loan (Food Court)	13,000,000	18,000,000
Market Rate Loan (Construction of Stage II Hotel)	25,000,000	25,000,000
	38,010,000	43,010,000
Facilities not utilised at reporting date		
Bank overdraft	200,000	200,000
Bank guarantee	-	-
Corporate charge card facility	60,000	-
Market Rate Loan (Food Court)	5,000,000	8,000,000
Market Rate Loan (Club Loan Facility)	-	-
	5,060,000	8,000,000

The Club Loan Facility and Construction of Stage II Hotel market rate loans mature three years from drawdown date. At balance date, the maturity of these loans was 31 May 2022. The loans bear interest at the indicative BBSY for a reset period of 3 months, plus a margin, which at balance date was approximately 3.53%.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

9. FINANCIAL LIABILITIES (CONTINUED)

The Club Loan Facility and Construction of Stage II Hotel market rate loan had a maturity date of 31 May 2022. The loans bear interest at the indicative BBSY for a reset period of 3 months, plus a margin, which at balance date was approximately 0.0949%.

The Food Court market rate loan had a maturity date of 31 May 2022. The loan bears interest at the indicative BBSY for a reset period of 3 months, plus a margin, which at balance date was approximately 0.0963%.

Subsequent to year end on 24 January 2022, Commonwealth Bank of Australia approved the Company's loan facilities for an extend three-year period with a revised maturity date of 31 May 2025.

Security

Registered Equitable Mortgage over the company assets and undertakings including uncalled capital.

Registered Mortgage over Non-residential real property located at 446 Hoxton Park Road, Prestons NSW.

Registered Mortgage over Non-residential real property located at Thurgoona Golf Club situated at Thurgoona Road, Albury NSW.

Recognition and Measurement

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of borrowings using the effective interest method.

Borrowings are classified as non-current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

10. LEASE LIABILITIES

2021 \$

2020 \$

Current

Lease Liabilities

170,784

-

Non-current

Liability for long-service leave

339,196

-

RECOGNITION AND MEASUREMENT

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

10. LEASE LIABILITIES (CONTINUED)

Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

11. EMPLOYEE BENEFITS	2021 \$	2020 \$
Current		
Liability for annual leave	1,411,258	1,124,090
Liability for long-service leave	1,728,140	1,634,879
	3,139,398	2,758,969
Non-current		
Liability for long-service leave	234,206	245,568

RECOGNITION AND MEASUREMENT

WAGES AND SALARIES, ANNUAL LEAVE AND SICK LEAVE

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables with respect to employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

LONG SERVICE LEAVE

The provision for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

11. EMPLOYEE BENEFITS (CONTINUED)

LONG SERVICE LEAVE

the market yields on national government bonds at reporting date which most closely match the terms of maturity with the expected timing of cash flows. The unwinding of the discount is treated as long service leave expense.

The present value of employee benefits not expected to be settled within 12 months of reporting date has been calculated using the following weighted averages:

	2021	2020
Assumed rate of increase in wage and salary rates:		
Inflation rate	1.30%	1.30%
Discount rates	2.25%	2.00%

SUPERANNUATION PLANS

CONTRIBUTIONS

The company is under a legal obligation to contribute 10.0% of each employee's base salary to a superannuation fund.

12. COMMITMENTS

	2021 \$	2020 \$
Capital commitments		
Within one year	-	815,069
One year or later and no later than five years	-	-
Total capital commitments	-	815,069

Capital commitments

Capital commitments relating to the Food Court have been fully committed and completed during the year.

13. KEY MANAGEMENT PERSONNEL DETAILS

A. DIRECTORS

The following persons were non-executive directors of the company during the financial year:

George Zoltan	Ajkay
Anthony Michael	Atkins
Michael Francis	Coffey OAM (Passed away 11 January 2021)
Phillip Vincent	Coleman
Fortunato (Lucky)	Legato (Appointed 12 March 2021)
Joseph	Mancini

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

13. KEY MANAGEMENT PERSONNEL DETAILS (CONTINUED)

Dang Tuong Van	Nguyen
Gregory Peter	Richardson

The directors received honorariums totalling \$78,882 during the year (2020: \$77,710). No other remuneration was paid to directors.

B. OTHER KEY MANAGEMENT PERSONNEL

The following persons also had authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly during the financial year:

Name	Position
John Turnbull	General Manager (Retired 10 July 2020)
David Vidler	Assistant General Manager
Benjamin Atkins	Gaming and Payroll Manager

C. KEY MANAGEMENT PERSONNEL COMPENSATION

	2021 \$	2020 \$
Benefits and payments made to Key Management Personnel	949,926	1,358,354

14. RELATED PARTIES

KEY MANAGEMENT PERSONNEL

Disclosures relating to key management personnel are set out in Note 13.

TRANSACTIONS WITH RELATED PARTIES

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers.

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

DIRECTOR AND KEY MANAGEMENT PERSONNEL RELATED EMPLOYEES

The company employs a number of relatives of current directors and key management personnel, as follows:

Anthony Atkins	Director
Joseph Mancini	Director
Benjamin Atkins	Chief Operations Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

13. RELATED PARTIES (CONTINUED)

The terms of employment for each of these individuals are in accordance with a normal employee relationship with the company. These individuals received no conditions more favourable than those which are reasonable to expect that they would have received if there had been no relationship with a Director.

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

RECEIVABLES FROM AND PAYABLES TO RELATED PARTIES

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

15. COMPANY DETAILS

The Club is incorporated and domiciled in Australia as a company limited by guarantee. At 31 December 2021 there were 49,682 members.

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter.

The registered office of the company is 446 Hoxton Park Road, Prestons NSW 2170.

16. EVENTS SUBSEQUENT TO REPORTING DATE

On 24 January 2022, the Company signed an Approved Facility Term Sheet from Commonwealth Bank of Australia. The modification extends the repayment terms of the existing facilities to 31 May 2025. No other significant changes were noted in the revised offer. The executed agreement will be signed in late March 2022.

There are no other matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

17. SUMMARY OF OTHER ACCOUNTING POLICIES

A. GOODS AND SERVICES TAX

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

17. SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

Receivables and payables in the Statement of Financial Position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

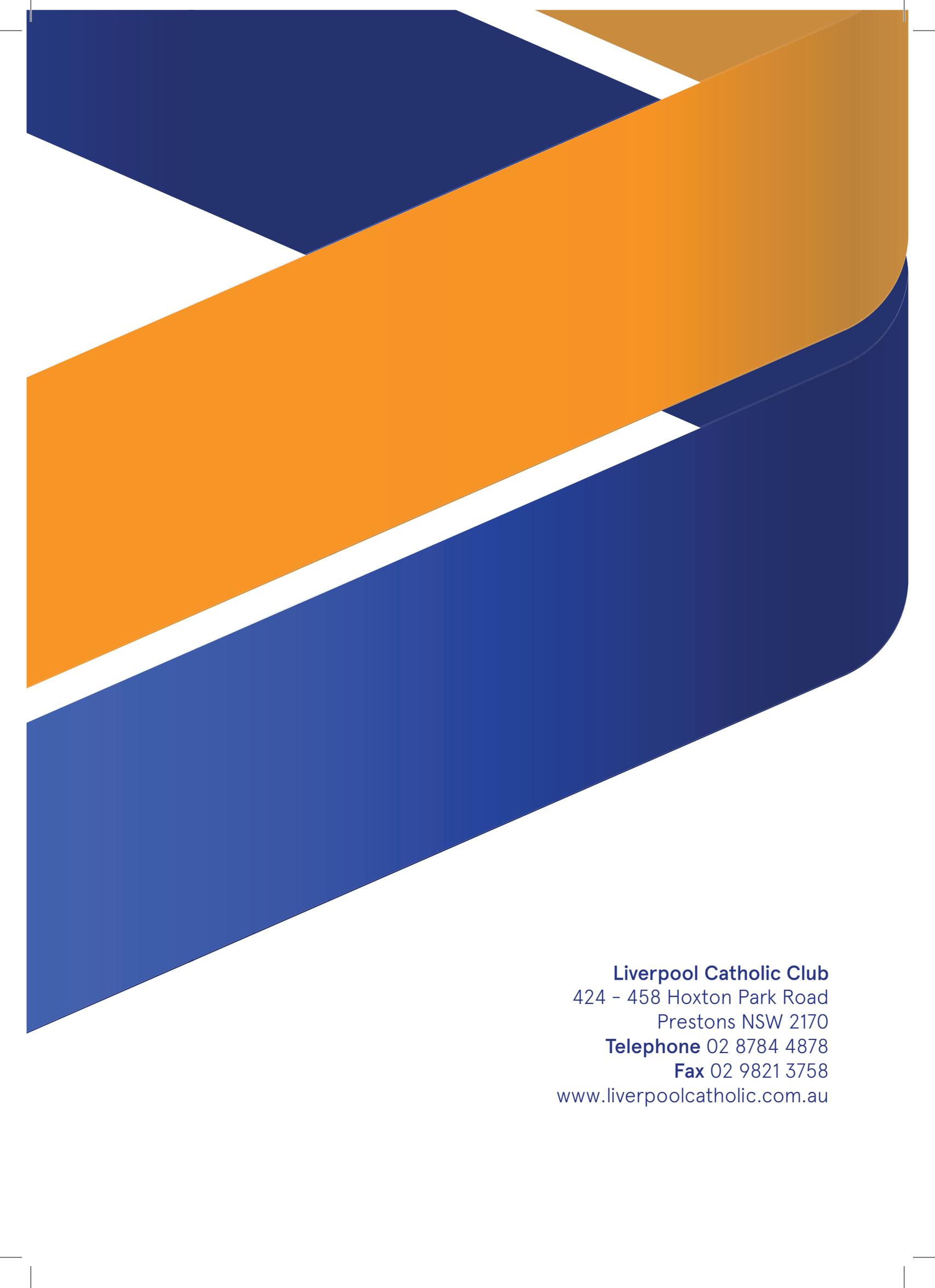
B. TRADE AND OTHER RECEIVABLES

Trade debtors and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful debt accounts. Trade and other receivables are non-interest bearing loans and generally on 30-day payment terms. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. Under AASB 9 there are new impairment requirements which use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial asset has increased significantly since initial recognition in which case the lifetime ECL method is adopted.

C. INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at balance date using the weighted average basis.

Liverpool Catholic Club Limited



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