Illawarra Catholic Club Limited

ABN 68 000 361 660

Annual Report

30 June 2022

Contents

Directors' report

For the year ended 30 June 2022

The directors present their report together with the consolidated financial statements of the Group comprising Illawarra Catholic Club Limited ("the Company"), and its subsidiaries for the financial year ended 30 June 2022 and the auditor's report thereon.

1 Directors

The directors of the Company at any time during or since the end of the financial year are:

Name, qualifications	Experience	Special responsibility
CLONEY, Brian Anthony	Director since July 2005. Company Director, Brian Cloney Consulting Corporate General Manager and Management Consulting background. Business mentor Speaker and Trainer across many industries and associations. Board Advisor and Mentor to Beyond the Badge charity working with First Responders. Member of the Company since 1997. Appointed Vice President on 19 November 2009, and President on 26 May 2016. Life member of the Company.	President
STARKS, Margaret Anna	Director since 2018. Member of the Company since 2008. Employed in the Finance/Insurance industry for 40 years. Life member of Kingsgrove Cricket Club. Elected Vice President in November 2019.	Vice President
ROBERTS, Brian Thomas	Director since July 2005. Former School Principal and Former Regional Director of EREA - Eastern Region and member of the EREA National Leadership Team. Member of the Company since 1981. Member of the Company's Finance Committee since July 2005. Vice President from May 2016 - November 2019. Life member of the Company.	Director
COOGAN, Sandra Mary	Director since November 2007. Member of the Company's Membership Committee. Worked in the travel industry for over 40 years. Heavily involved in the local Irish and Catholic Communities. Honorary Vice President of the St. George District Cricket Club. Member of the Company since 1970. Life member of the Company. Resigned 21 December 2021.	Director
GREENE, Kevin Patrick	Director since 2016, Member of the Company's Finance Committee and Audit & Risk Committee. Director from 1989 to 2007, Vice President and Chair of Finance 1991 - 2005, President 2005 - 2007. Member of the Company since 1976. Former Teacher and School Principal, Member of Parliament 1999 - 2011 and Cabinet Minister 2007 - 2011. Cricket NSW, President and Life Member St George DCC, Patron and Life Member ICC Cricket Club and St George DCA, Life Member ATC. Former Mayor Georges River Council 2017-2021. Councillor 2017 to present. Life Member of the Company.	Director

1 Directors (continued)

Name, qualifications	Experience	Special responsibility
STANTON, Phillip John	Employed in the Finance Industry for over 40 years. Association with the Company's Cricket Club since commencement in 1968. Member of the Company since 1977 and Director since November 2008. Chairman of the Company's Finance Committee since February 2018. Member of the Company's Audit & Risk Committee. Life member of the Company	Director
SIMPSON, Steven John	Director since November 2003. Professional background in engineering. Mayor Sutherland Shire Council 2013 - 2014, 2020-2021. Deputy Mayor 1995/96, 2004/05. Councillor since 1995 to 2021. Previous employment: National Safety Manager Blue Scope Steel. Previous Director of the Southern Sydney Waste Board 1996 to 1999. Member of the Company since 1997. Life member of the Company.	Director
SAUNDERS, John Joseph	Director since January 2022. Employed in the insurance industry for over 30 years. Chief Executive Officer of Warren Saunders Insurance Brokers, he was named National Insurance Brokers Association Qualified Practising Insurance Broker of the Year in 2003 and Warren Saunders was named medium broker of the year in the Australian and New Zealand Institute of insurance and Finance Awards for 2019 and 2021. Active in the community, particularly supporting Calvary Hospital and Morris Children's Fund. Member of the company since 2009.	Director

2 Directors' meetings

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Regular Board Meetings	Audit Committee Meetings	Finance Committee Meetings
	A/B	**A/B**	**A/B**
B A Cloney	12/12	3/3	12/12
S M Coogan (resigned Dec 2021)	6/6	-	6/6
K P Greene	12/12	3/3	12/12
B T Roberts	11/12	-	11/12
S J Simpson	11/12	-	11/12
P J Stanton	12/12	3/3	12/12
M A Starks	12/12	-	12/12
J J Saunders (appointed Jan 2022)	6/6	-	6/6

A – Number of meetings attended
B – Number of meetings held during the time the director held office during the year

All directors are welcome to attend Finance Committee meetings and quite often do so, even though they may not be assigned to that Committee - non attendance denoted by (-).

3 Principal activities, objectives and strategies

The principal activities of the Group during the course of the financial year were the conduct and promotion of a licensed social club for members.

There were no significant changes in the nature of the activities of the Group during the year, except forced closure of registered clubs in NSW on 26 June 2022 by order of the Federal Government due to COVID-19. The Company also opened Travelodge and purchased two hotels.

The Group's short term objective is to protect and guard the catchment areas in which the Group is established, in terms of its core business, giving consideration to amalgamations, while updating and upgrading the Group's facilities to maintain and grow membership and to increase commercial property holdings where viable, as an alternate means of revenue. The Group’s long term objective is to provide first class social facilities and amenities for the benefit of members and their guests primarily within the St George and Menai districts.

In order to ensure long term objectives are met, the Group will continue to evaluate and action its medium and long term investment and diversification strategies together with continually aligning member facilities with its identified communities.

Following a period of strong growth the Group’s short term objectives include consolidating and refining operations at Hurstville and Menai, identifying new opportunities for existing assets and further improvements to the Group’s donations policies.

4 Review of performance

The loss after tax of the Group for the year ended 30 June 2022 was $6,977,736 (2021: profit after tax $12,335,677), after accounting for an impairment charge of $2,689,000 (2021: nil), and after charging $7,680,000 (2021: $5,064,701) for depreciation and an income tax benefit of $1,621,615 (2021: income tax expense of $1,578,176) .

The Group's performance is constantly measured against internally set KPI’s in core business activities being beverage, gaming and commercial rental portfolio.

Additionally, industry benchmarks are used when setting internal KPI’s as well as monitoring industry trends.

5 Membership

The Company is incorporated and domiciled in Australia as a public Company limited by guarantee. In accordance with the Constitution of the Company, every member of the Company undertakes to contribute an amount limited to $10 per member in the event of the winding up of the Company during the time that he or she is a member or within one year thereafter. The number of members as at 30 June 2022 and the comparison with the prior year is as follows:

Number of members	**2022**	**2021**
General	2,297	2,305
Social	45,169	49,171
Life	17	17
Honorary	81	83
Perpetual	1,368	1,272
	48,932	52,848

As at 30 June 2022, the total amount that members of the Company are liable to contribute if the Company is wound up is $489,320 (2021: $528,480).

Directors' report

For the year ended 30 June 2022

6 Events subsequent to reporting date

Other than the impact of Covid-19 as disclosed below, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

7 Impact of COVID 19

The coronavirus Covid-19 has had an impact on the Company's operations and activities during the year, however is not expected to materially affect the operations of the Company. On 26 June 2021, the State Government of NSW announced mandatory lockdown orders with all Registered Clubs closing from 6pm Saturday 26 June 2021. The Registered clubs were able to re-open from 11 October 2021. The Company was eligible for and received the JobSaver subsidy during the period of closure. Based on the current available information, the Directors believe that the Company will remain a going concern.

8 Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 6 and forms part of the directors' report for the financial year ended 30 June 2022.

This report is made in accordance with a resolution of the directors:

M A Starks
Vice President

P J Stanton
Director

Dated at Hurstville this 21st of September 2022.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Illawarra Catholic Club

I declare that, to the best of my knowledge and belief, in relation to the audit of Illawarra Catholic Club for the financial year ended 30 June 2022 there have been:

i. no contraventions of the auditor independence requirements as set out in 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.

KPMG

KPMG

Richard Drinnan

Partner

Wollongong

21 September 2022

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

In AUD	***Note***	**2022**	**2021**
Revenue	*4*	35,370,542	41,935,030
Other Income	*5*	1,386,823	1,237,500
Changes in inventories of finished goods		(121,119)	54,275
Raw materials and consumables used		(934,880)	(930,383)
Donations		(691,979)	(751,845)
Directors' expenses		(98,193)	(93,536)
Hotel management fee		(451,756)	-
Personnel expenses	*6*	(12,342,147)	(9,857,960)
Entertainment, marketing and promotional expenses		(1,757,963)	(2,278,959)
Legal and consultancy fees		(151,853)	(98,109)
Poker machine compliance costs		(6,528,250)	(8,760,474)
Property expenses		(4,801,718)	(3,725,816)
Net (loss) / gain on disposal of property, plant and equipment		(1,000,815)	61,241
Other expenses		(3,012,711)	(1,718,289)
Profit before depreciation, impairment and finance income		4,863,981	15,072,675
Depreciation	*14 & 16*	(7,680,000)	(5,064,701)
Impairment expense	*16*	(2,689,000)	-
Results from operating activities		(5,505,019)	10,007,974
Finance income		1,273,123	4,069,914
Finance costs		(4,367,455)	(164,035)
Net finance income	*7*	(3,094,332)	3,905,879
(Loss)/profit before income tax		(8,599,351)	13,913,853
Income tax benefit/(expense)	*8*	1,621,615	(1,578,176)
(Loss)/ profit for the year		(6,977,736)	12,335,677
Other comprehensive income		-	-
Total comprehensive income for the year		(6,977,736)	12,335,677

The notes on pages 11 to 30 are an integral part of these financial statements.

Consolidated statement of financial position

As at 30 June 2022

In AUD	***Note***	**2022**	**2021**
Assets			
Cash and cash equivalents	*9*	5,203,903	2,945,184
Trade and other receivables	*10*	1,987,685	199,457
Current tax receivable		500,594	-
Inventories	*11*	252,138	131,019
Other financial assets	*13*	28,246,564	33,115,414
Prepayments		570,575	1,018,526
Total current assets		36,761,459	37,409,600
Investment property	*14*	17,112,118	27,352,586
Deferred tax assets	*15*	588,450	102,580
Property, plant and equipment	*16*	176,631,984	136,771,837
Right of use asset	*22*	1,663,873	-
Intangible assets	*17*	7,842,043	7,842,043
Total non-current assets		203,838,468	172,069,046
Total assets		240,599,927	209,478,646
Liabilities			
Trade and other payables	*18*	4,332,152	3,142,235
Employee benefits	*19*	1,869,183	1,454,009
Provisions	*20*	433,562	418,834
Income received in advance		252,309	479,029
Current tax liability		-	797,205
Loans and borrowings	*21*	999,996	1,999,996
Finance Lease liability	*22*	546,690	-
Total current liabilities		8,433,892	8,291,308
Employee benefits	*19*	226,841	268,925
Income received in advance		174,628	158,637
Loans and borrowings	*21*	38,655,010	1,500,006
Finance Lease liability	*22*	827,522	-
Total non-current liabilities		39,884,001	1,927,568
Total liabilities		48,317,893	10,218,876
Net assets		192,282,034	199,259,770
Members' funds			
General funds		192,282,034	199,259,770
Total members' funds		192,282,034	199,259,770

The notes on pages 11 to 30 are an integral part of these financial statements.

Consolidated statement of changes in members' funds

For the year ended 30 June 2022

In AUD	**General funds**	**Total members' funds**
Balance at 1 July 2020	186,924,093	186,924,093
Total comprehensive income for the year		
Profit for the year	12,335,677	12,335,677
Other comprehensive income	-	-
Total comprehensive income for the year	12,335,677	12,335,677
Balance at 30 June 2021	199,259,770	199,259,770
Balance at 1 July 2021	199,259,770	199,259,770
Total comprehensive income for the year		
Loss for the year	(6,977,736)	(6,977,736)
Other comprehensive income	-	-
Total comprehensive income for the year	(6,977,736)	(6,977,736)
Balance at 30 June 2022	192,282,034	192,282,034

The notes on pages 11 to 30 are an integral part of these financial statements.

Consolidated statement of cash flows

For the year ended 30 June 2022

In AUD	***Note***	**2022**	**2021**
Cash flows from operating activities			
Cash receipts from customers		38,295,462	46,547,045
Cash paid to suppliers and employees		(31,981,932)	(33,957,098)
Cash generated from operating activities		6,313,530	12,589,947
Finance costs paid		(242,590)	(164,035)
Income tax paid		(162,054)	(466,394)
Net cash from operating activities		5,908,886	11,959,518
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		75,830	65,680
Proceeds from sale of investment properties		9,000,000	-
(Acquisition of) property, plant and equipment		(51,069,545)	(36,206,156)
Proceeds from other investments		1,454,481	23,180,438
(Acquisition of) investment property		-	(5,935,485)
Dividend income		732,540	-
Interest received		1,523	73,663
Net cash from investing activities		(39,805,171)	(18,821,860)
Cash flows from financing activities			
Proceeds from borrowings		36,155,004	3,500,002
Net cash from financing activities		36,155,004	3,500,002
Net increase / (decrease) in cash and cash equivalents		2,258,719	(3,362,340)
Cash and cash equivalents at beginning of year		2,945,184	6,307,524
Cash and cash equivalents at end of year	*9*	5,203,903	2,945,184

The notes on pages 11 to 30 are an integral part of these financial statements.

1 Reporting entity

These consolidated financial statements comprise Illawarra Catholic Club Limited (the "Company") and its subsidiaries (together referred to as the "Group"). The Group is a not-for-profit entity and domiciled in Australia as a public company limited by guarantee. The address of the Group's registered office is 2 Crofts Avenue, Hurstville, NSW 2220. The financial statements are as at and for the year ended 30 June 2022.

The Group is primarily involved in the conduct and promotion of a licensed social club for members.

2 Basis of preparation

(a) Statement of compliance

These consolidated financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards Simplified Disclosures. In the prior year the consolidated financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows of the Group as a result of the change in the basis of preparation.

The financial statements were authorised for issue by the Board of Directors on 21 September 2022.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial assets measured at fair value through profit or loss.

(c) Functional and presentation currency

The financial statements of the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). These financial statements are presented in Australian Dollars, which is the Group's functional currency, rounded to the nearest dollar.

(d) Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial report or estimates with a significant risk of material adjustment in the next year.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- Note 17 - measurement of the recoverable amounts of intangible assets

3 Significant accounting policies

(a) Financial Instruments

(i) *Recognition and derecognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of a financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(ii) *Classification and measurement of financial assets*

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

(iii) *Subsequent measurement of financial assets*

For the purposes of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through profit or loss (FVTPL);
- Debt instruments at fair value through other comprehensive income (FVTOCI); and
- Equity instruments at FVTOCI

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

(a) Financial assets at amortised cost

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Group's receivables fall into this category of financial instruments.

Receivables comprise cash and cash equivalents, term deposits and trade and other receivables.

(b) Financial assets at fair value through profit or loss (FVTPL)

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

(c) Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in OCI. On derecognition, gains and losses accumulated are reclassified to profit or loss.

(d) Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery part of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3 Significant accounting policies (continued)

(a) Financial Instruments (continued)

(iv) *Impairment of financial assets*

In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Group has the following types of financial assets that are subject to AASB 9's expected credit loss model:
• Trade and other receivables

Trade and other receivables do not contain a significant financing element and therefore expected credit losses are measured using the simplified approach permitted by AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, there has been no identification of any impairment loss.

Trade and other receivables and contract assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indicators that a debtor or issuer will enter bankruptcy.

As most of these instruments have a high credit rating, the likelihood of default is deemed to be small. However, at each reporting date the Group assesses whether there has been a significant increase in the credit risk of the instrument. In assessing these risks, the Group relies on readily available information such as the credit ratings issued by the major credit rating agencies for the respective asset. The Group only holds simple financial instruments for which specific credit ratings are usually available. In the unlikely event that there is no or only little information on factors influencing the ratings of the asset available, the Group would aggregate similar instruments into a portfolio to assess on this basis whether there has been a significant increase in credit risk. In addition, the Group considers other indicators such as adverse changes in business, economic or financial conditions that could affect the borrower's ability to meet its debt obligation or unexpected changes in the borrowers operating results. Should any of these indicators imply a significant increase in the instrument's credit risk, the Group recognises for this instrument or class of instruments the lifetime expected credit losses.

(v) *Non-derivative financial liabilities*

Financial liabilities are recognised initially on the date that the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classified non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise interest bearing loans and borrowings and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3 Significant accounting policies (continued)

(b) *Business combinations*

(i) The Group accounts for business combinations using the acquisition method when control is transferred to the Group, unless it is a combination involving entities or businesses under common control. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

(ii) *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

3 Significant accounting policies (continued)

(c) Property, plant and equipment (continued)

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated.

The depreciation rates for the current and comparative years are as follows:

• freehold buildings	2.5% - 10%
• plant and equipment	10% - 40%

Depreciation methods, depreciation rates and residual values are reviewed at each reporting date and adjusted if appropriate.

(d) Intangible assets

Other intangible assets

Poker machine entitlements

Poker machine entitlements that are acquired by the Group, which have indefinite useful lives, are measured at cost less accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Poker machine entitlements have indefinite useful lives as they have no expiry date. Accordingly, such intangible assets are not amortised but are systematically tested for impairment at each reporting date.

(e) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised on a straight-line basis over the estimated useful lives of each component of investment property.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. Subsequent cost is recognised in the carrying amount of the investment property.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3 Significant accounting policies (continued)

(g) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(h) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Link jackpots

The provision for gaming links relates mainly to the amounts payable in the event of players winning the jackpot on the poker machine as at 30 June 2022. The provision is based on the jackpot output on poker machines.

(i) Revenue

(i) Goods sold and services rendered

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage, accommodation revenue and other goods. Sales revenue is recognised when the control of goods passes to the customer which is at the time that the goods are physically transferred. Revenue from services rendered comprises revenue from gaming facilities together with other services to members and patrons of the Group. It is measured at the fair value of the consideration received or receivable and is recognised in profit or loss as the services are provided.

(ii) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

3 Significant accounting policies (continued)

(i) Revenue (continued)

(iii) *Government grants*

The government's JobSaver Payment scheme was able to support businesses affected by the COVID-19 pandemic and help maintain employee headcount. This payment scheme was available to eligible business who received payments , equivalent to 40% of their weekly NSW payroll up to a maximum payment of $100,000 per fortnight. The JobSaver Payment scheme is accounted for in line with AASB 1058 Income of Not-for-Profit entities.

(j) Finance income and finance costs

Finance income comprises interest income on funds invested, dividend income, net gain or loss on financial assets, and foreign currency gains or losses. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Finance costs comprise interest expense on borrowings and bank charges. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(k) Income tax

The parent (Illawarra Catholic Club) is the head entity in a tax consolidated group. The implemented date of the tax consolidated group was 1 July 2021. The company recognises that, as the head company, it is responsible for the payment of the group's income tax liabilities. Under its arrangements with its subsidiaries, the company will pay any income tax liability incurred by the subsidiaries to the extent that it relates to the business operations of the subsidiaries.

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Income Tax Assessment Act 1997 (amended) provides that under the concept of mutuality, the Company is only liable for income tax on income derived from non-members and from outside entities.

3 Significant accounting policies (continued)

(l) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

For contracts entered into before, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:
- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:

- the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
- the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
- facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

3 Significant accounting policies (continued)

(l) Leases (continued)

(i) As a Lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and plus any initial direct costs incurred.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the 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 using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise an extension option,

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment and lease liabilities in 'loans and borrowings' in the statement of financial position.

(ii) As a Lessor

When the Group acts as a lessor, it determines as lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies AASB 15 to allocate the consideration in the contract. The Group recognises lease payments received under an operating lease as income on a straight-line basis over the lease term as part of 'rental income'.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of office equipment that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4 Revenue

In AUD	**2022**	**2021**
Sale of goods - beverage and snacks	2,765,876	2,728,284
Rendering of services	26,589,855	35,754,216
Accommodation revenue	2,032,338	-
Investment property rentals	3,982,473	3,452,530
	35,370,542	41,935,030
Timing of revenue recognition		
Transferred at a point in time	29,252,911	38,379,680
Transferred over time	6,117,631	3,555,350
Total revenue from contracts with customers	35,370,542	41,935,030

5 Other Income

In AUD	**2022**	**2021**
Government Grants	855,436	1,237,500
Other income	531,387	-
	1,386,823	1,237,500

6 Personnel expenses

In AUD	**2022**	**2021**
Wages and salaries	9,253,007	7,518,524
Contributions to defined contribution plans	976,044	764,728
Payroll tax	475,410	377,757
Workers compensation insurance	108,493	110,846
Other employment expenses	1,529,193	1,086,105
	12,342,147	9,857,960

7 Finance income and finance costs

In AUD	**2022**	**2021**
Interest income from term deposits	1,523	73,663
Realised gain from financial assets	312,258	284,218
Unrealised (loss)/gain from financial assets at FVTPL	(3,861,342)	2,734,531
Interest expense on loans	(228,631)	-
Interest expense on finance leases	(13,959)	-
Interest expense on managed funds	(95,517)	-
Interest income on managed funds	-	36,347
Dividend income	732,540	678,364
Bond income	226,802	295,548
Foreign exchange (loss)	(12,155)	(16,572)
Management fees	(155,851)	(180,221)
Net finance (expense)/ income	(3,094,332)	3,905,879

8 Income tax expense

In AUD	**2022**	**2021**
Current tax benefits/ (expense)		
Current year	547,395	(1,501,515)
Adjustment for prior year over/(under) provision	978,034	18,683
	1,525,429	(1,482,832)
Deferred tax benefit/(expense)		
Change in temporary differences	152,270	(95,343)
	152,270	(95,343)
Total income tax benefit/(expense)	1,677,699	(1,578,176)

Numerical reconciliation between tax expense and pre-tax accounting profit

In AUD	**2022**	**2021**
Proportion of income attributable to non-members	7,113,548	5,975,539
Less: Proportion of expenses attributable to non-members	(6,776,737)	(4,478,989)
	336,811	1,496,550
Add: Other taxable income	7,483,207	8,781,159
	7,820,018	10,277,709
Less: Other deductible	(10,009,598)	(4,502,651)
Net income subject to income tax	(2,189,580)	5,775,057
Income tax using the Group's statutory tax rate of 25% (2021: 26%)	(547,395)	1,501,515
Change in temporary differences	(152,270)	95,343
(Over)/under provided in prior years	(978,034)	(18,683)
	(1,677,699)	1,578,176

9 Cash and cash equivalents

In AUD	**2022**	**2021**
Cash on hand	2,018,462	2,016,470
Bank balances	3,185,441	850,188
Short-term deposits	-	78,526
	5,203,903	2,945,184

10 Trade and other receivables

In AUD	2022	2021
Current		
Trade receivables	525,506	18,615
Other receivables	171,363	51,132
Goods and services tax receivable	1,290,816	129,710
	1,987,685	199,457

11 Inventories

In AUD	2022	2021
Bar stock - at cost	226,686	131,019
Food stock - at cost	25,452	-
	252,138	131,019

12 Auditor's remuneration

In AUD	2022	2021
Auditors of the Group - KPMG		
Audit of the financial statements	93,000	75,500
Taxation advice and tax compliance services	16,000	10,000
Other assurance	37,000	-
	146,000	85,500

13 Other financial assets

Other financial assets are held in the form of either debt instruments, convertible securities, equities, alternative investments and/or cash and cash equivalents.

In AUD	2022	2021
Financial assets - fair value through profit and loss	28,246,564	33,115,414
	28,246,564	33,115,414

14 Investment property

Investment properties comprise a number of commercial and residential properties that were leased to third parties. These are held at cost.

In AUD	**2022**	**2021**
Balance at 1 July	27,352,586	21,417,101
Additions	-	6,205,165
Disposals	(9,942,204)	-
Depreciation charge for the year	(298,264)	(269,680)
Balance at 30 June	17,112,118	27,352,586

Acquisitions
During FY21, the Group acquired two investment properties - building and land on 52 The Avenue Street, Hurstville and a building premise in 2-4 Cross Street, Hurstville.

Valuation
The latest independent valuations of properties located at Empress Street, Hurstville were carried out as at 30 June 2020 by Andrew Nock Pty Limited (Registered valuer No.2144). The open market value of these properties were valued at $10,595,000.

2-4 Cross Street, Hurstville and 52 The Avenue Street, Hurstville were acquired in previous financial periods, directors confirmed that the carrying amount of these properties were not materially different from the fair value as at 30 June 2022.

As investment properties are recorded at cost, the valuation has not been brought to account.

15 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities
Deferred tax assets have been recognised in respect of the following items:

In AUD	**2022**	**2021**
Provisions	132,650	52,265
Employee benefits	122,199	50,315
Carried forward tax losses	333,601	-
	588,450	102,580

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

16 Property, plant and equipment

In AUD	Freehold land	Buildings	Plant & Equipment	Capital work in progress	Total
Cost					
Balance at 1 July 2021	9,531,882	74,053,312	41,044,003	63,713,551	188,342,748
Additions	10,296,803	22,051,633	2,328,251	16,392,858	51,069,545
Disposals	-	-	(1,818,854)	-	(1,818,854)
Transfers		58,783,732	19,936,885	(78,720,617)	-
Write offs	-	-	-	(1,092,860)	(1,092,860)
Balance at 30 June 2022	19,828,685	154,888,677	61,490,285	292,932	236,500,579
Depreciation					
Balance at 1 July 2021	-	21,913,794	29,657,118	-	51,570,912
Depreciation for the year	-	3,192,289	4,189,447		7,381,736
Impairment expense	-	2,689,000	-	-	2,689,000
Disposals	-	-	(1,773,053)	-	(1,773,053)
Balance at 30 June 2022	-	27,795,083	32,073,512	-	59,868,595
Carrying amounts					
At 1 July 2021	9,531,882	52,139,518	11,386,886	63,713,551	136,771,837
At 30 June 2022	19,828,685	127,093,594	29,416,774	292,932	176,631,984

Valuation

Parent's land and buildings valuation

The independent valuations completed in the previous finanical year of the Group’s freehold land and buildings, on the basis of open market value for existing use, resulted in a valuation of land and buildings of $127,715,000. Independent valuations were carried out by Andrew Nock Pty Limited (Registered valuer No.2144). As land and buildings are recorded at cost, the valuation has not been brought to account.

Subsidiaries land and buildings valuation

The independent valuations of the Falls Lodge Pty Ltd’s freehold land and buildings at 30 June 2022, on the basis of open market value for existing use, resulted in a valuation of land and buildings of $13,550,000. Independent valuations were carried out by Andrew Nock Pty Limited (Registered valuer No.2144). As land and buildings are recorded at cost and the carrying value was higher than the valauation, an impairment expense of $2,689,000 was recognised.

The independent valuations of the Jamison View Investments Pty Ltd’s freehold land and buildings at 30 June 2022, on the basis of open market value for existing use, resulted in a valuation of land and buildings of $13,835,000. Independent valuations were carried out by Andrew Nock Pty Limited (Registered valuer No.2144). As land and buildings are recorded at cost, the valuation has not been brought to account.

16 Property, plant and equipment (continued)

Core and non-core properties

Pursuant to Section 41J of the Registered Clubs Amendment Act 2006, the Group defines property core and non-core.

The core property of the Group shall comprise the defined premises of the Club as approved from time to time by the Licensing Court of New South Wales or the Liquor Administration Board and endorsed on the Club's Certificate of Registration and the holiday accommodation units held under Deed of Licence with the Federation of Community, Sporting and Workers Clubs inc. All other properties held are considered non-core.

Pursuant to Section 41J of the *Registered Clubs Amendment Act 2006* , the Club defines property as follows:

In AUD	**2022**	**2021**
Core property	77,540,747	35,547,622
Non-core property	86,497,542	55,978,716
	164,038,289	91,526,338

Core property:
2 Crofts Avenue Hurstville NSW 2220
44-60 Allison Crescent Menai NSW 2234

Non-core property:
2 Crofts Avenue Hurstville NSW 2220
44-60 Allison Crescent Menai NSW 2234
35 - 37 Empress Street, Hurstville NSW 2220
13/ 2-4 Cross Street, Hurstville NSW 2220
52 The Avenue, Hurstville NSW 2220
Unit 1-18, 67-77 Wilson Street, Wentworth Falls NSW 2762
The California, 1 Penault Avenue Katoomba NSW 2780
5 Penault Avenue, Katoomba NSW 2780
7-9 Penault Avenue, Katoomba NSW 2780
The Mountain Heritage, 2-10 Apex Street, Katoomba NSW 2780

17 Intangible assets

In AUD	**2022**	**2021**
Poker machine entitlements		
Cost		
Balance at 1 July	7,842,043	7,842,043
Additions	-	-
Balance at 30 June	7,842,043	7,842,043

Poker machine entitlements are stated at cost less accumulated impairment losses. Poker machine entitlements have an indefinite useful life given they have no expiry date, and accordingly are not amortised but are to be assessed annually for impairment.

As at 30 June 2022, the Group estimated the value in use amount exceeds the carrying amount of poker machine entitlements. In assessing value in use, the estimated future cash flows were calculated for a period of 5 years, and a pre-tax discount rate of 5.0% and a growth rate of 1% were applied in the calculation.

18 Trade and payables

In AUD	**2022**	**2021**
Current		
Trade payables	1,064,091	1,656,612
Non-trade payables and accrued expenses	3,268,061	1,485,623
	4,332,152	3,142,235

19 Employee benefits

In AUD	**2022**	**2021**
Current		
Liability for annual leave	1,171,751	851,205
Liability for sick leave	60,000	60,000
Liability for long service leave	637,432	542,804
	1,869,183	1,454,009
Non-current		
Liability for long service leave	226,841	268,925
	226,841	268,925

20 Provisions

In AUD	**Link jackpots**
Balance at 1 July 2021	418,834
Movement in provision during the year	14,728
Balance at 30 June 2022	433,562

Link jackpots

The provisions for poker machine link jackpots represents the Group's estimated present obligation to members and visitors in respect of poker machine link payouts. The provisions are expected to be realised within 12 months of reporting date.

21 Loans and Borrowings

In AUD	2022	2021
Current	999,996	1,999,996
Non-current	38,655,010	1,500,006
	39,655,006	3,500,002

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

In AUD	Currency	Year of maturity	2022 Carrying amount	2021 Carrying amount
Loan A	AUD	30/07/2024	9,000,000	-
Loan B	AUD	11/12/2023	1,500,006	3,500,002
Loan C	AUD	15/03/2025	29,155,000	-
Total interest-bearing liabilities			39,655,006	3,500,002

The Secured bank loans (Loan A, B and C) are secured over land and budlings with carrying amount of $46,041,258 (2021: $6,364,321).

22 Lease liability

The Group leases gaming licenses, the leases typically run for a period of 3 years.

(i) **Right of use asset**

	Plant and equipment	Total
Balance at 1 July 2021	-	-
Additions to right-of-use asset	1,959,673	1,959,673
Depreciation charge for the year	(295,800)	(295,800)
Balance at 30 June 2022	1,663,873	1,663,873

(ii) **Amounts recognised in profit or loss**

	2022	2021
Expenses relating to short-term leases and leases of low-value assets that are not recognised as right-of-use assets	-	-
Depreciation expense	295,858	-
Interest expense	13,962	-

22 Finance lease liability (continued)

(iii) Amount recognised in statement of cash flows

	2022	2021
Total cash outflows	303,616	-

(iv) Future lease payments

The total of future lease payments (including those lease payments that are not included in the measurement of the lease liability, eg short -term leases and leases of low value items) are disclosed for each of the following periods.

	2022	2021
Less than one year	546,690	-
One to five years	827,522	-

23 Operating leases

Leases as lessor

The Group leases out its investment property and has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

In AUD	2022	2021
Less than one year	3,844,326	3,789,982
Between one and five years	7,181,997	9,758,787
More than five years	-	230,779
	11,026,323	13,779,549

24 Members' funds

The Illawarra Catholic Club Limited is incorporated and domiciled in Australia as a public Company limited by guarantee. In accordance with the Constitution of the Company, every member of the Company undertakes to contribute an amount limited to $10 per member in the event of the winding up of the Company during the time that he or she is a member or within one year thereafter. At 30 June 2022 there were 48,932 members (2021: 52,848 members). The total amount that members of the Company are liable to contribute if the Company is wound up is $489,320 (2021: $528,480).

25 Parent Entity Disclosure

As at, and throughout the financial year ended 30 June 2022 the parent entity of the Group was Illawarra Catholic Club Limited.

	2022	2021
Results of the parent entity		
(Loss)/ Profit for the year	(2,923,935)	12,369,998
Other comprehensive income	-	-
Total comprehensive income	(2,923,935)	12,369,998
Financial position of the parent entity at year-end		
Current assets	33,381,209	37,119,744
Total assets	212,818,933	206,881,493
Current liabilities	8,434,950	7,259,833
Total liabilities	16,448,776	7,587,400
Total equity of the parent entity		
General Funds	196,370,157	199,294,092
Retained Earnings	196,370,157	199,294,092

26 List of Subsidiaries

Set out below a list of all subsidiaries of the Group.

Name	Location	2022	2021
Ormonde Investments Pty Ltd	Australia	100%	100%
Savanna Developments Creek Pty Ltd	Australia	100%	100%
Jamison View Investments Pty Ltd	Australia	100%	-
Above8 Pty Ltd	Australia	100%	-
Falls Lodge Investments Pty Ltd	Australia	100%	-

27 Contingencies

The Group does not have any contingent liabilities as at this reporting date (2021: nil).

28 Related parties

Transactions with key management personnel

Directors received honorariums from the Group during the year totalling $70,030 (2021: $66,000).

Key management personnel compensation

The key management personnel compensation comprised:

In AUD	**2022**	**2021**
Short-term employee benefits	1,189,778	1,080,538
Other long-term benefits	80,487	75,305
	1,270,265	1,155,843

Other key management personnel compensation

A Director of the Company is the principal of a business that has a contract for the provision of Insurance . The contract is on commercial terms and there were no outstanding amounts as at 30 June 2022.

From time to time, directors of the Group may purchase goods from the Group or participate in other club activities. These purchases and participations are on the same terms and conditions as those entered into by other Group employees or customers and are trivial or domestic in nature.

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

Other related party transactions

The following transactions occurred with related parties:

In AUD	**2022**	**2021**
Related party receivables and payable		
Ormonde Investments Pty Ltd	(5,044,886)	(3,780,702)
Savanna Developments Creek Pty Ltd	(149,887)	-
Jamison View Investments Pty Ltd	(1,817,643)	-
Above8 Pty Ltd	(625,516)	-
Falls Lodge Investments Pty Ltd	(3,676,966)	-

All transactions have been executed on commercial terms.

29 Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

30 Impact of COVID-19

The coronavirus Covid-19 has had an impact on the Company's operations and activities during the year, however is not expected to materially affect the operations of the Company. On 26 June 2021, the State Government of NSW announced mandatory lockdown orders with all Registered Clubs closing from 6pm Saturday 26 June 2021. The Registered clubs were able to re-open from 11 October 2021. The Company was eligible for and received the JobSaver subsidy during the period of closure. Based on the current available information, the Directors believe that the Company will remain a going concern.

Directors' declaration

In the opinion of the directors of Illawarra Catholic Club Limited (the Company):

(a) the Company is not publicly accountable;

(b) the consolidated financial statements and notes, set out on pages 7 to 30, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards - Simplified Disclosures and the Corporations Regulations 2001;

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

M A Starks
Vice President

P J Stanton
Director

Dated at Hurstville this 21st of September 2022.

Independent Auditor's Report

To the members of Illawarra Catholic Club

Opinion

We have audited the ***Financial Report*** of Illawarra Catholic Club (the Company).

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

- giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards - Simplified Disclosures Framework* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2022
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in members' funds and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Other Information is financial and non-financial information in Illawarra Catholic Club's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards -Simplified Disclosures Framework* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

KPMG

Richard Drinnan

Partner

Wollongong

21 September 2022