



northscollective

ON
THE
SCENE

Annual Report

NORTHS COLLECTIVE (NORTH SYDNEY LEAGUES CLUB LTD):
NORTHS CAMMERAY, NORTHS FITNESS, SEAGULLS, REVOLUTION HEALTH & FITNESS,
THE GREENS, THE ALCOTT & FINGAL BAY HOLIDAY UNITS



The Alcott



Norths



Seagulls



The Greens

2019

A year of
evaluation,
strengthening
operations and
our impact in the
community.



The economic impact of this pandemic, particularly for the club industry is wide reaching and will certainly challenge us as people, as members of our communities and as an organisation. We are taking stock during this unprecedented decline, with our leadership team coming together to help our people and community as we work through rebuilding. We're staying positive and resolute in our approach, focusing on our mitigation strategy and continuity plans, providing clarity for our people, maintaining engagement and morale in this difficult time.

We look forward to emerging from this period of hibernation with a deeper appreciation for the importance of connection, unity and reflecting on all we've learnt during this period of immeasurable change in best supporting our people and communities.



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Our year in review

2019 feels like a very distant memory as we write to you in the midst of a global pandemic. Norths Collective has been severely affected, with government acting on health advice resulting in the closure of all entertainment venues, including our four community Clubs from the 23rd March 2020 until further notice. Although we do support these measures, they have had an enormous impact on our organisation, particularly on the lives of our 380 staff. We continue to thank them for the incredible way they have been able to deal with the measures we have taken in managing our Clubs and people through this period with the focus of protecting jobs and safeguarding the overall health of the business so we remain in a position to reopen.

Even prior to the 23 March closure, management and the board were acting to reduce the problems that Covid 19 could create for our venues. Early in the piece we took painful steps to ensure the Club would come through this, continue its service to the community and maintain jobs. Steps taken over the last month include:

- Sadly standing down all staff without pay prior to JobKeeper, including directors, with the executive management team and Board continuing to work in the business voluntarily.
- Ensuring that all staff continue to be engaged by our organisation and are assisted as much as possible in retaining visas, accessing Jobkeeper and other benefits, as well as their leave entitlements
- Ensuring all non-essential expenses were terminated or deferred
- Negotiating payment terms with government and large suppliers
- Negotiating loan terms with our bank, the Bank of Queensland. We can report that the Bank has been incredibly supportive in these difficult times
- Working up a plan to recommence operations when permitted.

Our four Clubs within Norths Collective service a regular community membership in excess of 50,000 people with tens of thousands more visitors. We know isolation will have a life changing effect on many of our regular members and guests. The reason members come to our Clubs is to socialise with family and friends, sometimes for milestone family events but often just as a means of catching up or spending time with those likeminded. As human beings, social connectedness has been as regular as the sun coming up. Our whole way of life has now been turned on its head with the need to isolate.

For decades, clubs have been the backbone of communities all around NSW. This was recently evidenced by the fantastic role our industry played during the bushfires and countless other natural disasters before. From Clubs providing infrastructure as command centres to transforming function spaces into evacuation centres with thousands of meals and beds for the many displaced from their homes, clubs play a unique role within their community in diverse ways.

Norths Collective actually had a very successful 2019 year. The major financial highlights included:

-
- An operating profit before Community Support of **\$2.9 million**
 - Operating cash surplus of **\$3.5 million**
 - Capital investment of **\$2.9 million**
 - Net debt repayment of **\$700,000**
 - Direct financial and in-kind community support contributions of close to **\$2 million**
-

We have continued to support community groups completing wonderful work for those less fortunate or experiencing troubled times and the many junior and senior Sports for Change; bringing about positive social change for individuals and communities through sport and physical activity.

The North Sydney Bears & Seagulls Football Clubs lead this contribution and we wish to thank them for their support during 2019, but also as we enter 2020 with the NSWRL and QRL competitions cancelled. Both organisations have had their world turned upside down and have worked collaboratively

Our year in review

with us to manage through this period. This remains an incredibly difficult period as many community organisations rely critically on the funding we provide through revenue generated by members and guests.

Without our Clubs, football would not exist as it has and we remain passionately committed to returning to normal operations to help both organisations remain strong into the future.

In 2018 we undertook an incredible number of building projects and reinvestment for the future. We entered 2019 looking to improve the business operations for members and their guests. In doing so, our loyal members responded well and our 2019 results reflected this during a year in which gaming revenue came under enormous pressure across the Club industry, our business diversification paid off.

We wish to note a couple of special project mentions and thank members for their patience whilst works were carried out.

The Seagulls property in Tweed Heads was enhanced with a freshly painted and branded building upgrade, breathing a new lease of life into the historic Club.

The Alcott Lane Cove continued to trade from strength to strength celebrating its one year birthday within its upgraded building. The opening of 400 car spaces across the road in the Canopy development during December 2019 greatly improved member access and the completion of the Coles and Aldi openings in June 2020 will add another 100 spaces and see an end to the traffic and parking disruptions encountered over the past few years.

The Greens experienced its best year in the history of the Club and we are incredibly thankful to our members and also the corporate community that has made that site a destination of choice.

2019 saw Norths continue its support underpinning the resource and capacity of Norths Collective, contributing both with financial and with in-kind support within our community. Whether it is for the use of the fitness centre, attend one of our many events or even an early evening kids eat free dinner, Norths conveys strength in bringing people together, something we cannot wait to return to post Covid-19 for the improved mental health and well-being of members and guests.

Prior to the 23 March shutdown, our Norths Collective venues were trading extremely well. We were cautiously optimistic we would build on the success of 2019. Whilst we have been floored by the pandemic taking hold all around the world and the incredible lengths government and society have had to go to in order to protect the health of each of us, we are also humbled by the support our staff, members, business partners and stakeholders have shown our Club community.

We wish to make special mention of Bank of Queensland who remain incredibly supportive of Norths Collective. They continue to enable Norths Collective to remain resilient and aggressive in our pursuit of connecting our community. Additionally, the support our industry will require from government will be an investment in the future. We are but one example of numerous clubs poised willing and able to re-employ and provide investment within our community and taxation to government.

During the year we lost one of our directors, Fred Thompson. Fred was a founding member of Norths, in fact he joined the day the Club opened in Merlin Street and was with us all the way. A more dedicated supporter of the Bears would be difficult to find. His wise counsel at the board table made all his fellow directors do a better job.



Our longest serving director, Warren Morris, decided to call full time in February 2020. Warren was on the Board for 33 years, and NEVER missed a board meeting, making him a legend in the club industry. As Secretary of the Sports Council, he remains the most passionate advocate for the members and particularly the Intraclubs. We are fortunate that Warren has continued in this role.

Fortunately we have had two fine candidates step into their shoes. Justin Owen has brought his industrial relations knowledge to assist the Board. And the club now has our first woman director, with Diane Maclean joining us in March 2020. Diane brings extensive business experience to the mix.

Again, the Board and management would like to thank our wonderful people for their commitment during 2019 and we know that with so many amazing staff we have the ability to reopen and rebuild our Clubs.

We know we will get through this.

MARK HOLMAN,
PRESIDENT & CHAIRMAN

LUKE SIMMONS,
CEO

2019 FINANCIAL STATEMENTS

	2019 \$	2018 \$
Revenue	58,729,818	57,379,687
Expenses	48,283,764	48,182,604
Operating Profit	10,446,054	9,197,083
Payroll Tax	901,483	996,288
Poker Machine Tax	6,656,453	6,753,196
State Government Taxes	7,557,936	7,749,484
Community Football	1,011,460	970,253
Community Club Grants	394,236	407,221
Community Other	84,921	82,248
Total Community Support	1,490,617	1,459,722
Profit / (Loss) before Income Tax	1,397,501	(12,123)
Income Tax Revenue	22,709	30,316
Profit / (Loss) for the Year	1,420,210	18,193
Unrealised Loss on Derivatives	(639,127)	(546,972)
Total comprehensive income / (Loss) for the Year	781,083	(528,779)

We're passionate about supporting
our communities and the commitment
to the growth of our people

We reach out to

312,435

PEOPLE

across NSW communities

We have

52,423

MEMBERS

across Norths Collective

Our revenue for 2019 was

\$58,729,818

\$1,350,131
INCREASE
from 2018

OVER
360
employees across
our venues



Impact in action

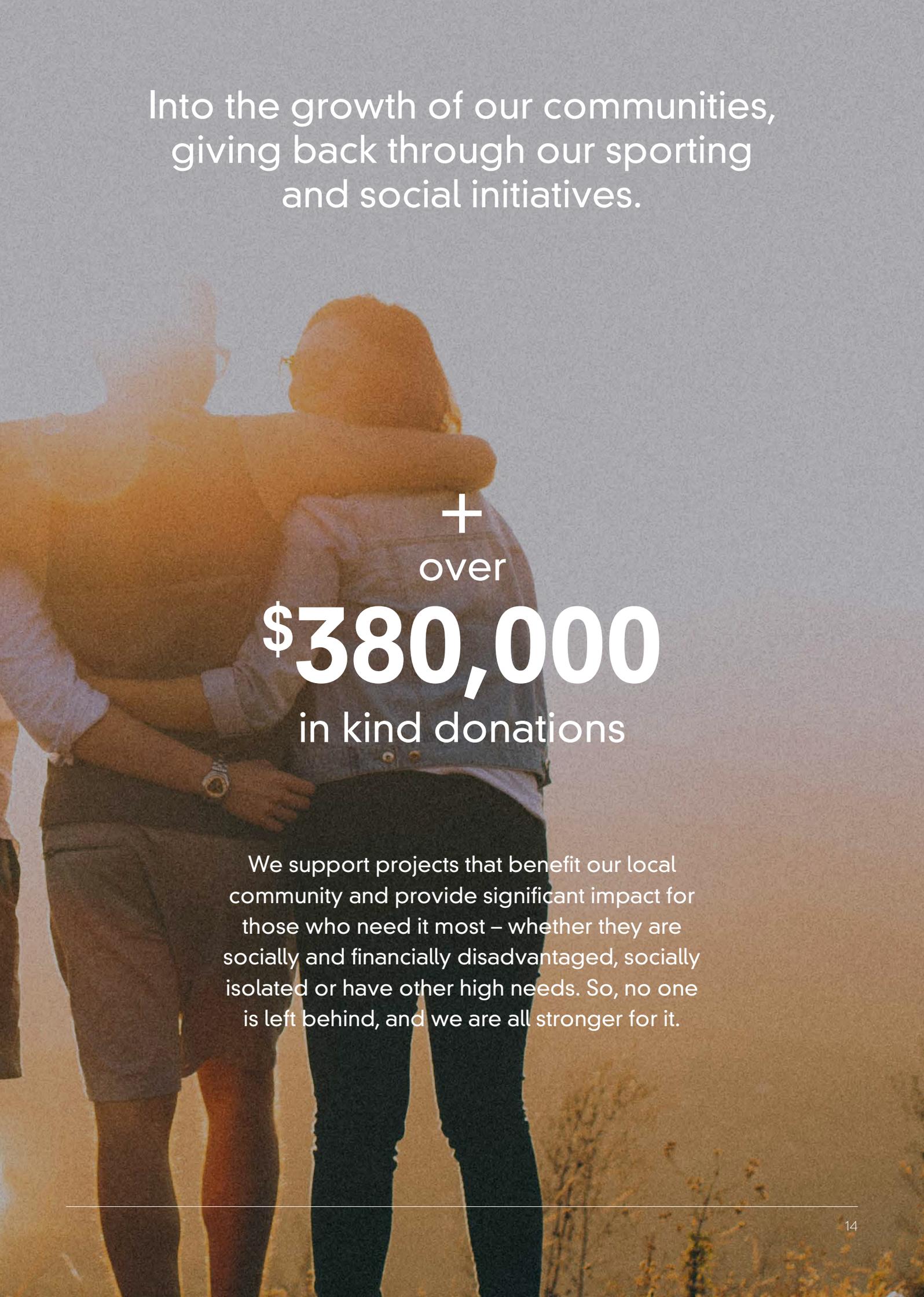




Our role in the community is
integral to everything we do,
as a forward thinking, innovative,
fresh and competitive brand
that is Norths Collective



OUR COMMUNITY
We Invested
 \$1,490,617
 NORTH'S COLLECTIVE
 CONNECTING

A photograph of two women embracing in a field at sunset. The woman on the left is wearing a light-colored shirt and a dark skirt, and the woman on the right is wearing a light-colored jacket and dark pants. The background is a warm, golden sunset sky.

Into the growth of our communities,
giving back through our sporting
and social initiatives.

+
over
\$380,000
in kind donations

We support projects that benefit our local community and provide significant impact for those who need it most – whether they are socially and financially disadvantaged, socially isolated or have other high needs. So, no one is left behind, and we are all stronger for it.

OUR PURPOSE

We exist to bring people together, building connections, unity and driving the growth of our local and wider communities, inspiring others to put people at the centre of everything we do. It's our reason for being and why we do what we do.

Defining our ethos

OUR VALUES

We're all about developing our people, the experiences we share and the sporting, social and environmental impact we have for our people.

Within Norths Collective, our values define our culture

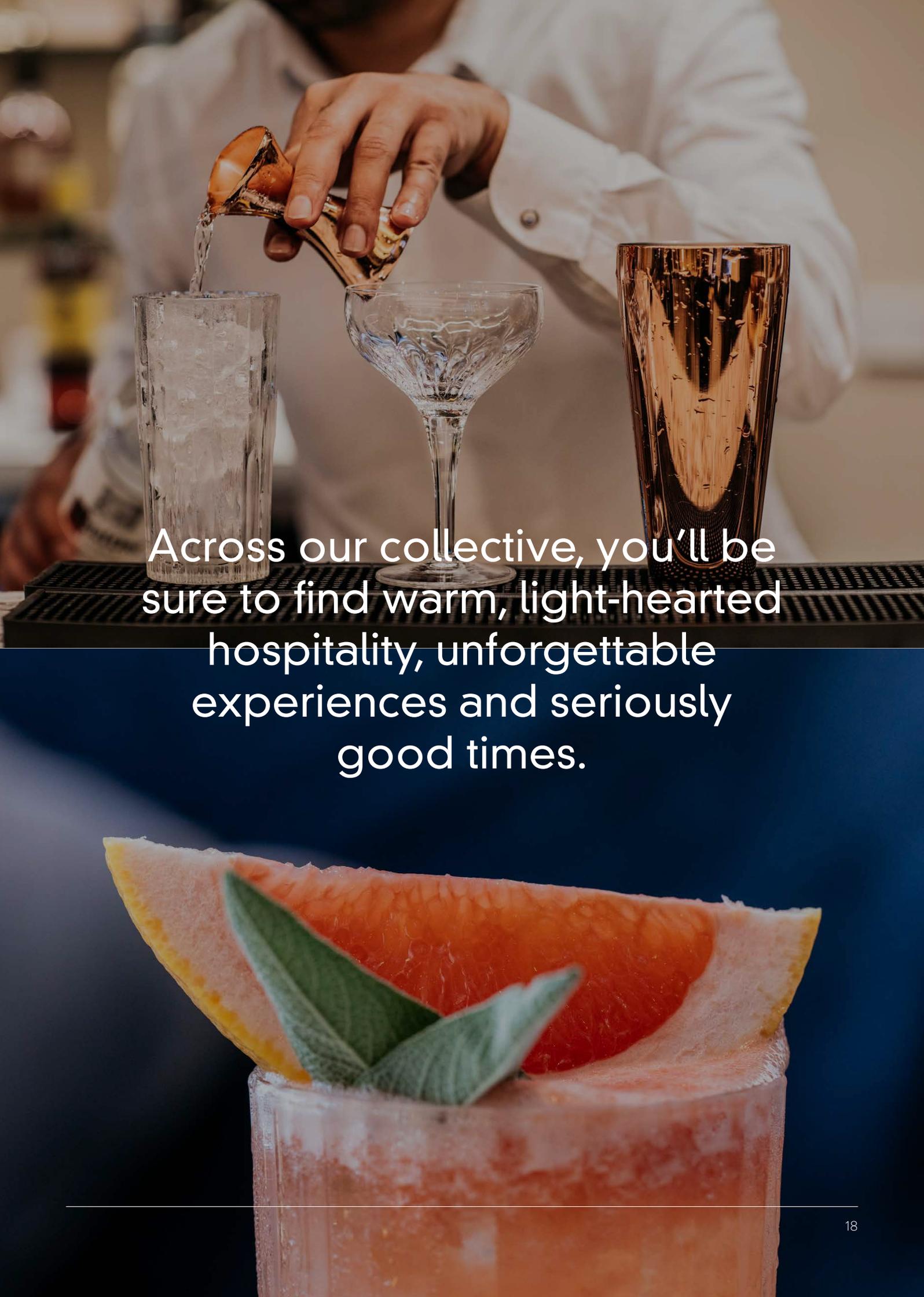


and are part of everything we do.



Our collective



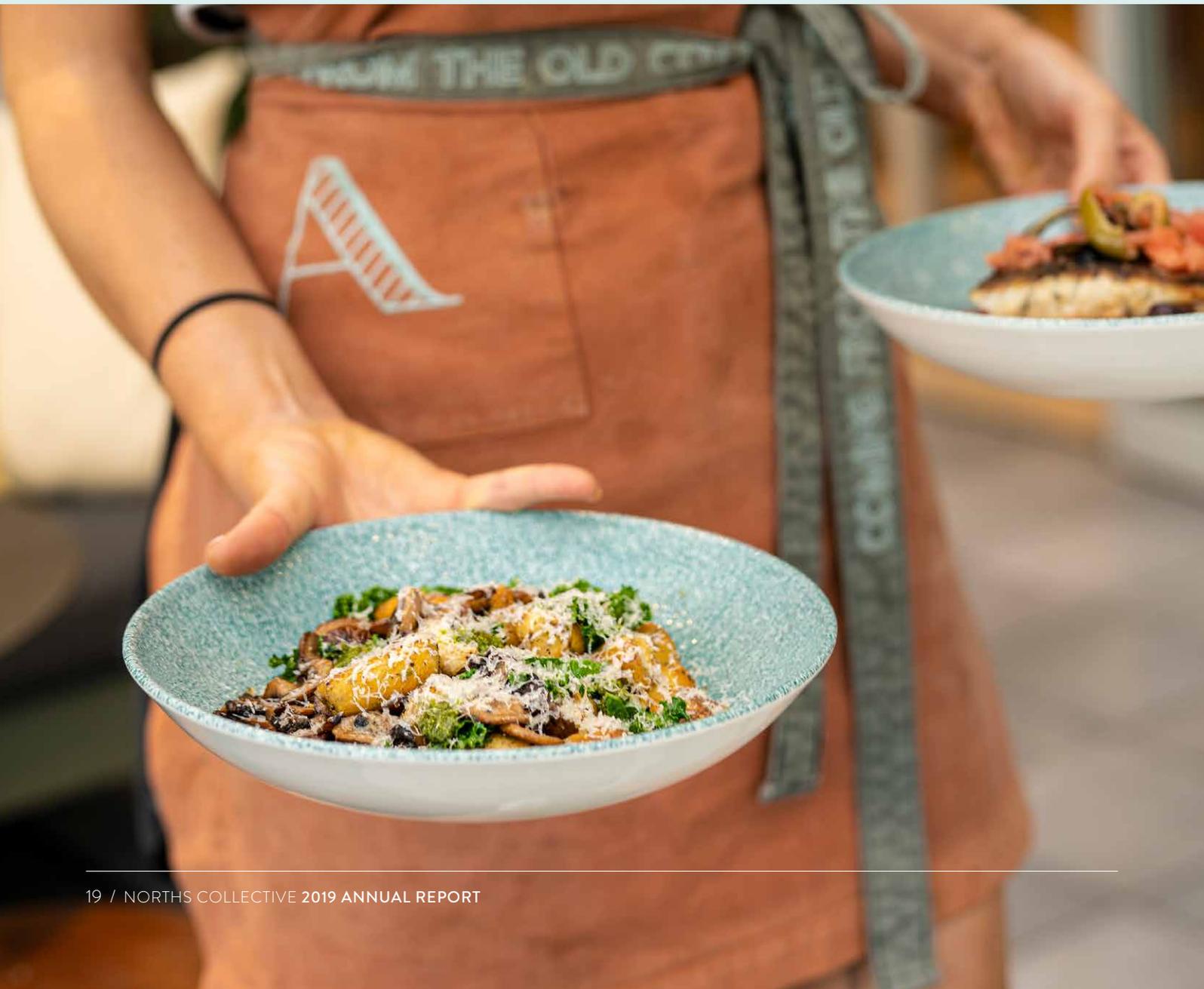


Across our collective, you'll be sure to find warm, light-hearted hospitality, unforgettable experiences and seriously good times.

THE

ALCOTT

LANE COVE



The Alcott brings its' heritage, personalised guest experience and seasonal Mediterranean inspired fare to the local Lane Cove and wider community. A welcoming and approachable, contemporary dining and social space, it's a place for all ages.

Our latest addition to the Norths Collective portfolio and since our recent re-design in 2018, the Alcott continues to go from strength to strength. Bringing a breath of fresh air and feminine charm to the club, merging the old with the new, paying tribute to our heritage with a contemporary edge and elegance to the mid-century design, The Alcott has been embraced by the Lane Cove community who've made it their local.

The Alcott really came into its own in 2019, finding its groove with a solid music and entertainment line up with talent from the chilled acoustic duos of the Sunday sessions, the Comedy Circuit giving stand up a run for its money, to happy hours and rose festivals. The community came out in droves to get behind the drought relief trivia fundraiser seeing a second night added, after such incredible success with funds raised for drought affected farmers.

The Sirocco and Sorrento events spaces have been significant drivers of growth over the past year, seeing the distinctive and intimate spaces, bespoke styling and tailored experiences shaking up the way conferencing and group business are operated. Seeing demand steadily building month on month in both private parties' and particularly in corporate events business.

The Lane Cove area has also seen significant development, with 400 car spaces opened up in The Canopy in December and with the remaining Rosenthal project due for completion in June. The park and dining precincts will see further activation of the area once lockdown restrictions are lifted, in turn improving accessibility and driving visitation to The Alcott.

With an adventurous, playful spirit, the best harbour backdrop Sydney has to offer and a passion for eating, drinking, events, music and sharing in a spirited game of barefoot bowls - The Greens is one of Sydney's best kept secrets.

Our focus this year has not only been on refining The Greens events brand, plus the marketing and promotion of our interactive events experiences, but has also seen a significant upturn in repeat clientele with solid brand loyalty to the unique positioning of the corporate market. The events landscape has very much shifted towards live experiences with increasing demand for team building, alongside the food and beverage offering. The Greens has excelled at this with barefoot bowls, pop up bars, sizzling fire pits and a number of different activities to satisfy this appetite. This has been a major contributing factor to The Greens strongest year yet.

We continue to produce new seasonal food offerings and specials, keeping our offering fresh and current. With a broad audience from millennial's to families and older folk alike, we're a hub for the whole community.

In addition, we made a number of improvements to the venue with enhanced green keeping management, seeing the bowling greens consistently looking pristine, honouring the game which is at the heart of the precinct. We've also built new toilet facilities and a beautiful new outdoor bar, driving revenue and improving the overall experience. With the bar at centre of this whole outdoor space, it has brought ease of ordering and a better flow, along with chilled wine on tap and great quality cocktails a plenty for those lively hot, summer days.

the
greens
• NORTH SYDNEY •



N

Est. 1955

NORTHS



An energetic, lively hub tucked away in the heart of leafy Cammeray, this is the space for eating, drinking and meeting. A destination for live shows, an entertainment hot spot and with a whole floor of dedicated events spaces, a health and fitness centre and a swimming pool, Norths Cammeray covers all bases.

This past year has been a particularly productive year for Norths Cammeray with our People and Culture team targeting the area of learning, development and progression as a key focus. This was following on from the successful implementation of the new HR global cloud platform Sage People implemented early last year, which allowed us to better understand our workforce, improve engagement and retention. We've seen a spike in productivity and efficiencies across our operations since. This has helped us to shift our attention to facilitate and conduct a whole host of training courses from online to operational and value-based workshops, along with accredited courses.

As a profit for purpose business we saw another very successful year of supporting a range of sports and social initiatives, as we passionately believe in our commitment to and responsibility to giving back and exploring how we can help support projects that open doors and provide opportunities to those who need it in our Northern Sydney communities.

Customer experience has also been firmly on the agenda this year with our leadership team's organisational strategy. Including customer journey mapping, consulting and collecting data from touchpoints along the way, looking at trends and listening to customer feedback in order to better understand member expectations. This also allows us to address any inconsistencies, refine our product and create experiences tailored especially for our members and also guides us in the decisions we make at Norths Cammeray. Member satisfaction and loyalty will remain a priority without exception, and after a year of evaluation and refinement, we are in a better position than ever to welcome back our members post Covid-19.

A home away from home for locals to meet, share and be social. Where you can depend on honesty and a welcoming, friendly approach. Where sea meets land and the Terranora Broadwater with a beautiful water backdrop - Seagulls brings the laidback seaside vibe of the Tweed and Gold Coast region to the community.

In 2019 there has been further investment into the upgrades as we saw in 2018, with less of an overhaul, but further staged enhancements to the exterior of the building. With a freshen up of signage and painting works completed, investment into new furniture throughout our bar spaces and also new and improved audio-visual systems to improve member promotional and sports viewing experiences.

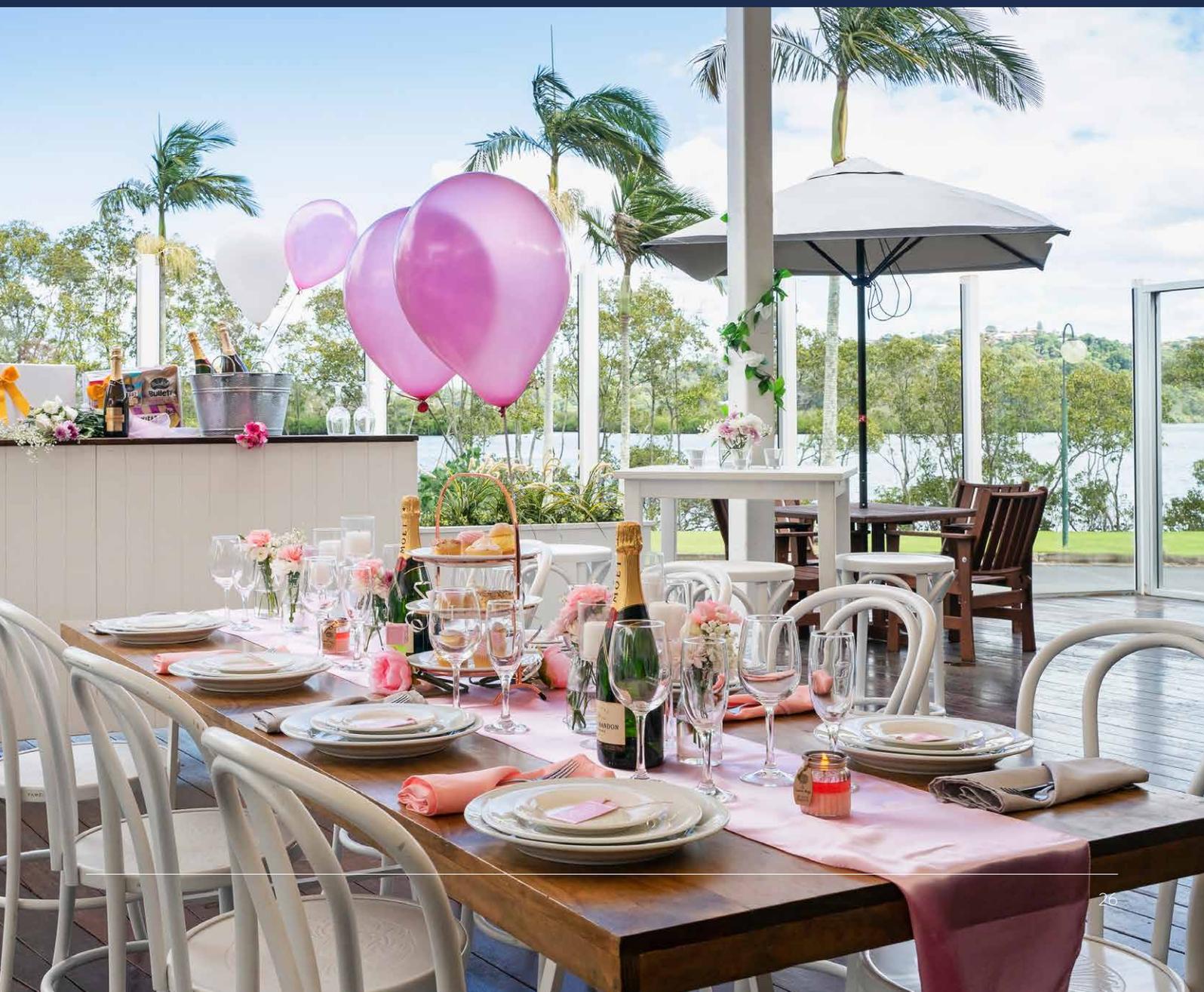
We've had exceptional feedback on transformation of the gaming spaces in 2018, with our members engaging with and enjoying the new look and technology, this has driven increased visitation and seen accelerated growth in membership, along with our active space Revolution health and fitness, where membership continues on an upwards trajectory and is now at an all-time high.

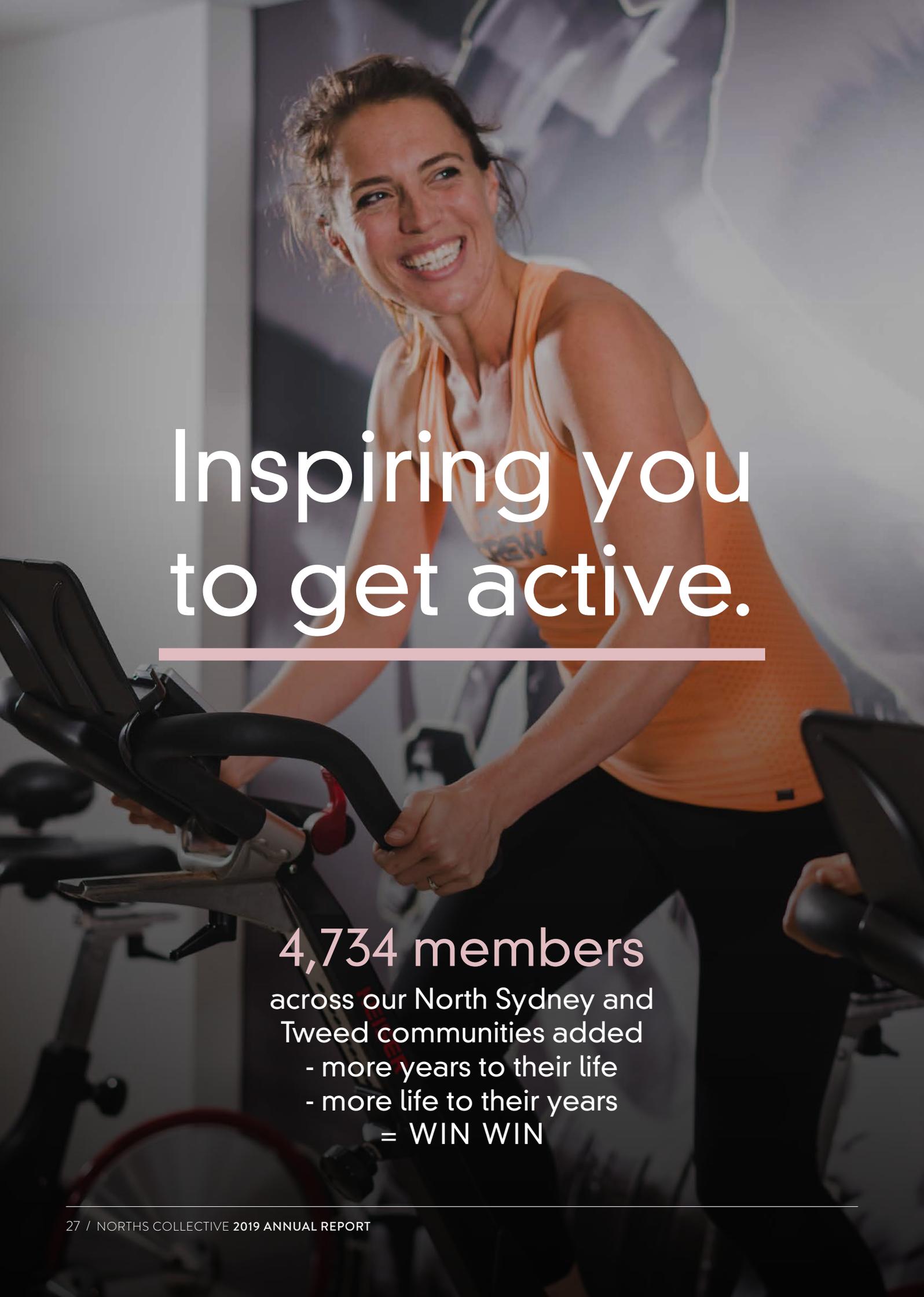
Our food offering has continued to evolve with new tastes, textures and a menu that is focused on delivering great value, exceptional quality dishes with plenty of warm-hearted, down to earth hospitality. Lot Two restaurant showcases local producers and farmers, alongside serving up the classics. Dishes like the paleo grilled chicken caesar cobb bowl, roasted cauliflower with paprika rub and our seafood wood fired pizza loaded with locally sourced fish, prawns, chilli and mussels from up and down the coast are firm favourites. Lot Two has well and truly found a perfect balance with consistent rave reviews from our members.

We've proudly been part of the Tweed Coast community for decades and we are grateful for the responsibility we have and the role we play in supporting our people. We work with and provide assistance to a range of community groups and charities each year with the 2019 highlights being the Seagulls active citizen and the intercept youth programs provided by the Tweed/Byron Police along with the great work we've delivered together with all our charity partners.

Seagulls

EST 1971





Inspiring you
to get active.

4,734 members

across our North Sydney and
Tweed communities added

- more years to their life
- more life to their years
- = WIN WIN



Norths Fitness continues to see encouraging growth with the core of the brand built on tailoring our workouts and classes specifically for our broad range of member personas and expectations. We craft our content to suit each type of person, because our members are part of the whole community - we celebrate their differences and diversity. The focus is on creating a comfortable, fun and engaging space, with classes that connect with everyone from the insanely fit seniors, to the newbies or the body sculpting gym bunnies. With flexible membership options, health, fitness and nutritional guidance, along with specialised rehabilitation programs, physiotherapy and personalised sessions available. We cover all bases.



The team at Revolution are a pretty fit and healthy bunch and thrive on sharing their knowledge and passion for all things active with the people of the Tweed and Gold Coast region. Revolution has well and truly established itself as a pillar of the community with 2019 being its strongest year to date, with membership numbers at an all-time high. We make it easy for you to work out and to get active. Open 24/7, complete with an on-site creche, all the latest fitness technology, a functional training area, stretching, studios and free weights spaces, you can train when you want, your way.

Giving back
is just what
we do.



We support
sport.



NORTH SYDNEY BEARS

The North Sydney District Rugby League Football Club (NSDRLFC) was founded in 1908 and has a proud tradition in rugby league. In 2019 the NSDRLFC competed in the NSW Canterbury Cup Premiership, Harvey Norman Women’s Premiership, Jersey Flegg Cup (under 20s competition), the junior representative program in the SG Ball Cup under 18s and the Harold Matthews under 16s. The Bears also ran development pathway elite programs for the under 13s, 14s and 15s to establish robust pathways to the NRL, whilst ensuring our young athletes are strong, well equipped and in peak performance coming of out these intensive training and development programs.



2019 saw us lose a long serving member of the boards and club, Fred Thompson was involved the Bears in both Junior League and Senior clubs for over 60 years. Fred Served on the Football Club board for over 20 years and he was a fantastic support for the board with a plethora of knowledge that he had accumulated. Fred was a fantastic person and his many years of service to our football community here at North Sydney will never be lost upon his passing. We know we speak for us all when we say he is missed dearly by all involved in our great club and district.

"The club has stood out on and off the field and has seen significant community engagement outcomes, alongside the clubs growing success. In 2019 the junior league had over 1,100 participants, with growth driven by North's Collective continued support. The Bears have certainly seen an increased presence in the community, gaining positive traction as we align ourselves further with Norths Collective through our newly appointed Bears Wellbeing, Education and Community role undertaken by Football legend Greg Florimo."



NORTH SYDNEY BEARS WOMEN'S OPEN AGE DIVISION

The Bears Harvey Normans Women's team went to another level in season 2019, finishing the season in the top four, only to be unfortunately bundled out narrowly in the semi-final series. A near miss, but an amazing result nonetheless.

Women's rugby league is a real focus for the club's future with the vision to be known as an elite pathway.

"We're so grateful for Norths Collective's ongoing and generous support. They have always been an integral partner of the North Sydney Bears, who have together with us now laid a true foundation for women in sport and rugby league in the community."



2019 BEARS HIGHLIGHTS

Appointed a home grown and experienced club head coach, Jason Taylor who also has a great understanding of a professional football program which will benefit the club player and coach programs throughout all our pathways.

—

Finished third in the NSW Canterbury Cup, top 4 in the Women's Harvey Norman, and all junior representative teams just finished out of the semi-finals which was a significant achievement and improvement for the club from previous years.

—

Recruitment and retention – part-time club appointment of specialist in pathway recruitment in addition to supporting head coach Jason Taylor as assistant coach for Canterbury Cup.

—

New and improved feeder club relationships and partnerships which we now have through the Asquith Magpies, Junior League and the current NRL Premiers the Roosters.

—

Newly formed strategic partnerships including Macquarie University and the Shore School North Sydney.

—

The club enhanced our Education, Wellbeing and Community program by appointing Greg Florimo to lead this area with the Norths Collective support.

—

Launched and set up our first Red and Black foundation allowing specific projects including women in sports and junior rugby league being supported further to grow.



TWEED HEADS SEAGULLS RUGBY LEAGUE



Tweed Heads Seagulls Rugby Football club was founded in 1908 and has been going strong since. Tweed Heads Seagulls are proud to play in the QLD Intrust Super Cup, the state-wide semi-professional competition, with Seagulls also being a feeder club to the Gold Coast Titans in the National Rugby League (NRL).

Tweed Heads Seagulls are supported largely in part by a community grant from Seagulls Club and through this sponsorship support, make the games happen, financing and administration and staff costs to lead both the senior club team and junior player team each year

"The grant and ongoing support of Seagulls Club essentially puts the players on the field with the funds contributing to the financing of the staff and administration costs to lead a 180 strong junior team."



SEAGULLS

TWEED HEADS SEAGULLS WOMEN'S TEAM

Another 2019 highlight was the Gold Coast Airport Seagulls women's team being accepted into the inaugural BHP Premiership. A magnificent result after first entering the sport last season in the south-east Queensland competition. The progress of the women's team, which beat reigning premiers Burleigh Bears and had a State of Origin representative in Jessika Elliston and an Australian player in the Nines competition in Taryn Aiken was exceptional.

Encouraging the growth of women in the game is a high priority for Seagulls Club with the recent success showing great promise with many exciting possibilities and potential for the future.



TWEED HEADS SEAGULLS JUNIOR RUGBY LEAGUE

Tweed Heads Seagulls have junior teams in the Hastings Deering Colts and Mal Meninga Cup competitions and through their commitment to nurturing the talent of our juniors, many have gone on to play at regional and state levels, with several in the NRL and also representing overseas at an International level.

One of those players was our Campbell Constructions Co Seagulls u18 junior Xavier Coates, who met NRL stardom in 2019, making an incredible rise to the top after being scouted to make his international debut for Papua New Guinea as well an impressive NRL debut for the Brisbane Broncos. The tall, speedy centre-winger had an extraordinary rise in just over a month, yielding some outstanding results week on week for Seagulls that led to his debuts for the Kumuls and the Broncos. He played a prominent role in Tweed's championship run from fourth on the Mal Meninga Cup ladder, with Seagulls going into the finals to become national champions, along with making his Intrust Super Cup debut for Seagulls. Xavier is a shining example of the pathways being developed by Seagulls for local juniors to achieve their NRL dream.



NORTHERN SUBURBS NETBALL

Northern Suburbs Netball Association (NSNA) have been bringing netball to the community since 1969. We're incredibly grateful to Norths Collective for their continued sponsorship of NSNA this past year. We were delighted to sign a 3-year partnership with Norths Collective commencing in 2019 ongoing to 2021 with a first option to renew.

The 2019 funds have been utilised various ways both on and off the court, making this sponsorship a dynamic and truly organic community partnership. The sponsorship allowed us to secure the expertise of Diamonds Assistant Coach Megan Anderson who ran 'Coach the Coaches' sessions for our club and representative coaches. This was a rare opportunity to further their coaching expertise under such esteemed tutelage. Funds also meant NSNA could celebrate our 50 years in style at Norths Cammeray attended by the NSW Premier and MP's, along with umpiring drinks and end of season celebrations which are all integral parts of our club culture for players, staff and their families. We also invested in umpire development this past year, working under the directorship of Sharon Kelly OAM, one of the world's most highly decorated Umpires. Sharon ran a C to B badging program whereby she mentored umpires to reach their goals. Diverting these funds into developing and upskilling our umpires mean stronger players and ongoing benefits for our Association.

"We deeply value the support of Norths Collective which allows NSNA to develop player, coach and umpire pathways, as well as provide opportunities for social engagement off the court, bringing our community together. We look forward to continuing to work together and build on this in 2020."



NORTHBRIDGE FOOTBALL CLUB



Northbridge football club is one of Australia's largest football clubs with 2,300 players from the little ones aged 5 to the 65-year-old seniors. The majority of players compete in the local Northern suburbs football association competition.

Northbridge Football Club is very much appreciative of Norths Collective for continuing to support our organisation through their sponsorship. The support Norths Collective contributes filters through all parts of the club, from the under 6 MiniRoos to the over 45 seniors. The partnership allows us to create pathways and opportunities for players and coaches as they aspire to reach National level. Also helping our community football club to provide top class events spaces and packages for the events that are a core part of the club's operation and its ongoing success as the club continues to grow.

For the past 15 years, Northbridge FC have implemented specific football for girls' programs, alongside the mixed development and academy teams. Today we have over 500 girls and women proudly training and playing in Northbridge colours, many of whom have been with us since they were on the U6 teams. Last season, the Women's team won the Northern Suburbs Football Association (NSFA) Premier League for the 5th time in a row, an incredible achievement. Our Girls U16 won their Division 1 title eventually going on to win the NSW State 'Champion of Champions' title, also another great accomplishment and win!

"Through the ongoing partnership with Norths Collective, we continue to invest in the best facilities, equipment and coaches to support the ongoing development of football in the community. We are Northbridge Football Club."



ALSO
SUPPORTING



RSL SUB BRANCH

We're proud to support the North Sydney Returned Services League Sub Branch in every way we can, helping to provide well-being, care, compensation and commemoration of returned, ex-serving and current serving Defence Force men and women and their families in the local community, raising awareness towards a more progressive Australia.

Our venue in North Sydney, The Greens proudly share the club with the North Sydney RSL Sub-branch which is located adjacent to the War Memorial on Ridge St North Sydney right next to The Greens. The sub-branch is open Wednesdays & Fridays from 10.30am to 2.30pm and offers assistance with pensions, welfare & other services, also providing a solid support network for the younger generation of veterans.

The North Sydney RSL sub-branch also helps organise commemorative services for events such as Remembrance Day and also Anzac Day which is a special day for both the RSL and across our collective, with commemorative events held at all of our venues.

We salute to the past, present and future, for the honour and courage shown by our men and women serving for our country will always be remembered.



INTRA CLUBS

Norths Collective supports sport across all areas of our community and in addition to Rugby League, we also offer a whole range of other special interest community and sporting intra clubs between Norths Cammeray and Seagulls Club Tweed Heads. Everyone is welcome to join, to give something new a go and to be part of one of our clubs within our bigger club collective. Game on!

We have over 20 Intra clubs from sporting clubs covering everything from baseball, hockey, deep sea fishing, lawn bowls or softball, to special interest clubs such as photography or those clubs that provide a good mental challenge - chess, bridge or euchre anyone?

You'll find all of the contact information for our intra clubs on the Norths Cammeray and Seagulls websites, so why not sign up as these clubs are open for anyone to join and they are a great way to meet new people and connect with our community.



Baseball



Bowls



Cricket



Golf



Hockey



Indoor Bowls



500 & games



Bridge



Junior League



Softball



Squash



Table Tennis



Tennis



Runners



Chess



Euchre



Fishing



Snooker



Netball



Croquet



Darts



Dragon Boats



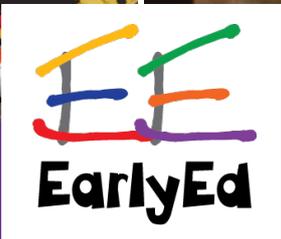
Photography



S.E.A.T.S



Social impact - our highlights.



EarlyEd is a family-centred early childhood intervention service for young children with disabilities or delays in their development, and their families. EarlyEd has proudly been delivering early childhood intervention services for over 40 years. All of our staff have expertise in child development and the needs of children and families in their early and school years and are aware of the specific needs for children with delays in their development and how to best support them as individuals. Our team consists of special educators, speech pathologists, occupational therapists, physiotherapists, family support workers, behaviour specialists and program assistants with the expertise to support children of all ages with a full range of difficulties, either at home or at our service centres across Sydney.

North's Collective grant has not only created an opportunity to acknowledge EarlyEd's history and the important role this service has played in the community. More importantly, it has supported an event in September 2019 where families could reconnect and share their stories, laying the foundation for a new resource initiative. At the event the families, both parents and their children, launched the project they have been part of - creating a resource of stories that will help families in the future to understand specifically what makes early intervention services effective and the difference they can make to the child's healthy development and to the lives of the whole family. Also, as a way to bring people together to connect with other families as forming strong friendships and support networks is extremely beneficial. The stories and videos are an incredible resource and are now available on EarlyEd's website for families to access for many years in the future.

earlyed.com.au



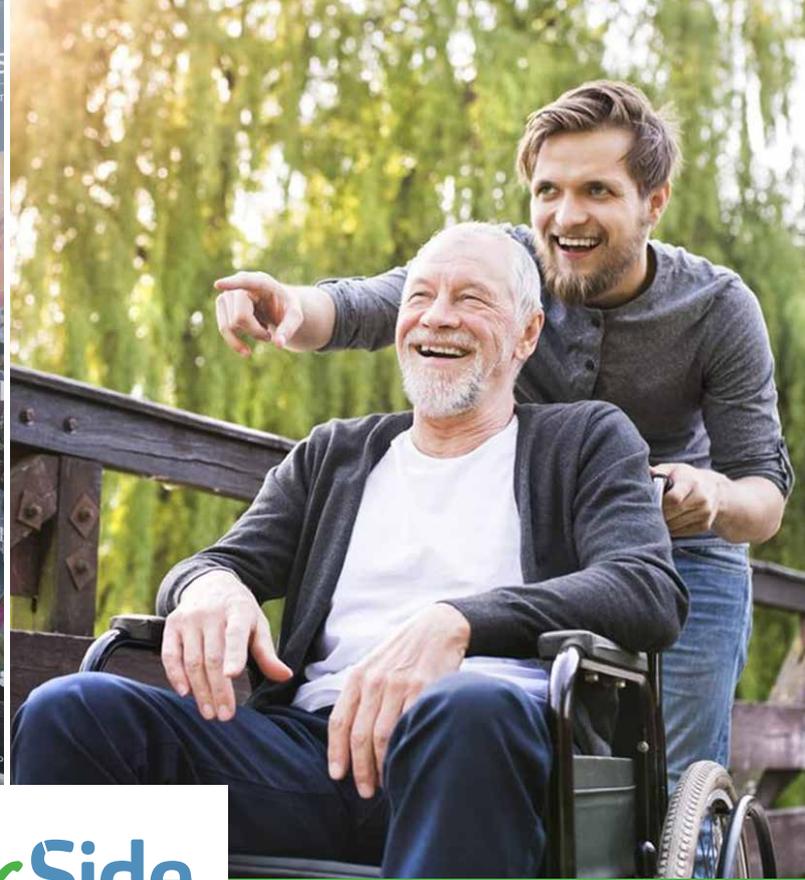
Gidget Foundation Australia is a not for profit organisation that provides programs and a safe haven to support the emotional wellbeing of expectant and new parents to ensure that those in need receive timely, appropriate and supportive care.

Gidget was the nickname of a vibrant young Northern Beaches mother who tragically took her own life while suffering unrecognised postnatal depression. Gidget Foundation Australia was established by Gidget's friends and sister in her honour, determined that what happened to Gidget would not happen to others, and is now supported by passionate individuals and professionals raising awareness of Perinatal depression and anxiety.

Gidget Foundation is proud to have been able to significantly expand its service within Northern Sydney at its flagship site at McLaren Street in North Sydney over the past 12 months and is grateful for the support of Norths Collective for their ongoing commitment. It is through their generosity that we have been able to ensure longer hours of service to support new and expectant parents with perinatal mental health treatment services.

Gidget House is one of the Foundation's programs to support parents and has seen more than 12,000 appointments since inception. With nearly 1 in 5 mothers and 1 in 10 fathers experiencing perinatal depression and anxiety and impacting around 100,000 Australians each year, Gidget House is a much-needed service and continues to support many parents at a critical time in their lives.

gidgetfoundation.org.au



Your Side
Your Health and Wellness.

The Disabled Alternative Road Travel Services Program through Your Side, provides recreational and social outings, including door to door transport to these events for adults in wheelchairs. With the generous assistance of the grant funding from Norths Collective to Your Side, it has allowed for bus maintenance and fuel for us to operate our DARTS Program.

We believe it is important to stay connected, get out and about and meet likeminded people. We help people with disabilities with social support to get involved in a whole range of social activities, everything from lunches, visits to theatre and museums, daytrips and annual events throughout Sydney allowing them the chance to do the things they love.

These were some of the social highlights our 50 regular DARTS participants have enjoyed in the last year:

Disabled Surfing at Collaroy Beach, Twilight at Taronga-Bjorn Again!, Wheeeasy Mapping Day, Carols by the Lake at Narrabeen, Night Markets, Manly International Jazz Festival, Dog Lovers Show at Sydney Olympic Park, Cherry Blossom Festival at Auburn Botanic Gardens, Willoughby Street Parade and Spring Festival.

Thank you, Norths Collective, for supporting Your Side's DARTS program, your funding is greatly appreciated and allows us to make every life a good one!

yourside.org.au/darts-social-activities-adults



DISASTER RELIEF SUPPORT

2019 saw many Australians navigating through incredibly tough times facing a number of natural disasters with one of the worst droughts in living memory, followed by the bushfires and floods that ravaged and devastated communities in their wake. Norths Collective rallied together to set up a number of initiatives in order to support and provide much needed relief to these communities on their road to recovery.



REGIONAL CHRISTMAS HAMPER INITIATIVE

Norths Cammeray supported the drought affected regional town of Uralla through the purchasing of **\$22,475** worth of locally sourced hampers for members Christmas promotions bringing much needed funds to local suppliers.

NORTHS CAMMERAY & THE NORTH SYDNEY BEARS DROUGHT ANGELS DONATION

\$5,000 was donated to Drought Angels through their 'Fiver for a Farmer' campaign. Funds directly to support farmers in need of financial assistance.

NORTHS CAMMERAY LAUGHS & LEGENDS FUNDRAISING EVENT

Seven entertainers gave their time to raise **\$11,075** in support of both the NSW Rural Fire Service and WIRES, NSW Wildlife Information, Rescue and Education Service. Both of these organisations have played an integral role throughout the recent devastating fire season.

THE ALCOTT LANE COVE'S TRIVIA DROUGHT RELIEF FUNDRAISER

\$10,674 was raised over two trivia nights to support drought affected towns of Gunnedah and Cobar.

SEAGULLS CLUB TWEED HEADS FIRE RELIEF FUNDRAISER

\$5,020 was raised to benefit the NSR Rural Fire Service, Port Macquarie Koala Hospital and The Salvation Army.

NORTHS COLLECTIVE HELP OUR FARMERS CAMPAIGN

Norths Collective raised **\$10,156** in support of Rural Aid. These funds will be donated to Farmers in both the Hunter Valley and Northern Rivers Regions of NSW.

Over \$64,000 was raised

in support of these organisations, offering immediate relief and assistance to these struggling regional communities. We would like to wholeheartedly thank our members and corporate partners for their support of these meaningful initiatives.



COMMUNITY PARTNERSHIPS

We're always looking for innovative and flexible ways to build relationships between our business and community partners who share our vision for social change and growth. We continue to collaborate with several organisations and have built long term partnerships over the past few years raising much needed funds for many amazing causes.

QANTAS PATHFINDERS REVUE

Norths Collective work closely with Qantas Pathfinders - a volunteer fundraising committee dedicated to raising funds for The Royal Institute for Deaf and Blind Children. The RIDBC support Australians who have hearing or vision impairment offering research, support options and a broad range of specialist services and therapies for children and adults.

Every year Norths Cammeray host the annual Qantas Pathfinders Revue - where many international and local celebrities, famous comperes and a bunch of cabin crew, ground staff, pilots and their friends and family come together to put on 5 nights of amazing shows at Norths. These nights of non-stop laughs and entertainment in Nov 2019 saw us raise over \$137,586 for the kids at The Royal Institute for Deaf and Blind Children.

qantaspathfinders.com.au



STARS OF THE NORTH, DANCE FOR CANCER

Every year Norths Collective partner with the Cancer Council to host Stars of the North, Dance for Cancer fundraising event, where local community "stars" with no dance experience team up with professionals to perform in the name of entertainment. These local heroes fundraise and dance their way onto the stage, joining the fight against cancer.

Norths Cammeray Loyalty Host Manager, Sue-Ann Treloar, volunteered to dance the Samba and was Winner of the People's Choice Category! Over the past 3 years Norths Cammeray has raised over \$350K for Cancer Council NSW.

cancer.org.au



Powered by people. For our people.

Our culture is way of life, it's all of our people with their different backgrounds and beliefs coming together, connected by our shared purpose and values to create the magic that makes us Norths Collective.

We recognise that our People are incredibly important and are what create a sense of community for our members and guests. Our workforce is as diversified as our membership throughout the collective and the communities in which we serve. To reflect this, we have a Learning and Development framework that reflects training that can be delivered flexibly for what will be meaningful for the individual and for the Collective.

In 2019 our staff took part in 1500 courses, completing programs ranging from compliance training such as anti-bullying and harassment to accredited learning such as the Certificate IV in Leadership and everything in between. This includes on-the-job training such as mastering cocktail skills; classroom training and online courses.

They are all specifically developed to encourage our employees to explore different pathways along their career journey with us, to broaden their skills and to give our people the tools to not only reach their full potential, but to prepare our future stars for new opportunities and progression.

Ultimately contributing to a workforce that is broadening their skills, their capability to improve and are consistently dedicated to delivering exceptional experiences for our members and community.

STAFF LED VOLUNTEERING

Connecting our team members with our community and the contribution we make to them will always be at the heart of what we do. Being part of the Norths Collective team allows our people to make a difference in real time, with a whole range of staff volunteering initiatives available for everyone to be a part of. From helping kids to read, cooking for challenged young people in the community, to Daffodil Day and Melanoma March, the contribution they make has an immediate impact.

LEARNING LINKS

Norths Cammeray staff offered their time over a ten week period, to work one-on-one with students from Anzac Park Primary School & Cammeray Public School on The Reading and Counting for Life programs. These kids were put forward as requiring a little extra assistance to help bring them up to an age appropriate level in English or Maths.

PHOENIX HOUSE FUTSAL COMPETITION

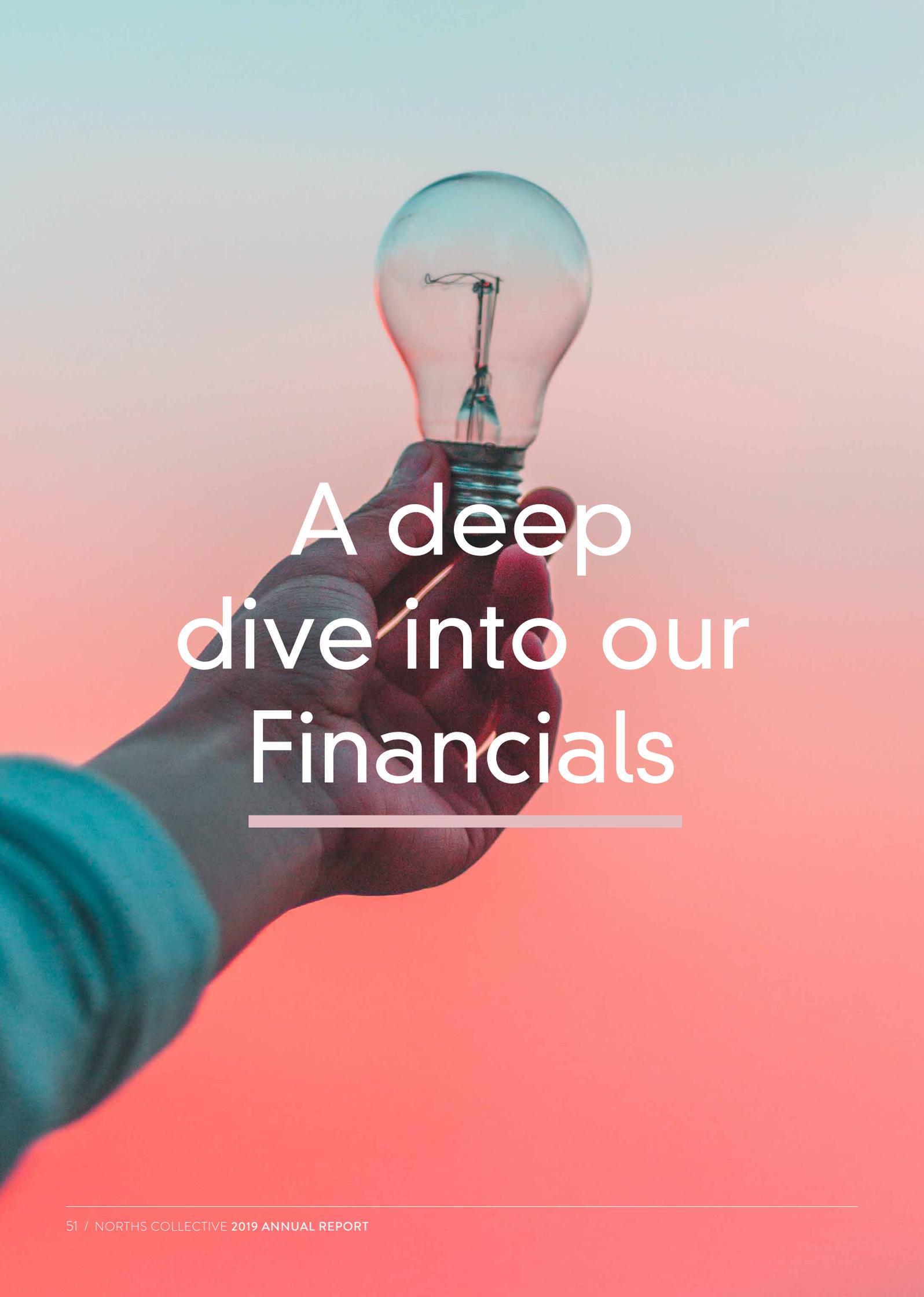
Phoenix House provides much needed support services and programs to more than 300 young people and their families, focusing on education that is supported by counselling services, case management and workshops to boost resilience and social inclusion. In 2019, Norths Cammeray Social Benefit Coordinators rallied staff together for some fun (competitive) Futsal to raise help raise money for Phoenix House.

INTERVIEW PREPARATION SESSIONS

The People and Culture team have for a number of years delivered Interview Preparation Sessions for a number of students to help them prepare for the real thing. It's a privilege to contribute.

SOCIAL INITIATIVES

Betsafe Pty Ltd / Challenge Tweed Inc/ Syngery Group / Kids In Need Association
Men of League Foundation Tweed District / Mt St Patricks College Murwillumbah
NSW Police Force - Tweed Byron Police District / Rotary Club of Currumbin Coolangatta Tweed
Shaping Outcomes / The Salvation Army Property Trust / Tweed Heads Coolangatta RSL Sub Branch
Tweed Heads/Tweed Coast Liqour Accord Inc / Tweed/Byron Police District / Veterans Benevolent Fund
Link Housing / Phoenix House Youth Services / Learning Links / Kidsnest Crows Nest Occasional Care Inc
Taldumande Youth Services / Healthy Kids Association Inc / St Vincent De Paul / Kids Like Brett
Royal North Shore Hospital Ladies Committee / St George Community Housing Ltd
Delta Society Australia / North Sydney Council / Drought Angels Ltd

A hand holding a glowing lightbulb against a sunset background. The lightbulb is illuminated from within, casting a warm glow. The background is a soft gradient of orange and red, suggesting a sunset or sunrise. The hand is positioned in the lower left, holding the base of the lightbulb. The text "A deep dive into our Financials" is overlaid in white, centered over the hand and lightbulb. A horizontal line is positioned below the word "Financials".

A deep dive into our Financials

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FOR THE YEAR ENDED 31 DECEMBER 2019

Directors' Report

Your Directors present their report on North Sydney Leagues Club Limited and its controlled entity (the company) for the financial year ended 31 December 2019.

DIRECTORS

The following table sets out the Directors of the company at any time during or since year end of the financial year and the number of board meetings held and attended by each Director in the financial year.

NAME OF DIRECTOR	CLUB POSITION	TOTAL NUMBER OF DIRECTORS' MEETINGS ATTENDED	TOTAL NUMBER OF DIRECTORS' MEETINGS WHILST IN OFFICE
Mark Holman	President	11	12
Tony Salier	Vice President	11	12
Warren Morris (Resigned 29.02.2020)	Director	12	12
Fred Thompson (Deceased 07.04.2019)	Director	3	3
Terence Keen	Director	12	12
Perry Lopez	Director	9	12
Wayne Bennett	Director	11	12
Bob Anthony (Appointed 29.03.2019)	Director	10	10
Justin Owen (Appointed 29.05.2019)	Director	7	8
Diane MacLean (Appointed 17.03.2020)	Director	0	0
Number of Directors meetings			12

INFORMATION ON DIRECTORS

NAME OF DIRECTOR	QUALIFICATIONS	EXPERIENCE
Mark Holman	Chartered Accountant	<ul style="list-style-type: none"> - President of North Sydney Leagues Club Ltd since December 2010 - Vice-President of North Sydney Leagues Club Ltd from May 2008 to December 2010 - Director of North Sydney Leagues Club Ltd since May 2006 - Director of Carlson Hotels Asia Pacific Holdings Pty Ltd, which operates the Radisson chain of hotels throughout Australia - Member of Audit & Finance Committee - Member of the Risk Committee - Member of Seagulls Masterplan Committee
Tony Salier	Lawyer	<ul style="list-style-type: none"> - Vice-President of North Sydney Leagues Club Ltd since December 2010 - Director of North Sydney Leagues Club Ltd since May 2000 - Director of private companies, and trustee of charitable foundations and estates, with combined assets in excess of \$100 million - Chair of Audit & Finance Committee - Chair of the Risk Committee - Life member of North Sydney District Rugby League Football Club
Warren Morris	Retired Customs Broker	<ul style="list-style-type: none"> - Vice-President of North Sydney Leagues Club Ltd from May 2000 to 2008 - Director of North Sydney Leagues Club Ltd from May 1987 until February 2020 - Life Member of North Sydney Leagues Club Ltd - Secretary of the Sports Council - Patron of the Bridge, Indoor Bowls, Camera, Joggers', Snooker, Squash and Tennis Clubs - Co-Patron of the Lawn Bowls Clubs - Delegate to Leagues Clubs Australia - Member of Audit & Finance Committee

INFORMATION ON DIRECTORS CONT.

NAME OF DIRECTOR	QUALIFICATIONS	EXPERIENCE
Fred Thompson	Retired Painter	<ul style="list-style-type: none"> - Director of North Sydney Leagues Club Ltd since November 2001 until passing in April 2019 - Director of North Sydney District Rugby League Football Club Ltd - Life Member of North Sydney Leagues Club Ltd - Life Member of North Sydney Junior Rugby League - Life Member of North Sydney District Rugby League Football Club Ltd - Life Member of NSW Rugby League - Committeeman on North Sydney Leagues Club Sports Council - Delegate to New South Wales Rugby League - Delegate to Clubs NSW - Delegate to Leagues Clubs Australia - State Councillor of Australian Legion of Ex-Service Men and Women
Terence Keen	Certified Work Place Trainer and Assessor in Hospitality	<ul style="list-style-type: none"> - Director of North Sydney Leagues Club Ltd since May 2006 - SRLFC Administrator 1999-2002 - SRLFC CEO 2003, 2010-2013 - SRLFC Director 2005-2009 - Member of Seagulls Intra Clubs Committee - Member of Seagulls disciplinary Committee - Member of Seagulls Masterplan Committee
Perry Lopez	Retired Managing Director	<ul style="list-style-type: none"> - Director of North Sydney Leagues Club Ltd since January 2012 - Chairman of North Sydney Rugby League Football Club since 2012 - Director of North Sydney Rugby League Football Club since 2008 - Director Central Coast Bears since 2009
Wayne Bennett	Electronics and communications AQF diploma level, single engine jet pilot 1980's	<ul style="list-style-type: none"> - Director of North Sydney Leagues Club Ltd since January 2016 - Secretary of North Sydney Leagues Social Golf Club for in excess of 15 years - Telstra technical officer - Naval fleet air arm pilot course 81/82 - Network engineer Computer sciences Australia - Owner/manager of a data communications company 1984 to present - Member of Seagulls Masterplan Committee
Bob Anthony	Newspaper Editor and Columnist	<ul style="list-style-type: none"> - Director of North Sydney Leagues Club Ltd since March 2019 - Many years experience in the hospitality industry before commencing a career in media 35 years ago - Currently editor of both the Tweed Daily News and The Gold Coast Sun newspapers - Magazine producer and columnist - Member of Seagulls Master Plan Committee
Justin Owen	Lawyer	<ul style="list-style-type: none"> - Director of North Sydney Leagues Club Ltd since May 2019 - Director of the North Sydney District Rugby League Football Club since January 2016 - Company Secretary of the North Sydney District Rugby League Football Club since July 2016 - Senior Member, Administrative Appeals Tribunal, Commonwealth of Australia since 2017 - Held senior roles in banking and at the Australian Securities and Investments Commission - Former General Manager, Australian Hotels Association (NSW) - Barrister and Solicitor of the High Court of Australia - Solicitor of the Supreme Courts of NSW and Victoria - Graduate of the Australian Institute of Company Directors - BA LLB (Hons) GAICD

Directors' Report cont.

INFORMATION ON DIRECTORS CONT.

NAME OF DIRECTOR	QUALIFICATIONS	EXPERIENCE
Diane MacLean	Retired General Counsel	<ul style="list-style-type: none">- Director of North Sydney Leagues Club Ltd since March 2020- Retired General Counsel for various Telstra business units- Solicitor of the High Court of Australia and of the Supreme Court of NSW 1976 to 2014- Director Intech Credit Union Limited 1995 to 2013- Director Dunmore Lang Colleges Limited 1984 to 1998- Graduate of Australian Institute of Company Directors

OPERATING RESULTS

The profit of the company for the financial year after providing for income tax amounted to \$781,083.

SHORT TERM OBJECTIVES

Providing great clubs with a commitment to enriching our communities.

LONG-TERM OBJECTIVES

To become the community's social, recreational and entrepreneurial hub.

STRATEGY FOR ACHIEVING THE OBJECTIVES

The development of a Strategic Plan that focuses on:

- Deepening the relationship with members and our communities
- Improving venue yield and diversifying club operations
- Investing in our people
- Being innovative and adaptive
- Operating ethically

PRINCIPAL ACTIVITIES

The principal activities of the company during the course of the financial year consisted of the conduct and promotion of licensed social and sporting clubs, and the provision of sporting and recreation facilities to members of the company, including the propagation of Rugby League.

HOW THESE ACTIVITIES ASSIST IN ACHIEVING THE OBJECTIVES

The principal activities of the company contributed to achieving the objectives by providing a stable base of operations. This ensured the financial position of the company remained stable and generated funds to meet the demands of the company and maintain high levels of service to members and guests.

PERFORMANCE MEASUREMENT AND KEY PERFORMANCE INDICATORS

Performance is assessed regularly against rolling forecasts, strategic plans and industry benchmarks using various metrics such as financial and non-financial metrics and financial analysis to measure whether strategic initiatives have been effective in achieving the company's short and long term objectives.

A number of KPI's are employed by the company in order to measure, monitor and improve the company's performance and to achieve the company's objectives through sound financial management.

BOARD COMMITTEES

The Board maintains two advisory committees to examine issues relating to audit and risk.

The Audit & Finance Committee consists of Tony Salier, Warren Morris (resigned February 2020) and Mark Holman. The committee meets approximately three times a year with the company auditors to review their findings and reports.

The risk committee consists of Tony Salier, Mark Holman and Luke Simmons. It meets approximately 12 times a year and identifies risks faced by the company and makes proposals to the Board as to how to deal with them.

MEMBERS' LIMITED LIABILITY

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up the constitution states that each member is required to contribute a maximum of \$4.00 towards meeting any outstanding obligations of the company. At 31 December 2019 the total amount that members of the company are liable to contribute if the company is wound up is \$192,708.

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 57.

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

Director:



Mark Holman

Director:



Tony Salier

Dated this 27th day of April 2020

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
NORTH SYDNEY LEAGUES CLUB LIMITED
AND ITS CONTROLLED ENTITY

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2019 there have been:

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

Maher Partners Assurance Pty Limited



Jason Maher

Taren Point

Dated this 27th day of April 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTE	2019 \$	2018 \$
Revenue	2	58,729,818	57,379,687
		58,729,818	57,379,687
Cost of sales	3	(7,136,611)	(7,296,373)
Community donations, sponsorship and promotions		(4,550,660)	(4,175,382)
Depreciation and amortisation expenses	3	(4,601,301)	(4,340,288)
Employee benefits expenses		(19,495,507)	(19,732,823)
Entertainment expenses		(934,395)	(952,992)
Facilities and contract services		(3,917,248)	(3,883,959)
Finance costs	3	(1,197,331)	(824,714)
Gaming tax and compliance		(7,014,888)	(7,154,371)
Member operational expenses		(1,664,831)	(1,625,130)
Rates, utilities and waste		(2,053,066)	(2,263,774)
Repairs and maintenance		(1,171,040)	(1,134,393)
Other operational expenses		(3,595,439)	(4,007,611)
Profit before unrealised gains / losses		1,397,501	(12,123)
Unrealised loss on derivatives	3	(639,127)	(546,972)
Profit / (Loss) before income tax		758,374	(559,095)
Income tax revenue / (expense)	4	22,709	30,316
Profit / (Loss) for the year		781,083	(528,779)
Other comprehensive income			
Revaluation increment (decrement)		1,059,228	-
Other comprehensive income for the year net of tax		1,059,228	-
Total comprehensive (loss) / income for the year		1,840,311	(528,779)
Total comprehensive (loss) / income attributable to members of the entity		1,840,311	(528,779)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2019	NOTE	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	5	1,830,259	2,013,449
Trade and other receivables	6	214,094	393,717
Inventories	7	565,021	584,242
Other current assets	8	737,118	523,870
TOTAL CURRENT ASSETS		3,346,492	3,515,278
NON-CURRENT ASSETS			
Trade and other receivables	6	50,000	60,000
Financial assets	9	42,923	112,500
Property, plant and equipment	10	104,544,934	105,668,855
Intangible assets	11	673,236	673,236
Deferred tax assets	4	398,933	375,690
TOTAL NON-CURRENT ASSETS		105,710,026	106,890,281
TOTAL ASSETS		109,056,518	110,405,559
CURRENT LIABILITIES			
Trade and other payables	12	5,108,650	7,613,254
Financial liabilities	13	3,498,337	3,148,351
Leases	14	138,645	-
Provisions	15	1,654,486	1,626,038
Other current liabilities	16	547,410	846,893
TOTAL CURRENT LIABILITIES		10,947,528	13,234,536
NON-CURRENT LIABILITIES			
Trade and other payables	12	430,865	324,547
Financial liabilities	13	21,574,518	21,687,807
Leases	14	58,848	-
Provisions	15	92,716	68,279
Deferred tax liabilities	4	199,882	1,109,491
Other non-current liabilities	16	259,332	327,136
TOTAL NON-CURRENT LIABILITIES		22,616,161	23,517,260
TOTAL LIABILITIES		33,563,689	36,751,796
NET ASSETS		75,492,829	73,653,763
MEMBERS' EQUITY			
Reserves	17	57,211,611	56,152,383
Retained earnings	18	18,281,218	17,501,380
TOTAL MEMBERS' EQUITY		75,492,829	73,653,763

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTE	Retained earnings \$	Asset Revaluation Reserve \$	Capital Redemption Reserve \$	Amalgamation Reserve \$	Total \$
Balance at 1 January 2018		18,030,159	49,482,349	163,132	6,506,902	74,182,542
Loss attributable to members		(528,779)	-	-	-	(528,779)
Balance at 31 December 2018		17,501,380	49,482,349	163,132	6,506,902	73,653,763
Profit attributable to members		781,083	-	-	-	781,083
Other comprehensive income - Movement in reserves	17	-	1,059,228	-	-	1,059,228
Retrospective Adjustments		(1,245)	-	-	-	(1,245)
Balance at 31 December 2019		18,281,218	50,541,577	163,132	6,506,902	75,492,829

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTE	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		58,530,080	57,678,401
Payments to suppliers and employees		(54,073,114)	(51,740,210)
Interest received		2,187	3,723
Finance costs paid		(1,001,395)	(680,577)
Net cash provided by operating activities	24	3,457,758	5,261,337
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		106,255	93,483
Payments for property, plant and equipment		(3,013,773)	(11,382,419)
Net cash used in investing activities		(2,907,518)	(11,288,936)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		2,804,152	6,823,243
Repayment of borrowings		(3,331,512)	(2,137,519)
Repayment of operating leases		(142,163)	-
Net cash provided by (used in) financing activities		(669,523)	4,685,724
Net decrease in cash held		(119,283)	(1,341,875)
Cash at beginning of financial year		1,949,542	3,291,417
Cash at end of financial year	24	1,830,259	1,949,542

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover North Sydney Leagues Club Limited and its controlled entity (the company). North Sydney Leagues Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

BASIS OF PREPARATION

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

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 financial statements are presented in Australian dollars, which is the company's functional currency, and have been rounded to the nearest dollar.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements were authorised for issue on 27th April 2020 by the Directors of the company.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of North Sydney Leagues Club Limited as at 31 December 2019 and the results of the subsidiary for the year then ended. North Sydney Leagues Club Limited and its subsidiary together are referred to in these financial statements as 'the company'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation.

ACCOUNTING POLICIES

ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

During the current year, the following relevant standards became mandatory and have been adopted retrospectively by the company.

The accounting policies have been updated to reflect changes in the recognition and measurement of assets, liabilities, income and expenses and the impact of adoption of these Standards is discussed below.

AASB 16: LEASES

In the current year, the company has applied AASB 16 Leases which came into effect on 1 January 2019. AASB 16 replaces AASB 117 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. It has the objective to provide users of the financial statements with a basis to assess the effect that leases have on the financial position, financial performance and cash flows of an entity and requires lessees to account for leases, excluding those that are classified as short-term leases or leases for low value assets, under a single on-balance sheet model similar to the accounting for finance leases under AASB 117.

Significant judgement and estimates are applied when assessing the full impact of AASB 16 on the company. Management review each lease, on an individual basis, and determine whether the standard's criteria for a right of use asset or lease liability are met. Additional factors, such as the lease costs and lease terms, are taken into consideration when identifying the cost base of the right-of-use assets and lease liabilities, as well as the company's presentation obligations.

In making these judgements, the company applied the practical expedient in AASB 16 Appendix paragraph C3

that enables the company to grandfather assessments made under previous assessments, such that only leases that are leases on date of transition on 1 January 2019 are required to be assessed as a lease under AASB 16.

The company has applied AASB 16 using the modified retrospective approach which allows the cumulative effect of initially applying AASB 16 to be recognised at the date of initial application and therefore, the comparative figures have not been restated. Instead, the lessee shall recognise the cumulative effect of initially applying AASB 16 as an adjustment to the opening balance of retained earnings.

The company has also applied the recognition exemptions in AASB 16 paragraph 5 that enables the company not to make any adjustments on transition for either short-term leases or leases for which the underlying asset is of low value. The company shall continue to recognise the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for doubtful debts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables is reviewed and an allowance for doubtful debts is recognised when there is objective evidence that individual receivables are not recoverable.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a weighted-average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

FINANCIAL ASSETS

Financial assets are initially recognised on the cost basis, including acquisition charges associated with the financial asset. The carrying amounts of financial assets are reviewed annually by the directors. The recoverable amounts are assessed from the quoted market value for shares in listed companies or the underlying net assets for other non listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts, unless otherwise stated.

PROPERTY, PLANT AND EQUIPMENT

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

PROPERTY

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, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

In the periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the land and building's carrying amount is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are recognised against fair value reserves directly in equity; all other decreases are recognised in profit or loss.

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.

Notes to the Financial Statements cont.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

PROPERTY, PLANT AND EQUIPMENT CONT.

PLANT AND EQUIPMENT

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying value of plant and equipment is greater than the estimated recoverable amount, the carrying value is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 statement of comprehensive income during the financial period in which they are incurred.

DEPRECIATION

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the company. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

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

Class of Fixed Asset	Depreciation Rate
Buildings & Refurbishments	2.0% - 10.0%
Plant & Equipment	5.0 - 33.0%

The useful life for each class of depreciable asset are:

Class of Fixed Asset	Useful Life
Buildings & Refurbishments	10 - 50 Years
Plant & Equipment	3 - 20 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The Directors have previously reviewed the useful life building and refurbishment assets and adjusted the depreciation rates from 2.5% to 2.0%.

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 or losses are recognised in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

LEASES

THE COMPANY AS A LESSEE

The company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In such instances, the company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements, except for short term leases, cancellable leases that if cancelled by the lessee the losses associated with the cancellation are borne by the lessor and low value leased assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

MEASUREMENT AND PRESENTATION OF LEASE LIABILITY

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

The following items are also included in the measurement of the lease liability:

- Fixed lease payments offset by any lease incentives;
- Variable lease payments, for lease liabilities which are tied to a floating index;
- The amounts expected to be payable to the lessor under residual value guarantees;
- The exercise price of purchase options (if it is reasonably certain that the option will be exercised); and
- Payments of penalties for terminating leases, if the lease term reflects the lease terminating early.

The lease liability is separately disclosed on the statement of financial position. The liabilities which will be repaid within twelve months are recognised as current and the liabilities which will be repaid in excess of twelve months are recognised as non-current.

The lease liability is subsequently measured by reducing the balance to reflect the principal lease repayments made and increasing the carrying amount by the interest on the lease liability.

The company is required to remeasure the lease liability and make an adjustment to the right of use asset in the following instances:

- The term of the lease has been modified or there has been a change in the company assessment of the purchase option being exercised, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; and
- The lease payments are adjusted due to changes in the index or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate. However, if a change in lease payments is due to a change in a floating interest rate, a revised discount rate is used.

MEASUREMENT AND PRESENTATION OF RIGHT-OF-USE ASSET

The right-of-use assets recognised by the company comprise the initial measurement of the related lease liability, any lease payments made at or before the commencement of the contract, less any lease incentives received and any direct costs. Costs incurred by the company to dismantle the asset, restore the site or restore the asset are included in the cost of the right-of-use asset.

It is subsequently measured under the cost model with any accumulated depreciation and impairment losses applied against the right-of-use asset. If the cost of the right-of-use asset reflects that the company will exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the company depreciates the asset over the shorter period of either the useful life of the asset or the lease term. The depreciation starts at the commencement date of the lease and the carrying value of the asset is adjusted to reflect the accumulated depreciation balance.

Any remeasurement of the lease liability is also applied against the right-of-use asset value.

The right-of-use assets are presented within Property, Plant and Equipment in the statement of financial position.

INTANGIBLES

POKER MACHINE ENTITLEMENTS

Poker machine entitlements are carried at cost less accumulated impairment losses. Poker machine entitlements are not amortised as they are deemed to have an indefinite useful life. Poker machine entitlements are tested for impairment annually.

OTHER INTANGIBLES

The company owns licences in certain holiday units in Fingal Bay. Licences held by the company are considered to be intangible assets with an indefinite life as there is no set term to the contractual agreement. As a result the licences are not subject to amortisation. Instead the licences are tested for impairment annually and are carried at cost less accumulated impairment losses.

Notes to the Financial Statements cont.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

TRADE AND OTHER PAYABLES

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. The carrying values are considered to be a reasonable approximation of the fair values. Trade payables are obligations on the basis of normal credit terms.

EMPLOYEE BENEFITS

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

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

REVENUE AND OTHER INCOME

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the company and specific criteria relating to the type of revenue as noted below, has been satisfied.

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

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

SALE OF GOODS

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods to members and other patrons and is recognised at the point the goods are provided as this corresponds to the transfer of significant risks and rewards of ownership of the goods.

RENDERING OF SERVICES

Revenue from rendering of services comprises revenue from gaming facilities together with other services to members and other patrons and is recognised when the services are provided.

INTEREST REVENUE

Interest revenue is recognised using the effective interest rate method.

DIVIDEND REVENUE

Dividends are recognised when the right to receive payment is established.

MEMBERSHIP SUBSCRIPTIONS

Membership subscriptions paid in advance are initially recognised as a liability. Revenue is recognised on a straight line basis over the membership period, based on the membership category for which subscriptions have been received.

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 or other expenses at the date control of the asset passes to the buyer.

OTHER INCOME

Other income is recognised on an accruals basis when the company is entitled to it.

BORROWING COSTS

All borrowing costs are recognised as an expense in the period in which they are incurred.

BUSINESS COMBINATIONS

Club amalgamations are accounted for in accordance with AASB 3 Business Combinations using the acquisition method, with transaction costs directly attributable to the amalgamation forming part of the acquisition costs.

This method involves recognising the fair values of the identifiable assets acquired and liabilities assumed. The difference between the above items represents gain on amalgamation in other comprehensive income.

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 Tax 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 are shown inclusive of GST.

INCOME TAX

The income tax expense for the year is the tax payable on the current year's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognised at the tax rates expected to apply when the assets are recovered or the liabilities are settled. Current and deferred tax is recognised as an expense in the income statement except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable profits will be available, against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation, and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

CHANGE IN ACCOUNTING POLICY

The accounting policies and methods of computation applied by the company in this financial report are the same as those applied by the company in the financial report for the year ended 31 December 2018, except for the amended policies resulting from the adoption of the new accounting standard, AASB 16: Leases, effective 1 January 2019. The company has adopted the modified retrospective method and therefore the comparative figures have not been restated. Instead, the lessee shall recognise the cumulative effect of initially applying AASB 16 as an adjustment to the opening balance of retained earnings.

COMPARATIVES

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

GOING CONCERN

The financial statements have been prepared on a going concern basis which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

In response to the Coronavirus COVID-19 pandemic, the Australian Government implemented a number of restrictions requiring all registered and licenced clubs to cease operations as of midday, Monday 23 March 2020. These restrictions are expected to have a significant impact on all licensed clubs across Australia. Given the unprecedented level of disruption, the full economic impact of these events on the company is unknown as at the date of signing the financial report.

Notes to the Financial Statements cont.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

GOING CONCERN CONT.

As at 31 December 2019, current liabilities of \$10,947,528 exceed current assets of \$3,346,492 by \$7,601,036. Despite this, for the year ended 31 December 2019, the company recorded a profit before tax of \$758,374 which had increased from a prior year loss before tax of \$559,095. Excluding extraordinary items being the unrealised loss on derivatives, the profit before tax for the year ended 31 December 2019 would have been \$1,397,501. The company recorded positive cash flows from operating activities of \$3,457,758 which reflects a continued trend in positive cash flows generated.

The ability of the company to continue as a going concern and meet its obligations as and when they fall due is contingent upon the company's ability to renegotiate debt repayment terms with its financier to defer immediate loan repayment obligations throughout the period the club premises remain closed, as well as negotiating additional credit facilities to provide short-term access to funds to cover ongoing fixed overheads and other costs arising as a result of ceasing operations and the closure of all club premises. We note that the company has obtained approval for the following measures over a six-month period commencing 15 April 2020:

1. Capitalisation of interest and pause of contracted amortisation;
2. Waiver of bank covenants;
3. Deferral of payments on equipment finance contracts.

As at the date of signing the audit report, the company continues to work with the financier for a more detailed credit submission to provide financial accomodation during the period of closure of the club premises with a final amount, tenor and terms to be agreed.

Additionally, the company is able to draw on a number of assistance measures deployed by the Australian Government and NSW State Government, which will materially improve its financial position over the above six-month period and beyond.

Based on these factors, the directors are satisfied that the going concern assumption is appropriate and have not adjusted the financial report in relation to this uncertainty. Should the company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities at amounts different from those currently stated in the financial statements.

2. REVENUE

	2019 \$	2018 \$
Operating activities		
Sale of goods and gaming revenue	51,402,604	50,311,470
Interest received	2,187	3,723
Rendering of services	5,178,669	4,976,389
Other revenue	1,908,287	2,021,941
	<u>58,491,747</u>	<u>57,313,523</u>
Non-operating activities		
Insurance recoveries	148,607	41,400
Profit / (loss) on disposal of property, plant and equipment	89,464	24,764
	<u>238,071</u>	<u>66,164</u>
Total revenue	<u>58,729,818</u>	<u>57,379,687</u>

3. PROFIT / LOSS	2019 \$	2018 \$
Expenses		
Cost of sales	7,136,611	7,296,373
Finance Costs		
Interest Paid	1,197,331	824,714
Depreciation of property, plant and equipment		
Depreciation - Buildings	1,260,022	1,157,833
Depreciation - Plant & Equipment	3,341,279	3,182,455
	<u>4,601,301</u>	<u>4,340,288</u>
Unrealised gain or loss		
Unrealised loss on derivatives	639,127	546,972
4. INCOME TAX EXPENSE		
Current income tax		
Current income tax charge	-	-
Deferred tax		
Origination and reversal of temporary differences	(22,709)	(30,316)
Income tax expense / (benefit)	(22,709)	(30,316)
Income tax expense / (benefit) reported in the statement of profit or loss and other comprehensive income	(22,709)	(30,316)
Reconciliation between income tax expense and prima facie tax on accounting profit		
Accounting profit / (loss) before income tax	758,374	(559,095)
Tax at Australia's statutory income tax rate of 30%	227,512	(167,729)
Adjust for tax effect of:		
Income attributable to members	(1,802,829)	(1,726,514)
Expenses attributable to members	1,362,455	1,313,633
Mutuality principle	251,318	225,566
Other items (net)	26,165	434,760
Current year tax loss not recognised	(64,621)	(79,716)
Income tax expense / (benefit) on taxable income	-	-
Movement in deferred tax assets (excluding OCI)	(22,709)	(30,316)
Income tax expense / (benefit)	<u>(22,709)</u>	<u>(30,316)</u>

Notes to the Financial Statements cont.

4. INCOME TAX EXPENSE CONT.	2019 \$	2018 \$
	<u> </u>	<u> </u>
Deferred tax assets		
Tax losses	182,163	193,937
Accruals	44,528	47,870
Employee entitlements	95,502	92,611
Unrealised gains	76,206	41,272
Retrospective adjustments (AASB 16)	534	-
Deferred tax assets	<u>398,933</u>	<u>375,690</u>
Deferred tax liabilities		
Revaluations of property, plant and equipment	199,882	1,109,491
Deferred tax liabilities	<u>199,882</u>	<u>1,109,491</u>
5. CASH AND CASH EQUIVALENTS		
Current		
Cash on Hand & Cash at Bank	1,779,424	2,013,449
Bank Overdraft	50,835	-
	<u>1,830,259</u>	<u>2,013,449</u>
6. TRADE AND OTHER RECEIVABLES		
Current		
Trade Debtors	186,233	284,263
Other Debtors	27,861	109,454
	<u>214,094</u>	<u>393,717</u>
Non-Current		
Loan - Tweed Heads Seagulls RLFC	<u>50,000</u>	<u>60,000</u>
7. INVENTORIES		
Current		
At cost:		
Stock on Hand - Bar	402,365	452,964
Stock on Hand - Other	162,656	131,278
	<u>565,021</u>	<u>584,242</u>
8. OTHER ASSETS		
Current		
Prepayments	<u>737,118</u>	<u>523,870</u>

9. OTHER FINANCIAL ASSETS	2019 \$	2087 \$
Non-Current		
Shares in Unlisted Companies	42,923	112,500
10. PROPERTY, PLANT AND EQUIPMENT		
LAND AND BUILDINGS		
Land and Buildings at:		
Independent valuation	90,532,719	85,806,724
Refurbishments and Improvements at cost	-	7,686,640
Accumulated depreciation	-	(2,303,127)
Total Land and Buildings	90,532,719	91,190,237
PLANT AND EQUIPMENT		
Plant and Equipment:		
At cost	38,305,732	36,600,830
Accumulated depreciation	(25,489,577)	(22,742,012)
	12,816,155	13,858,818
Capital Work in Progress	1,196,060	619,800
	1,196,060	619,800
Total Plant and Equipment	14,012,215	14,478,618
Total Property, Plant and Equipment	104,544,934	105,668,855

Refer to Note 13 for details of security over property, plant and equipment.

VALUATION

The freehold land and buildings were independently valued as at 31 December 2019 by registered valuers, CBRE, using a combination of valuation methods. The valuation resulted in a combined value of land and buildings of \$90,532,719 at 31 December 2019, reflecting a revaluation increment of \$143,862. The tax effect of the revaluation of land and buildings gave rise to a \$909,609 reversal of a previously recognised deferred tax liability. The combined impact of these two adjustments resulted in a total increase in the asset revaluation reserve of \$1,059,228.

MOVEMENTS IN CARRYING AMOUNTS

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

Notes to the Financial Statements cont.

10. PROPERTY, PLANT AND EQUIPMENT CONT.

	Land & Buildings \$	Plant & Equipment \$	Capital Work in Progress \$	Total \$
Balance at 1 January 2018	84,666,204	12,926,106	1,103,134	98,695,444
Additions	6,808,293	4,155,287	418,839	11,382,419
Disposals	-	(68,720)	-	(68,720)
Depreciation expense	(1,157,833)	(3,182,455)	-	4,340,288)
Transfers	873,573	28,600	(902,173)	-
Balance as at 31 December 2018	91,190,237	13,858,818	619,800	105,668,855
Additions	105,494	1,718,849	1,189,430	3,013,773
Disposals	-	(16,791)	-	(16,791)
Capitalised operating leases	-	410,623	-	410,623
Retrospective adjustments	-	(79,843)	-	(79,843)
Revaluation increments/(decrements)	149,618	-	-	149,618
Depreciation expense	(1,260,022)	(3,341,279)	-	(4,601,301)
Transfers	347,392	265,778	(613,170)	-
Carrying amount at 31 December 2019	90,532,719	12,816,155	1,196,060	104,544,934

11. INTANGIBLE ASSETS

	2019 \$	2018 \$
Poker Machine Entitlements	501,600	501,600
Licences	171,636	171,636
	673,236	673,236

Poker Machine Entitlements

The amount represents the fair value of poker machine entitlements acquired through amalgamation with Lane Cove Club at the date of amalgamation. Poker machine entitlements are carried at cost (being the fair value at the date of amalgamation) less accumulated impairment losses. Poker machine entitlements are not amortised as they are deemed to have an indefinite useful life. Poker machine entitlements are tested for impairment annually.

Licences

The amount represents the costs incurred in acquiring licences at certain holiday units in Fingal Bay. Licences held by the company are considered to be intangible assets with an indefinite life as there is no set term to the contractual agreement. As a result the licences are not subject to amortisation. Instead the licences are tested for impairment annually and are carried at cost less accumulated impairment losses.

12. TRADE AND OTHER PAYABLES	2019 \$	2018 \$
Current		
Trade Creditors	2,710,447	5,065,204
Other Creditors	2,398,203	2,548,050
	<u>5,108,650</u>	<u>7,613,254</u>
Non-Current		
Other Creditors	430,865	324,547

13. BORROWINGS

Current		
Bank Overdraft	-	63,907
Commercial Loan Facility	1,800,000	1,600,000
Other Secured Loans	1,359,273	1,308,697
Finance Lease Liability	90,276	80,547
Derivatives - Interest Rate Swaps	248,788	95,200
	<u>3,498,337</u>	<u>3,148,351</u>
Non-Current		
Commercial Loan Facility	19,200,000	18,896,691
Other Secured Loans	1,162,957	1,974,818
Finance Lease Liability	66,163	156,439
Derivatives - Interest Rate Swaps	1,145,398	659,859
	<u>21,574,518</u>	<u>21,687,807</u>

Security

The security for the commercial bill facility is:

Registered first mortgage over:

- 12 Abbott Street, Cammeray known as North Sydney Leagues Club
- 50 Ridge Street, North Sydney known as The Greens North Sydney
- Gollan Drive, Tweed Heads West known as Seagulls Club
- 1 Birdwood Avenue, Lane Cove known as The Alcott Lane Cove
- First Registered Company Charge Number 1190698
(Mortgage Debenture) over all the assets and undertakings of the club.

14. LEASE LIABILITIES

Current		
Lease Liability	138,645	-
	<u>138,645</u>	<u>-</u>
Non-Current		
Lease Liability	58,848	-
	<u>58,848</u>	<u>-</u>

Notes to the Financial Statements cont.

15. PROVISIONS	2019 \$	2018 \$
Current		
Provision for Annual Leave	1,111,242	1,121,539
Provision for Long Service Leave	543,244	504,499
	1,654,486	1,626,038
Non-Current		
Provision for Long Service Leave	92,716	68,279
16. OTHER LIABILITIES		
Current		
Income In Advance	218,845	523,233
Subscriptions In Advance	328,565	323,660
	547,410	846,893
Non Current		
Income in Advance	-	71,445
Subscriptions In Advance	259,332	255,691
	327,136	327,136
17. RESERVES		
Asset Revaluation Reserve		
Opening Balance for the year	49,482,349	49,482,349
Revaluation increment (decrement)	1,059,228	-
	50,541,577	49,482,349
Capital Redemption Reserve		
Opening Balance for the year	163,132	163,132
Amalgamation Reserve		
Opening Balance for the year	6,506,902	6,506,902
	57,211,611	56,152,383
18. RETAINED EARNINGS		
Retained earnings at the beginning of the financial year	17,501,380	18,030,159
(Net loss) Net profit attributable to members of the company	781,083	(528,779)
Retrospective Adjustments	(1,245)	-
Retained earnings at the end of the financial year	18,281,218	17,501,380

19. CAPITAL AND LEASING COMMITMENTS

	2019 \$	2018 \$
Finance Lease Commitments		
Payable:		
Not later than one year	1,568,070	1,565,836
Later than one year but not later than two years	1,005,886	1,162,475
Later than two years but not later than five years	271,830	1,109,843
Minimum lease payments	2,845,786	3,838,154
Less future finance charges	(167,117)	(317,653)
Total finance lease & hire purchase liability	2,678,669	3,520,501
Operating Lease Commitments		
Payable:		
Not later than one year	142,163	142,163
Later than one year but not later than two years	59,234	142,163
Later than two years but not later than five years	-	59,234
Minimum lease payments	201,397	343,560
Less future finance charges	(3,904)	(11,002)
Total operating lease liability	197,493	332,558
Capital Expenditure Commitments		
Contracted for:		
Capital expenditure projects	281,049	-
Intangible asset purchases	47,000	-

Capital expenditure commitments relating to signed contracts for gaming area refurbishment at Norths and for remaining services associated with CRM system implementation.

20. CONTINGENT LIABILITIES

The directors are of the opinion that there are no contingent liabilities.

21. EVENTS AFTER THE REPORTING PERIOD

CORONAVIRUS IMPACT

In response to the Coronavirus COVID-19 pandemic, the Australian Government implemented a number of restrictions requiring all registered and licenced clubs to cease operations as of midday, Monday 23 March 2020. These restrictions are expected to have a significant impact on all licensed clubs across Australia. With the health, safety and wellbeing of members, guests and the wider community being paramount through this evolving situation, the company is undertaking a number of measures to ensure the safety of all individuals and the sustainability of the company through these uncertain times. Given the unprecedented level of disruption, the full economic impact of these events on the company is unknown as at the date of signing the financial report.

Notes to the Financial Statements cont.

22. RELATED PARTY TRANSACTIONS

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.

23. KEY MANAGEMENT PERSONNEL

2019
\$

2018
\$

Directors

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

Mark Holman	President
Tony Salier	Director
Warren Morris	Director
Fred Thompson	Director
Terence Keen	Director
Perry Lopez	Director
Wayne G Bennett	Director
Bob Anthony	Director
Justin Owen	Director

Other Key Management Personnel

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

Luke Simmons	Chief Executive Officer
Sandeep Singh	Group Financial Controller
Robert Wong	Group Gaming Manager
Carly Busseler	Group Risk Officer, Group Health & Fitness Manager
Glenn Ward	General Manager Norths
Stuart Burrows	General Manager Seagulls
Anthony Williams	General Manager Greens
Ty Younger	General Manager Alcott

Key Management Personnel Remuneration

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

Key management personnel compensation	1,845,791	1,869,119
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24. CASH FLOW INFORMATION

	2019 \$	2018 \$
a) Reconciliation of Cash		
Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash on Hand & Cash at Bank	1,779,424	2,013,449
Bank Overdraft	50,835	(63,907)
	<u>1,830,259</u>	<u>1,949,542</u>
b) Reconciliation of net cash provided by operating activities to profit after income tax		
Operating profit (loss) after income tax adjustments:	781,083	(528,779)
Adjustments:		
(Profit) / Loss on sale of non-current assets	(89,464)	(24,764)
Depreciation	4,601,301	4,340,288
Unrealised gain on derivatives	639,127	546,972
Financing flows in operating profits	195,936	144,137
Investing flows receivable	69,577	-
Retrospective adjustment of deferred tax assets	534	-
(Increase) Decrease in inventories	19,221	(56,346)
(Increase) Decrease in receivables	189,623	(226,947)
(Increase) Decrease in prepayments	(213,250)	(148,329)
(Increase) Decrease in deferred tax assets	(23,243)	(30,316)
Increase (Decrease) in trade and other creditors	(2,398,286)	645,993
Increase (Decrease) in provisions	52,886	45,280
Increase (Decrease) in other liabilities	(367,287)	554,148
	<u>3,457,758</u>	<u>5,261,337</u>

25. CONTROLLED ENTITIES

Parent Entity

North Sydney Leagues Club Limited

Controlled Entity	Country of Establishment	Percentage Owned (%)*	Percentage Owned (%)*
NSG Pty Ltd	Australia	100	100

* Percentage of voting power in proportion to ownership

Notes to the Financial Statements cont.

26. PARENT ENTITY INFORMATION

	2019 \$	2018 \$
The individual financial statements for the parent entity show the following aggregate amounts:		
Statement of Financial Position		
Current assets	3,346,492	3,515,278
Non-current assets	105,710,026	106,890,281
Total assets	109,056,518	110,405,559
Current liabilities	10,947,528	13,234,536
Non-current liabilities	22,616,161	23,517,260
Total liabilities	33,563,689	36,751,796
Members' equity	75,492,829	73,653,763
Total members' equity	75,492,829	73,653,763
Profit (Loss) for the year	781,083	(528,779)
Other comprehensive income	1,059,228	-
Total comprehensive income (loss)	1,840,311	(528,779)

27. COMPANY DETAILS

The registered office of the company is:
12 Abbott Street, Cammeray, NSW 2062

The principal place of business is:
12 Abbott Street, Cammeray, NSW 2062

The principal activities of the company are that of a Registered Club.

28. DISCLOSURE REQUIREMENTS UNDER SECTION 41E OF THE REGISTERED CLUBS ACT

Core and Non-core Property

Section 41E of the Act defines core property as meaning any real property owned or occupied by a registered club that comprises:

- (a) the defined premises of the club; or
- (b) any facility provided by the club for use of its members and their guests; or
- (c) any other property declared, by resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, to be core property of the club.

Non-core property is defined as meaning any real property owned or occupied by the club that is not core property.

Core property of the company consists of the following premises:

- North Sydney Leagues Club at 12 Abbott Street, Cammeray, NSW 2062
- The Greens North Sydney at 50 Ridge Street, North Sydney, NSW 2060
- The Alcott Lane Cove at 1 Birdwood Avenue, Lane Cove, NSW 2066
- Sections of Seagulls Club at Gollan Drive, Tweed Heads West, NSW 2486

The remaining sections of Seagulls Club as voted by members by ordinary resolution at the Annual General Meetings on 25th May 2009 and 14th May 2012 are considered non-core property.

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 58-74, are in accordance with the Corporations Act 2001:
 - (a) giving a true and fair view of the company's financial position as at 31 December 2019 and of its performance as represented by the results of its operations and its cash flows for the year ended on that date; and
 - (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001; and.
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.

Director: 
Mark Holman

Director: 
Tony Salier

Dated this 22nd day of April 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NORTH SYDNEY LEAGUES CLUB LIMITED

AUDITOR'S OPINION

We have audited the accompanying financial report of North Sydney Leagues Club Limited and its controlled entity (the company), which comprises the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of the company's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

BASIS FOR AUDITOR'S OPINION

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

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

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 1 of the financial report under the heading Going Concern, which indicates that for the year ended 31 December 2019 the company's current liabilities exceeded its current assets by \$7,601,036 and that the company's operations have now ceased due to Government restrictions in response to the Coronavirus COVID-19 pandemic. As stated in Note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NORTH SYDNEY LEAGUES CLUB LIMITED

OTHER INFORMATION

The directors of the company are responsible for the other information. The other information comprises the information included in the directors' 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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and Australian Accounting Standards - Reduced Disclosure Requirements and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial report based on our audit. 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH SYDNEY LEAGUES CLUB LIMITED

AUDITOR'S RESPONSIBILITY CONT.

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

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

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors.

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

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

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

Maher Partners Assurance Pty Limited

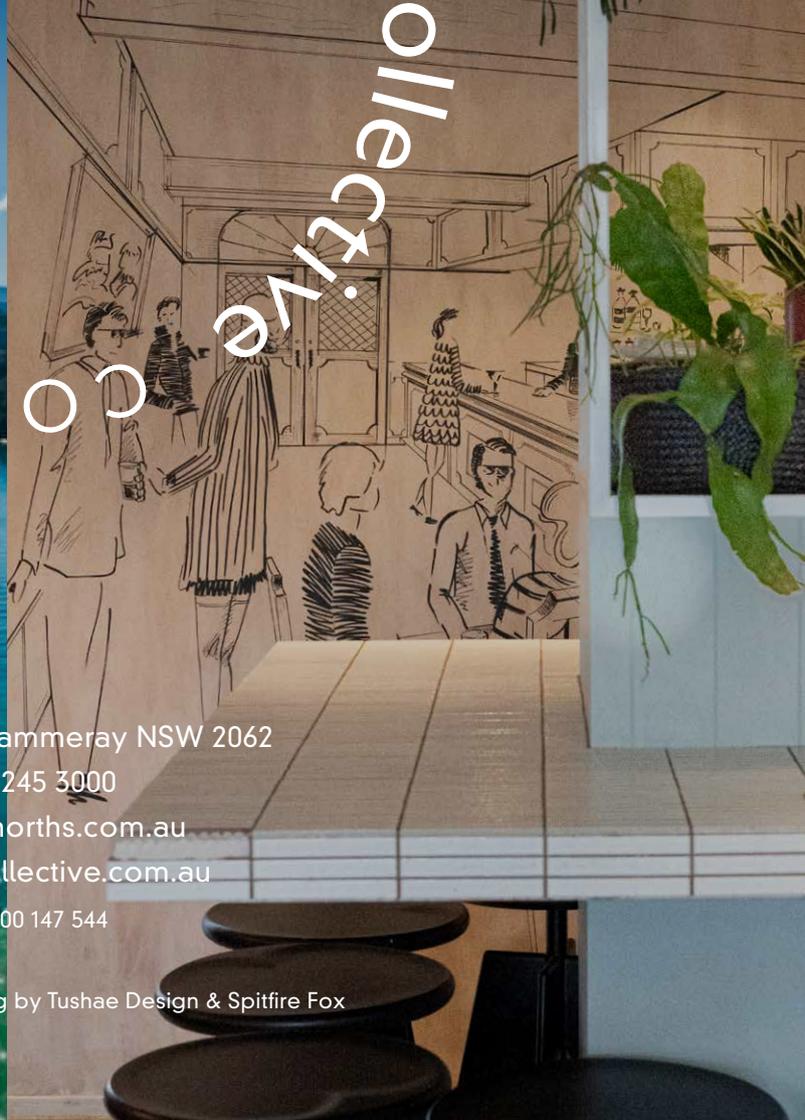


Jason Maher

Taren Point

Dated this 27th day of April 2020

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OUR COMMUNITY
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