

RICHMOND CLUB GROUP

ANNUAL REPORT

2019/2020



CONTACT DETAILS

**Richmond Club Limited**

6 East Market Street (PO Box 13)
Richmond NSW 2753 Australia
Tel (02) 4578 1144
Fax (02) 4588 5004
online@richmondclub.com.au
www.richmondclub.com.au

**Wanderest Travellers Park**

71 Francis Street (PO Box 13)
Richmond NSW 2753 Australia
Tel (02) 4578 1144
Fax (02) 4588 5004
online@richmondclub.com.au

**Hawkesbury Living Pty Ltd**

116 March Street (PO Box 217)
Richmond NSW 2753 Australia
Tel (02) 4578 2966
Fax (02) 4578 4914
admin@hawkesburyliving.com.au
www.hawkesburyliving.com.au



Hawkesbury Living Cancer Trust
6 East Market Street (PO Box 13)
Richmond NSW 2753 Australia
Tel (02) 4578 1144
Fax (02) 4588 5004

**Active8**

6 East Market Street (PO Box 13)
Richmond NSW 2753 Australia
Tel (02) 4578 3332
Fax (02) 4588 5004
active8@richmondclub.com.au
www.active8gym.com.au

**Richmond Golf Club**

34 Bourke Street (PO Box 5)
Richmond NSW 2753 Australia
Tel (02) 4578 1739
admin@richmondgolfclub.com.au
www.richmondgolfclub.com.au

OUR GROUP BRANDS INCLUDE:

Like us on Facebook for the latest
www.facebook.com/RichmondClubGroup

RICHMONDCLUB.COM.AU | RICHMONDGOLFCLUB.COM.AU

Entertainment & Promotions Disclaimer

All information is provided for guidance and entertainment purposes only. It is opinion and not necessarily fact. All care is taken to source accurate information at the time of publication but all entertainment, promotions, special offerings and menus are subject to change without notice. Imagery is also deemed indicative only and may not reflect the final goods, product or service.

CONTENTS

Organisational Profile	04
Year in review highlights	09
Chairman's report	10
CEO's report	14
About this report	18
Board of directors	21
Who we are	26
Richmond Golf Club	30
Hawkesbury Living	34
Financial Statements	44

ORGANISATIONAL PROFILE



RICHMOND CLUB

ESTABLISHED 1947

- Members: 21,980
- Community Groups Supported: 75

Richmond Club is the Hawkesbury's leading registered club with over 20,000 members. Established in 1947 by a small group of WWII ex-servicemen, we have grown from a communal meeting place to a valued community partner across a wide range of services.

Our aim is provide outstanding services in all that we do, to conduct our business 'with heart', and to enrich the Hawkesbury community by uniting its residents and innovating in areas such as aged care and tourism.

The registered club site, located on East Market Street, Richmond, comprises of the licensed club proper, Villaggio, Arcadia Entertainment, Amber Hair, Active8 Gymnasium and Wanderest Travellers Park.

Future Developments:

- \$21 million on-site hotel;
- \$100 million over-50s retirement living Francis St;
- First floor function rooms;
- Multi-level on site carparking;



AMBER HAIR

ESTABLISHED 2012

Amber is Richmond Club's style destination for members - featuring leading brands, our stylists are dedicated to providing you with a memorable salon experience at affordable prices. Amber provides services to Hawkesbury Living.

The salon closed at the end of the financial year due to a downturn in business from COVID-19.

It reopened under new management and the new name Amber Hair in October 2020.



HAWKESBURY LIVING

ESTABLISHED 2005

- Founded as Richmond Community and RSL Nursing Home in the 1950's
- Number of bed licences: 141

Hawkesbury Living Pty Ltd is our subsidiary company which consists of an aged care facility and related services. Established in 2005 when we acquired Richmond Community and RSL Nursing Home, the facility has since expanded to 134 operational beds, a dementia specific wing and specialised memory care services. It now features the Rivera Place extension.

Future Developments:

- Design + costing of stage 5 renovations



RICHMOND GOLF CLUB

ESTABLISHED 1897

- Members: 672
- Home of the annual Australian PGA Seniors Championship

Richmond Golf Club is believed to be the oldest golf course on its original site in Australia. The first game of golf was played in Richmond in October 1897 on a course in Hawkesbury Agricultural College paddocks.

The Golf Club is located on Bourke Street, Richmond and features an 18 hole course, clubhouse, Bistro Smiles and Pro Shop facilities.

Future Developments:

- Golf clubhouse redevelopment;
- Extension and relocation of bowling greens within dedicated sporting precinct;



WANDEREST

ESTABLISHED 2010

- Visits this year: 1090
- Nights Stayed: 2455

Located on the grounds of Richmond Club, Wanderest offers club members free access for caravans and motor homes for up to four nights stay. It is estimated that each unique visitor spends an average of \$300 at local businesses in Richmond during their stay.

Future Developments:

- Redeveloped and extended facilities as part of the Francis St Independent Living Unit precinct.



HAWKESBURY LIVING CANCER TRUST

ESTABLISHED 2009

The Board and CEO's 2008 vision to develop oncology and chemotherapy services in the region came to fruition. Fundraising, coordinated under the charitable status of Hawkesbury Living, assisted with creating the Hawkesbury Living Cancer Trust cancer treatment centre, opened in January 2017 in Hawkesbury Hospital, run by the Trust, Nepean Cancer Care Centre and St John of God Healthcare.



ACTIVE 8

ESTABLISHED 2005

- Members: 662

Active8 provides the Hawkesbury's residents with professional and personalised health and fitness services. Due to the composition of our membership and the needs of the community, there is a special emphasis and provision of services to seniors, the disabled, children and families



ARCADIA ENTERTAINMENT

ESTABLISHED 2016

Arcadia Entertainment - is a \$1.3million children's fun entertainment centre created right in the heart of the community.

Featuring Arcade Game machines, Party Zone rooms, Mini Golf 15-hole illuminated course, outdoor Adventure Land and cafe-style seating.

OUR MISSION MANTRA & PRINCIPLES

OUR MISSION

To provide excellent amenities, services and hospitality that meets the changing needs of our members and guests and promote strong growth through diversity and the support of our community.

OUR VISION

To provide you our members and the wider community with a continuum of outstanding diversified services and amenities in accordance with our values.

OUR VALUES, PRINCIPLES AND PURPOSE

Our values reflect the way our employees behave towards our members, guests, residents, clients, our community and each other.

Responsibility: We act with responsibility.

We respond to the needs of the people who create our community. We connect the things we do for them with intelligence, inspiration and a passion for connected living.

Constant: We are the community constant.

We create the heart of our community that is always there as a friendly reminder of where we come from, where we are going and what we have to be proud of.

Positivity: We embrace positive living. We understand that what we create together to support

the life of others liberates the opportunity we have to create pivotal sustainable change in our community, for our business and for each other.

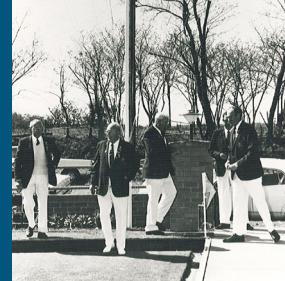
OUR PROMISE

Together, with you our members, we are creating a brand of positive and sustainable change, continuing our legacy of pride and belonging for our communities.

The passion and belief for what we do is reflected in the way we embrace possibility. We take action with continuous commitment to create positive connections for our community.



HIGHLIGHTS OF PAST YEARS



1897

Golf is first played in the district by a group of 11 players on the Richmond Common. The Richmond Golf Club was officially formed in 1899 with 17 gentlemen and 10 lady members.

1916

The Golf Club goes into recess due to the First World War and a War Barracks is built on the site of the modern day clubhouse. The club remains dormant for the next 12 years.

1942

After a period of success in the 1930's, the club is again hit by war, as the clubhouse burns to the ground while being used to house American soldiers during the Second World War.

1947

After identifying the needs of ex-servicemen in the Hawkesbury, the inaugural meeting of the Richmond Ex-Servicemen's Club is held on May 16 at the Drill Hall on Bosworth St, Richmond.

1949

The Richmond Memorial Men's Bowling Club is formed.

1957

Richmond Community and RSL Nursing Home is founded.

1959

The Richmond Memorial Ladies Bowling Club is formed.

Extensions to the clubhouse and golf course at Richmond Golf Club are completed, and the 18 hole course is officially opened.

1968

Extensions to the Richmond Ex-Servicemen's clubhouse are completed at a cost of \$250,000.



1981

Norman Court Retirement Units are officially opened.

1992

Richmond Ex-Servicemen's Club donates 88 acres of land to the community for the development of the Benson's Lane Sporting Complex.

1996

Extensions begin on Richmond Club and are completed in October.

1998

The club is handed over to the community and is renamed to Richmond Club Limited, with 'Remembering Ex-Servicemen' in its title.

2005

It is proposed by current CEO that the Nursing Home merge with Richmond Club to counter increasing losses at the home.

Richmond Club acquires the Nursing Home and forms its subsidiary company, Hawkesbury Living.

Active8 Gymnasium is opened.

2007

An extension of 12 beds is approved for Hawkesbury Living.

2009

Hawkesbury Living Cancer Trust is formed to deliver much needed oncology services to the Hawkesbury. Approved by the Board of Directors of Richmond Club.

The Butler Wing of Hawkesbury Living is completed at a cost of \$2.2 million

2010

Wanderest Travellers Park is launched in October to increase tourism locally.

2011

Magnolia Place, a specialised memory care wing of Hawkesbury Living, is officially opened in February. A further 33 bed extension of Hawkesbury Living is also approved.

2013

The amalgamation between Richmond Club and Richmond Golf Club is finalised following the approval of members and the securing of a 32 year lease of the course land.

2015

Richmond Club undergoes extensive renovations over an 18 month period. The exterior of the club is repainted and the outdoor terrace is opened. Fences and entries are redeveloped. Star Buffet opens in April and Bistro Smiles is relocated to the Golf Club.

2016

The Bouncing Bean Café is renovated and relaunched as the Crafty Brew in September.

Arcadia Entertainment opens in December.

HIGHLIGHTS OF PAST YEARS



2018

Building work commenced on Rivera Place.

Sandstone retaining wall completed on the marquee hole at Richmond Golf Club.

Winner for Most Inclusive Employer award at Hawkesbury Business Awards.

Aust PGA Seniors Championship - \$90,000 prize purse. Winner Michael Long at Richmond Golf Club.

2019

Rivera Place completed three-weeks ahead of schedule, first resident moves in June 11.

Villaggio Bistro opens June 29.

Major renovations

Including:

New function room renovations

Gaming lounge renovations

Coffee shop improvements

Hotel accommodation DA awaiting approval

2019-2020 FINANCIAL YEAR

June

- Closed 2 weeks for renovations
- New club function rooms open
- Café Villaggio opens

September

- Federal MP Susan Templeman officially opens Rivera Place with a host of regional dignitaries

October

- Aust PGA Seniors Championship - \$90,000 prize purse. Winner Peter Senior at Richmond Golf Club.

November

- Board of Directors election sees sitting members returned.

December/January

- Black Summer fires. Neighbouring Gospers Mountain bushfire sparks mega blaze, Hawkesbury homes razed. State of Emergency declared.
- Richmond Club designated a 'Safer Place' for evacuating residents and domestic pets.
- Kurrajong Nursing Home residents evacuated to Hawkesbury Living.
- Wanderest Travellers Park provides shelter for displaced residents. Staffing affected at all sites.

February

- Hawkesbury Nepean River floods. Richmond and Windsor bridges both closed for the first time in 28 years. Highest recorded rainfall in 20 years floods communities of North Richmond, Windsor and along Hawkesbury River shores.
- Richmond Golf Course closed. Flood debris and storm damage clean up.
- Staffing affected at all sites.

March

- Hawkesbury Living voluntary lockdown due to Covid-19 pandemic, followed by mandatory State Government lockdown of all nursing homes.
- Richmond Club and Richmond Golf Club begin a home delivery menu and care packages for seniors and members during self-isolation restrictions.
- Richmond Club and Richmond Golf Club cease trading due to mandatory State Government business lockdowns.
- All staff stood-down under Federal JobKeeper program.

April

- Richmond Golf Course is open for play under State Government CovidSAFE regulations for outdoor exercise. Clubhouse remains closed.

June

- Richmond Club reopens June 1 with restricted trade according to NSW Public Health Orders and CovidSAFE regulations for entertainment and hospitality venues.
- Active8 gym reopens June 13.
- Amber Salon reopens June 3, however due to business downturn is forced to close on June 30. Amber Hair opened in October
- Richmond Golf Clubhouse reopens with limited trade according to NSW Public Health Orders and CovidSAFE regulations.

Ongoing

- DA for \$21million hotel accommodation at the corner of Francis and East Market streets.
- Club redevelopment and renovations.
- Feasibility planning for Over 55s retirement living project and redevelopment of carpark site, incorporating Wanderest, opposite club in Francis Street.



Living with purpose and operating in a COVID-19 safe environment

Having never lived through a global pandemic was new for not only the Board but of course the CEO, management team and staff, as well as this community and the world.

Clear leadership was not only delivered in many ways but was essential during this period and is ongoing.

The Board is very proud of many measures taken including: staff advocacy group meetings which kept communication open and staff informed; Board and CEO meetings with Hawkesbury Living residents and their families; wading through the Job Keeper payment subsidies and funding issues surrounding our multiple businesses; working with our bankers, creditors and government departments; restructuring of our core business and creating COVID-19 management plans, just to name a few.

The Directors and management team learnt, developed and quickly responded to new practices that endeared them to members, which demonstrated their care for them and customers. The response included an internal COVID-19 Safe Planning and Response team to advise and work across the Group as we continue through this new way of life which will continue well into next year, if not longer.

One key finding the Board was impressed by is that our Group management team is extremely serious about our members' and stakeholders' health and wellbeing first and foremost, before financial performance.

A clear example of this was our decision to lockdown our aged care centre, twice, without direction, well before NSW Health declared it mandatory. This was done in consultation with the management, residents, and their families. The Board and CEO also held meetings with families, twice in the year to understand their concerns and seek feedback, both positive and negative, to assist in our decision-making.

In March, when the Federal Government imposed lockdowns and the State Government announced the closure of all non-essential services, we had to close our doors, but we immediately took measures to support our vulnerable and elderly members behind the scenes. So, we kept working throughout this period.

The club's diversification into aged care has seen the aged care related asset base now represent some \$26 million after 15 years of continued development under the direct guidance of the CEO and the Board's support of her education both internationally and nationally.

The table below reflects the revenue split and contribution to total revenue of aged care, gaming and other contributing departments:

Source	Revenue % of total revenue 2020	Revenue % of total revenue 2019	Increase/(decrease)
Residential and aged care	56.7	43.9	12.8
Gaming machines	26.7	32.1	(5.4)
Beverage and food	8.5	11.0	(2.5)
Golf trading	5.1	4.8	0.3
Other income	3.0	8.2	(5.2)

Seeing the issues around panic buying of toilet paper and basic essentials, shopping restrictions and social distancing, we set up a delivery service from the Golf Club, because the vulnerable and elderly were at the forefront of our thoughts.

A choice of seniors' meals were available for \$13, care packages were assembled by Richmond Club staff, which included sanitiser, toilet paper, masks, tissues and gloves. These measures helped those most challenged by the restrictions to overcome some issues around securing a hot meal daily at cost price and purchasing basic health essentials without the shopping queues, with the government directive to socially isolate due to the increased risk of infection complications for the elderly.

It is testament to our CEO's passion for caring for our members and greater community this occurred so quickly and, prior to the commencement of the Job Keeper subsidy, which obviously assisted in funding our services as the weeks went on.

This year our agreement with the bank terminated just after the year end. This resulted in the business having to classify all loans as "current" as per the Accounting Standards Requirements. Negotiations continue with our financial providers and the Board is confident that an appropriate agreement will be reached.

This was a year of great change and new chapters in the Group's life. Unfortunately, we are midway through a proposed plan of strategic change over a two-year period, so not only does this report reflect the mid-year point, it also reflects the greatest financial interruption of business we have known - COVID-19 coupled with a recession as well as bushfires, extreme smoke and floods.

Therefore, members will read in this report, the result of these interruptions in business.

Already you would have read about the changes to Amber Hair, the coffee shop (the club's experienced losses under two catering managers) and soon the gym.

Not-for-profit organisations operate within a complex governance environment, with unique challenges and distinct regulatory frameworks.

Principle 1 Purpose

Principle 2 Rules and Responsibilities

Principle 3 Board Compositions

Principle 4 Board Effectiveness

Principle 5 Risk Management

Principle 6 Performance

Principle 7 Transparency and Accountability

Principle 8 Stakeholder Engagement

Principle 9 Conduct and Compliance

Principle 10 Culture

Albeit the government has eased continuous disclosure rules for six months, this report contains the most up-to-date information on our fiscal position as at 30 June 2020. This report is inline, as in the previous nine years, with GRI reporting. In addition to adopting new accounting standards and changing our accounting policies in relation to bed licenses being recognised in accordance with AASB138 Intangible Assets, this has led to some changes within our asset base.

To explain GRI standards, the report has to outline the financial performance highs and lows, but also the social indicators that our club engages, which reflect the objectives of the major industries we work in.

The COVID-19 crisis and the Aged Care Royal Commission has caused extreme market volatility and ongoing uncertainty which poses even more challenges for the Board and CEO.

Both industries we operate in are in turmoil, so improving our plan and how are we going to "risk proof" the businesses and more importantly execute it, are some of the challenges for the upcoming year.

What makes it harder is that it is currently difficult, if not impossible, to precisely forecast the impact of COVID-19 on the Group but also the wider economy, as well as how long that impact will last.

ASX itself states “the economy is a rapidly evolving and highly uncertain situation”.

The government has made reforms to insolvent trading laws to recognise that these are unprecedented times.

With this in mind, the Board has definitely supported the CEO'S recommended strategy to reduce the size of the business to our core businesses being gaming, beverage and aged care and still supporting sport.

The Board's decision to remain committed to the Golf Club is a hard one and definitely one that places the group at risk, so again, I reiterate, that we are committed to maintaining and improving our golf course to be the best in the area so golfers can play golf.

Golf Clubhouse activities will remain limited for the upcoming future due to these unprecedented times and the ageing state of the old clubhouse.

Below are the recent ABS statistics on how people and businesses are affected by COVID-19 restrictions, as well as a recession, which we have not experienced since 1991.

Visiting Bars and Restaurants	Still down 19% at the time of this report
Visiting Gyms	Down 16%
Social Gathering	Down 18%
Family Impact	21% of families reported household finances were down
Employment	In food services – down 58%
Business	64% of Businesses operating with modifications and 31% are expected to keep these modifications long term

ClubsNSW is quoted as saying “the crisis is creating extreme uncertainty for clubs, affecting trade and unsettling individual club members”.

I have mentioned all of these issues, not to make excuses for the result of the current year, but so those of you with or without an economic background can clearly see that this year's results have been impacted by many factors, including revaluation of assets.

All in all, I believe the result is a reasonable one in an extremely difficult year.

At this point, I would like to congratulate the CEO and her management team behind Villaggio who have definitely brought the heart back to our club, and I can say a welcomed change the members and the Board wanted.

Once again, the strategic vision to get out of the Star Buffet contract and not be involved in operating a buffet in these COVID-19 times, is not only visionary, from our CEO, but turned out to be very serendipitous.

My thoughts go out to all the members and non-members that have lost a loved one due to COVID-19 or any other cause, this past year.

At this point, I'd like to say a special thank you to Greg Thompson who has resigned from the Board due to work commitments. He has worked tirelessly with this Board for 11 years and his input has been invaluable. He will surely be hard to replace.

I thank the members for their ongoing support of this Board and of course our CEO, Kimberley, and her management team who have been a cohesive team through these turbulent times.

Have a great and safe Christmas

Cheers



Kindest regards,
Geoff Luscombe

“CLEAR LEADERSHIP WAS NOT ONLY DELIVERED IN MANY WAYS BUT WAS ESSENTIAL DURING THIS PERIOD AND IS ONGOING.”



Dear Members,

I write this year's report with a heavy heart, thinking about the massive impact COVID-19 has had on the world, both in terms of lives and financial performance, for companies small and large. I reflect on some well-known quotes:

"If it's important to you, you will find a way, if not, you will find an excuse."

"Follow your passion and it will lead to your purpose", very pertinent at this time of leadership.

Reading through this report, you will see we have been affected in many ways. Fiscal performance, future planning, aged care and loss of lives globally, as well as the sheer impact on my staff, across the group, especially my frontline health workers.

As I read back through last year's report and my words of a 'business evolving', it could not be any more truthful.

The decision to contest the Star Buffet contract and remove them from our model turned out to be a business-saving decision during this COVID-19 period. Not only did we bring our beloved members back with Villaggio's food, but if we still had a buffet, we would have been greatly impacted due to more COVID-19 restrictions on buffet-style dining.

Another major decision during this time, was engaging a team to review, revise, manage and maintain our gaming product.

What they have achieved within our venue is a massive improvement on previous years. The redesign of the gaming floor, renovations and relaunch of all promotions and loyalty programs are great outcomes for this year, in addition to our opening Villaggio and the Rivera Place aged care extension, what a productive year!

The result in gaming was an increase of 15% on last year, from December to the COVID-19 closure. What we are achieving today is a slow recovery from this shutdown. However I am pleased with our recovery to date. The year-end result may be very different from a few months ago due to numerous fiscal issues, including the Federal Government's official expectation that the Covid recovery could take up to five years.

So, the platform for growth is there and is results-driven. Going back to basics is exactly what we have achieved with changing the operators of the coffee shop, Amber salon and, after 15 years, the gym operator will also change.

This means we will see a stimulus injection into the gym in terms of both leadership and equipment. We are still in the final stages of the contractual arrangement; however, the staff will remain the same (at the time of writing this report).

Josh, Jenny and the trainers will now work under a very successful local operator, with the purpose of 'collaborating' with local businesses. This means we can piggyback off each other, ultimately giving members an improved service, product, reducing losses to the Group, and improving Cashflow and EBITDA.

We have had these two businesses - Amber salon and Active8 gym - for 15 years, and it is time for change.

We are committed to the objective of improving the club's EBITDA, even with the burden of keeping the Bowling Greens and the Golf Club in the middle of a recession and the COVID-19 pandemic.

A restructure of the Golf Clubhouse was always going to occur if we could not undertake substantial renovations. To date, and for many reasons, this has just not been possible. The main club has needed to be at the forefront of what we are doing on the club's side of our operations.

Two clubhouses, 500 metres apart, just does not make sense. Golfers should be able to do what they want to do, which is play golf on some of the best greens in the Hawkesbury, if not Western Sydney.

I do not believe in forced levies for bar and other services, so yes, COVID-19 initiated this change, but it is also the sensible business decision. Light food offerings will continue to be available, and when we have the funds to renovate the Clubhouse, this could all change. But in the middle of a recession, this is the only option that reflects good business practice.

The main club's original function rooms have been renovated and when venue capacity restrictions are lifted, we will be geared up for functions and the occasional show for our community.

Our subsidiary company Hawkesbury Living had an extremely difficult 18 months, with audit after audit, of which, compared to other local providers, we fared well. However, this has come at a cost of reviewing everything we do there by engaging an independent audit team for a three-month period at a cost of over half-a-million dollars.

Rivera Place opened on time and on budget and filled within a record time. However, between the media, Royal Commissions, COVID-19 increased costs and the possible risks that aged care brings to a future resident (consumer), it's been, to quote Queen Elizabeth, 'an Annus Horribilis' year for the Group, especially Hawkesbury Living.

After 15 years of great results, three managers and this year's legislation changes, aged care is now an extremely risky business, but one of the most rewarding ones I have ever been a part of coupled with the club, they go hand-in-hand. So, Hawkesbury Living soldiers on!

You will note in the accounts there has been a major revaluation of the bed licenses due to us changing our accounting policy to these assets being recognised in accordance with AASD 138 Intangible Assets from July 1, 2019.

Our progress on key strategies, risk and governance priorities, together with the decisive action to support the members, visitors, and the community's needs, has been outstanding. Whether it be bushfires, floods, or our present response to COVID-19, we have been a constant for all our stakeholders and shareholders.

Over the past 18 months, considerable attention has been given to cultural change, especially within Hawkesbury Living. Researching and meeting with our staff and residents was an important part of the start to improving that process.

As I reflect on this year and what we have achieved, it's extremely hard to compare anything about it with the previous year - due to the major Rivera Place development opening, the club being closed or partially closed for three months due to the COVID-19 lockdown, 2.5 weeks of catering renovations, gaming renovations and business interruptions caused by local floods and the catastrophic bushfires that raged in our community.

Adding to this, was the COVID-19 lockdown at Hawkesbury Living and the effects on consumers and residents in the community just wanting to stay at home where they feel safe, away from the pandemic and away from Aged Care facilities.

It is with these thoughts that I would like to pay special tribute to our members who are always reminding me on what needs to occur at the club or, within the community we reach out to, which helps us go above and beyond the call of duty of being "just" a registered club. We provide services that each in their own way contribute to creating a more cohesive community.

At this point I would like to explain the Rivera Place development and how we had a couple of hurdles to start with upon opening.

Firstly, the feasibilities were assumed on a medium house price for the RAD (refundable accommodation deposit) which was considerably higher, therefore our opening RAD price was approximately \$200k per RAD less than forecasted. This has now increased for the very same reason, except reversed, the price has increased allowing a RAD to increase to \$700k. Our initial debt of \$8.2 million was reduced by over \$5 million in nine months.

Another issue was the Royal Commission and expectations of the consumer growing to a level that was really hard to deliver - food costs more than doubled in the year.

In the five-year review we have conducted, Fair work wage increases have gone up by 14.75%, however, funding increased by 4.7%.

I also wish to state that 56% of providers are now currently in losses. The interim Royal Commission Report states increased funding is required to maintain standards, especially during the COVID-19 period, which has placed additional downward pressure on the industry.

COVID-19, coupled with an official recession, has caused unforeseen and daunting budget constraints, due to lockdowns and shutdowns, and leaves little optimism for maintaining current spending for renovations, let alone any future investing in business development.

This is definitely the year to maintain status quo on renovations to further improve your club and 'stick to our knitting'. Collaborating against the global coronavirus crisis and the recession, humanity is being tested as never before, but is rising to the challenge.

Frontline workers need the most technical and emotional support in these times which I'm proud to say the Board and I are delivering in this area, as I'm sure the Hawkesbury community is.

Dealing with uncertainty and flat growth is apparently the new business normal. However, at the time of this report, the club, through the assistance of the Player Elite team, is quietly achieving growth, however, this could not have been achieved without the foresight to hire them, which I did with the Board's support.

The greatest lesson learnt in this past year is that we are in this together and together with the members' support, we will not only survive, but thrive. To do this, there needs to be a clear understanding that to continue what we were doing in previous years and expect a positive result, is crazy. Change, evolve and collaborate, I believe, as does your Board of Directors, we will come out the other end, better for this experience in life.

In finishing, I would like to say a massive thank you to the Board of Directors, who not only give me direction, with policy and strategic planning, but tremendous emotional support in the most difficult year of my career, when at times I have really felt like giving up.

In addition to them, of course, I am nothing without my management team and the amazing staff that work tirelessly without ever refusing duties that in this year could have placed them at risk of contracting COVID-19. I would like to say a special thank you to Craig Hodge who has been extremely loyal and has been committed to assisting me with the Golf Club. He has been a great support to all the different directives that have come his way in a very hectic year without question or hesitation.

For this I am deeply humbled, and I thank them, not just on behalf of the Board but on behalf of the Hawkesbury community.

Keep safe over the Christmas period and through this pandemic.

Kindest regards,



Kimberley Talbot

GROUP CEO

“ IF IT’S IMPORTANT TO YOU, YOU WILL FIND A WAY, IF NOT, YOU WILL FIND AN EXCUSE. ”



ABOUT THIS REPORT

RESPONSIBILITY | INNOVATION COMMUNITY HEART | POSITIVE LIVING

Richmond Club Group is led by its brand promise of providing a place for you. We act with responsibility, we are the community constant, we embrace positive living. For 73 years we have continued our legacy of pride and belonging in our communities. The passion and belief for what we do is reflected in the way we embrace possibility.

As the oldest Ex-servicemen's club in the district, we take action with enthusiasm to create positive connections for our community, which this year, has been reflected in our response to crisis and emergencies.

The 2019-2020 financial year has been particularly challenging, with a bushfire disaster, floods and the worldwide Covid19 pandemic significantly affecting our businesses and community interactions across the Group.

This annual report documents our performance during a continuing volatile business period and nationwide economic downturn, especially for clubs, entertainment venues and the hospitality industry.

We have endeavoured to adapt and respond to these challenges in keeping with NSW Public Health and State Government legislation and guidelines for the wellbeing and safety of our members and staff who remain our utmost priority.

This report will also be the eleventh released under the guidance of the Global Reporting Initiative (GRI) in accordance with core criteria guidelines.

It includes information from all sites from which we operate - the main club premises (**Richmond Club**), **Hawkesbury Living** (aged care facility) and **Richmond Golf Club**. It's our primary communication on our progress to our stakeholders and our goals and future challenges.

All information in this report reflects the performance in the 2019-20 financial year, unless otherwise marked.

Prior reports are available online at www.richmondclub.com.au or onsite at Richmond Club, 6 East Market Street, Richmond NSW.



SUSTAINABILITY:

The registered clubs and aged care industries in NSW have a vital role to play in the sustainability of our communities, particularly as clubs diversify and move into other industries such as aged care. As a large organisation operating at a local level, we also play an important role in supporting the Hawkesbury community in the ways outlined below.

Our commitment to sustainability includes:

- Economic principles: managing our operations sustainably, maintaining community assets, employing locally and providing financial support where possible.
- Social principles: promoting social inclusion in the local community, employing a skilled and engaged workforce, and respecting the health and wellbeing of others, supporting local charities and community groups.
- Environmental principles: understanding that our operation has a significant environmental impact and taking steps to reduce this. Through our principles and values, we fully support the concept of sustainability and aim for a balance of people, planet and profit in all of our operations. We are aligned with the objectives of GRI and have been an Organisational Stakeholder since 2011.

Online Information

We include reference material supplementary to this report, on the club's website under the Annual Report section. It can be found at www.richmondclub.com.au/about/annual-report.



PIONEERS WHO PAVED THE WAY

The vision of building a place to meet and greet after the war was our founding digger's priority, but just as important was the need to build a community hospital/nursing home. We thank and acknowledge these men for their role in developing the Hawkesbury into the place that it is today.

Reg Torr
Herb Hill
Phil Luscombe
Ces Dews Jnr
Frank Clerk
Dave Nelson
Harry Kershaw
Sir Phillip Charley

N Cuddleford
Ray Kilpatrick
Col Bray
Duffy Phipps
Ken Luscombe
Ces Dews Snr
Eric Moore
Syd Clerke

Bertie Woodhill
Harry Braithwaite
Stewart Earle
A Nelson
Eric Bray
Maurie Ryan

ACKNOWLEDGING OUR PATRONS & LIFE MEMBERS

Life Membership is an honour given to an Ordinary Member who has rendered outstanding service to the Club. To be eligible for Life Membership an Ordinary Member must be nominated by one Ordinary Member and seconded by another.

The nomination is then forwarded to the Board of the club for approval. If a nomination is approved by the Board the nomination shall be referred to in the next General Meeting of the Club, if the nomination is then approved at the General Meeting the person nominated shall become a Life Member.

1961 RW Moore*
1963 JS Clerke*
1966 E Moore*
1967 E Mahon*
1968 VH Plunkett*
1969 PC Luscombe*
1971 AJ Sherriff*

1973 CW Chalmers*
1976 DW McEwan*
1989 D Packer*
1996 RL Larven*
2001 DW Wise*
2009 KS Luscombe*
2009 CM Dews*

2009 GC Luscombe
2011 PS Clerke*
2011 D Luscombe*
2016 M Phillips

*Deceased



Richmond Club & the Hawkesbury district have a proud history of men and women serving in the First and Second World Wars.

BOARD OF DIRECTORS

"LEADERSHIP IS THE CAPACITY TO TRANSLATE VISION INTO REALITY"

Our Board of Directors comprises eight members who follow strong and ethical corporate governance. They ensure accountability, transparency, responsiveness, equity and inclusiveness to achieve our Group's common goals and masterplan.

These members for 2019-20 were Geoffrey Luscombe (chairman); Garry Watterson (vice-chairman), Peter Chidgey, Greg Thompson, Dianne Finch, James Bullock, Scott Rielly and Elissa Esposito.



**GEOFFREY
LUSCOMBE**
CHAIRMAN



**GARRY
WATTERSON**
VICE - CHAIRMAN



**PETER
CHIDGEY**



**GREG
THOMPSON**



**DIANNE
FINCH**



**SCOTT
RIELLY**



**ELISSA
ESPOSITO**



**JIM
BULLOCK**

BOARD RESPONSIBILITIES

The overall corporate governance of the organisation, including its strategic direction, establishing goals for management and monitoring these goals, is the Board's responsibility.

The Board reviews and approves the policies and procedures put in place to maintain the highest level of governance for Richmond Club, Richmond Golf Club and Hawkesbury Living, which includes:

- Reviewing and approving the strategic direction, budgets and business plans prepared by management;
- Assuring itself of the effectiveness of arrangements for the governance of Richmond Club, Richmond Golf Club, and Hawkesbury Living including;
- The quality of service provision;
- The appropriateness of organisation arrangements and structures, and
- The adequacy of internal controls and processes.

COMPOSITION OF THE BOARD

The Board's composition is determined by the club's Articles of Association and by-laws. The Richmond Club Board comprises eight independent non-executive directors including the chairman and vice chairman. All positions are elected by members of the club. The Hawkesbury Living Board also consists of eight independent non-executive positions that are currently filled by the Richmond Club Board.

Board members are elected by the membership base of Richmond Club for a two-year period. Appropriate qualifications and experience for candidates is made available to members for consideration. Causal Board vacancies are also filled by the Board with regard to appropriate qualifications and experience. Succession planning is also practised in line with good corporate governance principles.

BOARD MEETINGS

The development of procedures to improve our economic, social and environmental performance is the responsibility of the Group CEO, who then makes recommendations regarding the strategic direction of the organisation to the Board of Directors. This includes elements such as risk and opportunity, operations and compliance.

Boards are required to meet at least monthly and follow meeting guidelines that ensure all Directors are made aware of and have available all necessary information to participate in an informed discussion on all agenda items. Board members are required to disclose any conflicts of interest at every Board meeting, which are then notified to the Office of Liquor and Gaming.

RISK MANAGEMENT

We believe there are significant opportunities that exist through promoting sustainability principles within our organisation. These opportunities can be both financial and reputational, and through good business practice, we are able benefit greatly from integrating elements of sustainability into our operation.

Similarly, our key areas of sustainability risk lie in failure to operate efficiently and responsibly while not meeting compliance and regulation standards. This can also involve not reaching our sustainability targets and missing out on the improved performance targets that are a result of reaching our goals.

Controls in place to manage risk include:

- Policies and procedures, especially in regard to operations and codes of conduct;
- A dedicated member of our executive management team dealing with compliance and legal issues;
- A risk management system integrated into operations and procedures;
- Formalised management reporting against our objectives.



ENGAGING PARTNERSHIPS

“NO BUSINESS IS AN ISLAND UNTO ITSELF. WE NEED TO DO RIGHT BY ALL OUR STAKEHOLDERS, THAT’S HOW YOU CREATE VALUE AND GROWTH.”

We understand that the engagement and participation of our members, staff and local partners is crucial in order to successfully develop and implement services that benefit the community. Community consultation is about developing our relationship with our members and stakeholders in a way that builds respect and trust, promotes open and inclusive dialogue and ensures that collaboration is at the forefront of tackling community issues.

STAKEHOLDERS:

Stakeholders	Engagement 2019-20
Members Our members form the basis of our operations and want to be involved in an organisation that is giving back to the community.	Quarterly Online Magazine Member Forums Direct Consultation Mailing Campaigns Social media EDMs Media outlets - Press Websites
Staff Our staff have shown a strong interest in sustainability issues. They want to develop their skills to increase their employability.	Staff Meetings Social Media Induction Staff Workshops and training Representation on internal committees WH&S Committee Satisfaction Surveys Staff Advocacy group (Covid19)
Residents and their Families Hawkesbury Living's residents and their families require a caring, inclusive environment and a connection to the community.	Residents Meetings - weekly Hawkesbury Living Newsletter Focus Groups Direct Consultation - daily
Visitors and Guests We strive to create a welcoming atmosphere for our visitors and guests.	Quarterly Online Magazine Media outlets -Press Industry Magazine Social Media Websites
Local Community We engage our community on key social, economic and environmental issues. We are expected to lead by example by the community.	Websites Media outlets – Press Quarterly Online Magazine Local Business Forums Involvement with local organisations (Nova Employment, Hawkesbury Chamber of Commerce)
Supply Chain Our suppliers provide us goods and services that can have a direct impact on environmental and social sustainability. We must work with them to provide solutions to these issues.	Meetings with key suppliers Audit on supply chain's WH&S and Human Rights Standards Local Business Forums
Peak Bodies We are connected to a network of over 1400 registered clubs in NSW that impact the way our industry operates.	Directors' attendance at peak body events Entry into ClubsNSW Awards Meeting with key industry partners Cluster meetings/Zone meetings

OUR APPROACH TO MATERIALITY

Global Reporting Initiatives [GRI] define materiality as being topics that ‘reflect the organisation’s significant economic, environmental and social impacts, or that would substantively influence the assessments and decisions of stakeholders.’

As an organisation operating within the hospitality, services and aged care industries, our material issues have remained similar since we began reporting over a decade ago. Our scope has also remained on our local community during this period, which also contributes to the consistency of our reporting.

Our stakeholders suggested that this report should focus on presenting information in a concise, focused and practical way, to ensure that it has ongoing value for as many groups as possible.

The majority of our organisation’s value in the community can be identified as social capital (that is, it impacts our community and residents) and subsequently this report reflects this.

External stakeholders want to know what we are giving back to the community and what our role is in the Hawkesbury. Internal stakeholders, including employees, are more focussed on employment opportunities, training, and working for an organisation that is ‘making a difference’.

MATERIAL ISSUES

Aspect	Key Issues	Boundary
Community	Social Inclusion, supporting local organisations, maintaining community assets, Oncology, social housing, demand for aged care places, local tourism. Communication with members.	All stakeholders in the Hawkesbury community.
Club Services and Facilities	Richmond Club: Renovations to main club, additional function space, catering options, member's benefits, customer service. Active8, Wanderest, Amber Hawkesbury Living: Duty of care to residents, growth and expansion of facility. Richmond Golf Club: course maintenance, maintaining and attracting new members, Golf Hawkesbury project, Arcadia Entertainment	Members, visitors and employees.
Employment	Respect and integrity, effective communication, training and education, career opportunities, employee satisfaction.	Employees, supply chain
Economy	Sound financial management	All stakeholders
Environment	Reducing environmental impact.	All stakeholders

MANAGING & MEETING MEMBERS' NEEDS

SUSTAINABILITY RISK AND OPPORTUNITY

We promote sustainability principles at every opportunity within our organisation. We do this through financial and reputational opportunities, as well as good business practice, right across our operation.

Sustainable practice gives us a distinct edge and advantage over our business competitors, amid a climate of increasing cost of resources and ever-growing need for improved infrastructure and services in the Hawkesbury. This flows through to our staff, residents, members and environment.

Our key areas of sustainability risk lay in not meeting compliance and regulation standards, operating inefficiently, and not reaching sustainability or performance targets.

Controls we have in place to manage our risk include:

- Policies and procedures, especially in regard to operations and codes of conduct;
- A dedicated member of our executive management team dealing with compliance and legal issues;
- A risk management system integrated into operations and procedures;
- Formalised management reporting against our objectives.

REPUTATIONAL OPPORTUNITIES/RISKS

- Protection of the health and wellbeing of staff/staff satisfaction;
- Gain/loss of goodwill as an equal opportunity employer;
- Sustainability performance affects the industry perception of our governance/management;
- Unmet social, economic and environmental sustainability targets;
- Gain/loss of support from community partners and industry stakeholders.

FINANCIAL OPPORTUNITIES/RISKS

- Reduction in resource use to offset any increase in the cost of goods and services;
- Elimination of the cost associated with resource inefficiency;
- Risk of non-compliance with regulations, resulting in monetary fines and/or punitive action.



WHO WE ARE

"EXCELLENCE IN CUSTOMER SERVICE IS NOT A SKILL, IT'S AN ATTITUDE AND A BELIEF IN SERVING OTHERS."



Our workforce capably stepped up to the challenges posed by restrictions to trade during the COVID-19 lockdown.

With normal trade ceasing from 23 March 2020, the complexities of supporting stood-down staff across the group and negotiating the federal government's JobKeeper and the relaxing of level 1, 2 and 3 restrictions resulted in a 'staged' return to trade, albeit with venue capacity limits and social distancing restrictions in place.

WORKPLACE PROFILE

Our workforce comprised a total of 324 staff employed across the three main sites of our Group – Richmond Club, Richmond Golf Club and Hawkesbury Living. Active8 employed 18 staff from the Richmond Club's total, while Amber Style and Beauty Salon employed three staff. As of the time of writing this report, the salon was regrettably closed down – a casualty of Covid-19 economic downturn in business. - However a new business called Amber Hair by Ash Hair is now operating in the new financial year.

Our Wanderest Travellers Park does not have a dedicated team of staff for bookings, maintenance and upkeep, these duties are shared across Richmond Club staff.

The golf club has remained steady at 15 staff.

Hawkesbury Living, which employs the largest collective of our staff, remained steady in full-time and part-time positions, however due to Covid-19 lockdowns and increased sanitising and cleaning shifts, the workforce somewhat fluctuated.

DIVERSITY AND WELLBEING

Richmond Club and Hawkesbury Living have a Collective Bargaining Agreement in place for engaging our employees. These agreements, which were last reviewed in 2013, are developed by a volunteer group of staff and address a wide range of issues, including awards, overtime, and public holidays.

We are continually working on workplace culture to ensure it reflects positivity across our venues. In doing this we attract the best talent, drive engagement, retain the best staff, while encouraging strong performance, happiness and career satisfaction. In particular, we have concentrated on Hawkesbury Living workplace practices, people and workplace environment in keeping with aged care government legislation.

With our employment policies being driven by Equal Employment Opportunity (EEO) legislation – we are ensuring the work environment is equal for everyone regardless of age or gender. Diversity encourages innovation and improvement across the culture of our organisation.

Another benefit of collective bargaining agreements and awards wages is that staff wages are based on experience and responsibility over indicators of diversity. Consequently, the wage ratio of male and female staff in the same operational role is 1:1. The minimum wage as defined by Fair Work Australia in 2019-20 was \$19.49 per hour, in contrast with the entry level wage at Richmond Club and Richmond Golf Club (Level 2) is \$21.93.



ACTIVELY REACHING OUT

“DO SOMETHING TODAY THAT YOUR FUTURE SELF WILL THANK YOU FOR.”



Active8 Gym and Fitness Centre continues to be a leading business in the health industry and fitness community, with its diverse range of lower-cost classes and programs for people of all ages and abilities.

Having been closed for nearly three months - March 23 to June 15 - due to government venue closures, the business has bounced back to 75% of pre-Covid income with cancellations and timeholds in place.

For July month-to-date we sold 53 new contracts (2019 average of 70) and had 18 cancellations (2019 average of 23).

Upon return to limited operations, class restrictions of 20 have been in place, with a further restriction meaning no 24-hr trade.

We had 63% of our total attendances post-Covid being for class activities, with the seniors program Heartmoves regularly being at capacity. This shows the community impact we have, as led by our class programs.

We continue to track with high levels of members who have temporarily suspended membership due to the fear of Covid19, and a higher than normal population of at-risk members due to illness and age.

However, the business is 15 years old. It is now time to change and innovate, in order to reinvigorate services post covid restrictions.

"A SMILE FROM A CHILD IS PACKAGED SUNSHINE AND RAINBOWS"

Parties and play time go hand-in-hand at Arcadia Entertainment. It's a kids paradise with dozens of arcade games, a jungle-themed glow-in-the-dark mini golf course, colourful outdoor play area and individually decorated and themed birthday parties.

During the eight months Arcadia was trading as normal, we welcomed thousands of children over dozens of parties and hundreds more through our doors, especially on our popular kids eat free and play free Monday night specials and vacation care sessions. While Arcadia had to close its doors on March 23 due to Covid19, it reopened on July 4 with a big member and public response, showing the need for safe, local children's activities in the district.

Parents and carers commended the CovidSAFE practises and cleaning procedures the club undertook to ensure the wellbeing and health of Arcadia users. Unfortunately, our children's birthday parties were put on hold when the club reopened due to government restrictions placed on functions and gatherings, but we hope to resume them as soon as possible.

Parties for nine months totalled \$14,590.10

2019 total 45 parties 539 children

- July 3 parties 46 children
- Aug 4 parties 69 children
- Sept 5 parties 49 children
- Oct 3 parties 33 children
- Nov 5 parties 42 children
- Dec 5 parties 82 children

2020 total 4 parties 46 children

- Jan 2 parties 25 children
- Feb 2 parties 21 children
- Mar 2 parties 18 children

Vacation care Sept/Oct: 50 parties 1000 children



ON COURSE FOR GREAT PLAY

I CAN'T BELIEVE WHAT A GREAT COURSE RICHMOND IS, YOU NEED TO KEEP YOUR DRIVES STRAIGHT AND THE GREENS ARE FANTASTIC."

PETER SENIOR,

WINNER OF THE AUSTRALIAN PGA SENIORS TOURNAMENT 2019



Richmond Golf Course continues to be one of the best maintained courses in the north-west district, attested by notable greats on the PGA players' circuit.

Home to the annual Australian PGA Seniors Tournament, our 18-hole immaculate course continues to be played by some of the best local and international talents.

Club membership increased most notably in the junior ranks (14-18 years), five-day members and six-day seniors – a very pleasing result given the challenges brought by the summer's catastrophic bushfires bordering the township, flooding of the Hawkesbury Nepean River and restrictions of the Covid-19 pandemic.

While no major course or building work was conducted during the year, this historic course continued to remain one of the greenest and well-kept in the district during extreme weather conditions, thanks to talented greenkeepers, maintenance staff and water management practises.

While it was affected and closed for short periods of time by dramatically unseasonable conditions – mainly for clearing debris, fallen trees, record hot temperatures and thick bushfire smoke – it continued to bounce back quickly, with only general maintenance needed.

Membership Category	31st July 2019	31ST JULY 2020
5 Day Member	35	46
5 Day Social Golf	15	17
6 Day Member	11	16
6 Day Senior	104	113
Associate Life	3	3
Cadet (< 14)	13	17
Junior (14-18)	10	33
Intermediate 1 (19 - 25)	18	38
Intermediate 2 (25- 30)	22	27
Lady Member	31	30
Life Member	1	1
Member for Life	13	13
Full Member	176	165
Senior Member	56	53
Perpetual member	1	1
Leave of Absence	1	0
Honorary Member	1	1
Casual Member \$99	3	0
Total	514	574

AUSTRALIAN PGA SENIORS CHAMPIONSHIP

The annual Australian PGA Seniors Championship again boosted our course's profile on the national golfing calendar. This prestigious national title event continues to draw crowds of spectators over its three days of play, and attracts premium sponsorship from international and local businesses.

Not even the early start of the bushfire season could halt the November tournament, which saw Peter Senior take out the Legends trophy among a field of greats, which included previous year's winner Michael Long, Peter Fowler, Peter O'Malley and Peter Lonard.

We are proud of hosting this annual tournament which highlights the growth of golf within the Hawkesbury district and showcases our region to domestic and international audiences.



RICHMOND GOLF CLUB MANAGEMENT COMMITTEE REPORT

Bringing this report together I found myself reflecting on the last 12 months both from a professional aspect and of course looking at everything golf-related.

One finds one-self exploring how businesses, people, organisations and sporting teams are successful. What is it that differentiates one success from another? Where has the Richmond GMC found its success in the last 12 months?

CHANGE.

To be successful we must CHANGE how we do things, we must be willing to adapt and embrace CHANGE. Successful sporting teams adapt to CHANGE every week to meet the challenges of facing a different weekly team. Even as golfers we CHANGE, if something is not right, we quite often change something within the way we play, our swing, our stance.



A little over 12 months ago the GMC, having consulted with the members, brought back the 2-tee start format. The purpose was to provide more time slots available both for members' competition rounds as well as social play in the afternoons.

This 'change' set the platform for the results we are seeing today. By way of a brief insight into these results, since the introduction of the 2-tee starting format we have seen:

- +58% increase in members and visiting members competition participation (2018-19 v 2019-20);
- Growth coming from every competition day of the week with Sundays and Thursdays (traditionally Ladies Day) showing the largest growth;
- Saturday competition fields were averaging 120 players in 2018 to now averaging 180-190 players in 2020.

It is worth noting these numbers are indicative of both a pre- and current- Covid-19 environment. Although the last six months have been challenging, we have seen an increase in membership, as well as continued growth in members' competition participation which is currently at +13% above last year (Jan-July 2020).

One of the biggest opportunities is within the Ladies category. At the beginning of this year the GMC welcomed Gabrielle O'Dempsey as the Ladies' representative. The GMC is currently working closely with Gabrielle who has brought new and innovative ways of thinking to the GMC.

So, with more players on the course, this obviously puts greater pressure and demand on our greenkeeping staff maintaining the course in the best possible condition. Mark Williams and his team do an amazing job, no doubt there is still plenty more to be done, but we cannot avoid the saying of "it all takes time and money".

At the beginning of Covid-19, all members did an amazing job adjusting to the CHANGE - there is that word again - with changes like one person per cart, no rakes, no water station, no ball washers etc.

One disappointing point however was that during our Covid-19 'Members Playing Only' period, it was quite evident at just how many divots and lob marks were not being repaired. We need to be mindful and repair all of these, and maybe another two next to our own, to assist our greenkeeping staff in presenting our course in the best possible way.

The last 12 months have seen several days affected by weather conditions - trees being felled, wet and severe weather. All this takes time to bring a course back into playing condition delaying future and current projects.

- We have seen, after some time, the decommissioning of the 3rd fairway bunker;
- A slight change to the 3rd fairway, now being a 'split fairway' with rough around the dam to reduce wear and tear from foot traffic;
- Work continues on the new Ladies' 6th tee and with time permitting, removal of three to four trees in front of the new 6th tee prior to it being commissioned;
- Planned adjustment to the Ladies' plates on 2, 7, 17 and 18;
- Plans for a new 9th Ladies tee;
- We are currently trialling and introducing the MiScore app, reducing the use of traditional score cards;
- The GMC is currently working through replacing the existing Richmond Golf Club app with the new MiClub app which will fall in line with our web booking system;
- We have also seen the upgrade of the computer card scanning system.

Much of what has been achieved over the last 12 months could not have been done without the support of club management and many members. I would like to personally acknowledge some of these members.

- The securing of a government grant for an additional two defibrillators through the support and efforts of the Veterans (Vets) and their endless and continuing contribution to the Golf Club. These defibrillators will be in key locations on the course in the coming months;
- The Ladies and Vets who dedicate their time tending to our gardens around the course;
- Wayne Popplewell for managing the Major Pennants team, which went up a division to compete against high profile clubs like Royal Sydney;
- Warren King who dedicated much of his time assisting the greenkeeping staff for several weeks;
- Special thank you to our member Bruce Finn who, after another one of our weather events, assisted in removing the fallen tree out of the 8th dam.

There are many more members that do the little things around the course that go unnoticed and for that the GMC wish to thank you all.

I would like to finish by thanking our Club Professional Robert Kennedy and his team, who at the height of Covid-19, provided tremendous assistance to the GMC and club management, ensuring we remained operational and compliant.

I started this report talking about the importance of CHANGE. The B & C Grade and Junior Pennants were recently cancelled halfway through their competitions. Covid-19 will continue to bring challenges for several years to come and with those challenges, CHANGE will be required, CHANGE in how things are done and how businesses function, sometimes at very short notice.

I ask that we keep each other SAFE, following and supporting the rules and guidelines put in place and enjoy playing at Richmond Golf Club, continue to support the Clubhouse, Richmond Club and the Proshop.

Regards

Scott Rielly,
Club Captain

RESPECT | INCLUSION | KINDNESS | DIGNITY COMPASSION

Hawkesbury Living aged care's combination of medical care, wellness and social inclusion services are designed to improve the quality of life for our elderly.

We have continued to develop and respond to external factors – including legislation and accreditation standards, as well as weathering local natural disaster events, by constantly adapting to community needs. The subsequent Covid-19 pandemic crisis in the latter half of the financial year changed the aged care industry significantly.

Supporting our residents, their families and our staff is the focus of our everyday operations. Our key achievements over the past year are as varied as the responses we've implemented in a year of constant upheaval.

BUILDING WORKS

Rivera Place extension:

Championing a sense of belonging and 'feeling at home' is evidenced in the multi-million dollar Rivera Place extension.

Officially opened in June 2019, the three-level extension wing was the third stage of Richmond Club's master plan to increase the quality of care and, number of aged care beds available in central Richmond. It was at full capacity within five months of the first residents being welcomed through our doors, showing the demand for these specialist care services in the Hawkesbury.

New front entrance foyer and café

The complete renovation of our main front entrance foyer transformed a limited space into a more functional, open-plan, welcoming and serviceable area. It features a café-style coffee shop giving families another informal meeting area to visit their loved ones in comfortable surroundings.

AUDITING

A robust, quality framework is in place to meet a whole new raft of auditing standards introduced by the Commonwealth government.

We strive for quality and safety across the business. Our audit results were average in a number of areas.

COVID-19 RISK AND MANAGEMENT

Tight and protective measures were immediately put into place before the NSW government declared Covid-19 a serious health risk to the community. We voluntarily locked down the premises in 2020 for the protection, health and safety of our residents and staff before Public Health advice made it mandatory.

At the time of writing this annual report, we have been successful in not contracting the Covid-19 virus in our facility thanks to our rigorous infection management processes, support of families and dedication of staff.

Our protective measures have included a complete review of all processes and policies. To counter feelings of isolation and depression, we ensured families were connected to their loved ones. With the assistance of Richmond Club staff, we began social inclusion activities including regular Zoom video calls between residents and their families as well as social media, including Facebook. Our dedicated cleaning and sanitisation crews were mobilised in accordance with our management plan and continue to work at the

site. We use the services of Nova Employment to carry this out.

OUR STAFF

Infection control training was increased, rotating rosters and managers worked offsite to minimise movements in and out of the nursing home. Staff were boosted and trained in screening, health declaration checks and implementing multiple measures in the CovidSAFE plan.

WEATHERING NATURAL DISASTERS

With Hawkesbury officially declared in a state of emergency during the catastrophic Gospers Mountain bushfires in the summer of 2019, we opened our doors to take residents from Kurrajong nursing home who were under evacuation orders.

The February 2020 Hawkesbury-Nepean floods saw many roads and townships cut off across the district by rising flood waters. Hawkesbury Living was fortunate not to be impacted by these due to its higher central township position and ability to be self-sufficient when services are cut-off for any period of time.



BUSHFIRE, FLOODS, PANDEMIC & ROYAL COMMISSION CRISIS

“WHAT DOESN’T KILL YOU MAKES YOU STRONGER”

Richmond Club Group has weathered a trio of natural disaster crisis in the Hawkesbury for most of the last financial year, significantly affecting trade, employment, cash flow, suppliers, the ClubGrants program and the viability of all our businesses and services.

The flow on effect of catastrophic bushfires, regional flooding and the Covid19 pandemic in quick succession during the year, had a major, unparalleled impact on the Group's trading operations.

Adding the continuing Royal Commission into Aged Care Quality and Safety with its evolving guidelines, new legislation, rounds of audits and the Covid19 pandemic further challenged the operations of Hawkesbury Living.

Supporting our staff, members and the community has always been our focus at our Community Heart club.

Despite the March temporary closures of our main Ex-servicemen's club (which included Active8 gym and Arcadia children's entertainment), our Richmond Golf Clubhouse and the complete lockdown of Hawkesbury Living aged care, we have continued to adapt our services by constantly reassessing our business practises in each area.

Amber Style and Beauty Salon was an unfortunate casualty of this period, closing its doors as of 30 June 2020, with expressions of interest taken. It came under new management in October 2020 and rebranded Amber Hair.

Bushfires & flood:

Richmond Club opened its doors as a designated evacuation site, accommodating residents and pets fleeing bushfire hit towns in the club and in Wanderest Travellers Park from December through to January, offering temporary shelter and protection.

Bushfire smoke blanketing the entire region and eastern seaboard of NSW affected all asset operations, which was followed in quick succession by Hawkesbury floods in February. Transport and access to our facilities for members was cut or significantly hampered and our outdoor operations for the golf course saw it closed for a period of time, recreational activities at Hawkesbury Living were affected as were crowd drawing events including Christmas, New Year's Eve, school holidays and Australia Day, prior to COVID-19.

Covid19 pandemic:

We, like many clubs and hospitality and entertainment venues, have been hit very hard by the pandemic, which completely altered our business operations across the Group.

The resulting closure of both clubs for over two months, and the complete lockdown of Hawkesbury Living aged care, led not only to a loss in revenue, but gave rise to new avenues to provide delivery or at-home services for the vulnerable, as well as a raft of social inclusion care services and communications for our residents with their families.

We relied heavily on Job Keeper to keep our staff employed and businesses open for trade.

DINING IN, TAKEAWAY AND DELIVERING TO THOSE IN NEED

“IF YOU COULDN’T COME TO US, WE CAME TO YOU”

Food and beverage operations for the main club and the golf club significantly changed with successive CovidSafe restriction levels imposed by the State Government, which resulted in a lockdown and club venue shutdowns on March 23, 2020.

Bistro Smiles at the golf clubhouse operated a free seniors home delivery meal and care package service for the aged and disadvantaged in our community. The subsidised service ensured the most vulnerable in our community had access to quality, wholesome and low priced meals.

Behind the scenes, we provided a care package, comprising ‘lockdown’ staples including sanitiser, facial and toilet tissue, paper towels, masks and gloves – which were in high demand.

Outdoor barbecue, drink and sandwich services were continued at the golf course, as government restrictions allowed for recreational activities at golf courses to continue.

A takeaway and delivery menu was made available to members and the general public through Villaggio Bistro early May, which ensured we could continue to trade, albeit in a limited capacity, keeping a number of local hospitality jobs. This seven-day service was available for dinner with subsidised adult meals, children’s meals and seniors’ meals available.

Villaggio Bistro reopened for dining-in only mid-May, following the ease of government restrictions, with the club proper reopening on June 1 in keeping with our NSW Health CovidSafe business plan and new entry requirements, for contact tracing, sanitising and temperature checks.

It is still not operating at full capacity due to government restrictions.



COMMUNITY IS OUR HEART



"THERE CAUSE WE CARE."

In 2019-20 we faced many challenges in maintaining our regular range of community partnerships. During the Covid-19 pandemic we faced many challenges in bridging the social inclusion gap brought about by government regulations during social isolation restrictions.

Partnerships contribute to our positive role and services in the Hawkesbury. The organisations that we work with range from not-for-profit business groups, to registered charities, to employers and groups with a long history in our local area. These partnerships have mutual benefits for both parties and influence areas such as employment, infrastructure and networking with other businesses.



Health
Nepean Blue Mountains
Local Health District

NEPEAN BLUE MOUNTAINS LOCAL HEALTH DISTRICT

The Hawkesbury Living Cancer Trust has partnered with the Nepean Blue Mountains Local Health District (MBMLHD) and Hawkesbury District Health Service to deliver oncology and chemotherapy services at Hawkesbury Hospital. Through this agreement, local patients will be referred to Hawkesbury for treatment, where will be taken care of by highly qualified oncology and chemotherapy professionals in a comfortable and familiar location that is close to home.



NOVA EMPLOYMENT

We have been working with Nova Employment for over 19 years, helping job seekers with a range of disabilities to find work in the hospitality industry. Their clients have been continuously employed here at the club in a variety of diverse roles such as catering, bar service, maintenance and salon services. Nova continues to play an important role after employment; they help foster a strong relationship between the employee, their case manager and us, and they offer ongoing support to us to ensure that our clients' roles are meaningful and suitable to their abilities. Since then we have continued our relationship with Nova, with their clients continuously being employed here at the club and across the group in a variety of roles. Our previous board member Kerry Spindler is chairperson of Nova Richmond.



RICHMOND RAAF

With our history as an ex-servicemen's club, we have a long history of working with and supporting the Richmond RAAF Base. For a number of years, Richmond Club has been a flexible employer for Defence personnel, becoming a preferred employer for Reservists. These staff members are highly driven people who take on part-time service in the Army, Navy or Air Force while also working in the general public. Identifying ourselves as an employer of choice for these people shows that we will be flexible to their service obligations while they are employed with us.

We also support the Richmond RAAF through a number of fundraising and donation channels, including Charity Golf Days, Pay Night Raffles and use of club facilities for major functions.



HAWKESBURY CHAMBER OF COMMERCE

The Chamber is a non-profit association which represents the Hawkesbury's Business and Industrial Communities and provides a wide range of benefits and services to improve networking in the region. As a chamber member, we are involved in a range of initiatives and events throughout the year including hosting a number of networking events. Our Directors attend chamber meetings regularly.



HAWKESBURY RACE CLUB

We have a long-standing relationship with Hawkesbury Race Club, dating back over 18 years. Our clubs work hand-in-hand in providing vital support to the Hawkesbury through hosting annual Charity Race Days, stand-alone meetings and other fundraising Race Days throughout the racing calendar.



PGA OF AUSTRALIA

Since 2013, Richmond Club and Richmond Golf Club have worked closely with the PGA of Australia to bring the Australian Seniors PGA Championship to the Hawkesbury.

The three-day tournament, called the Legends Tour, is the flagship event for the PGA's professional golfers aged 50 and over. The international stars lure exceptional media coverage and exposure for the district, as well as boost tourism for our accommodation partners, Hawkesbury businesses. It is estimated the PGA is worth tens of thousands of dollars to the local economy through promoting the growth of golf in the region and showcasing the Hawkesbury to a national and international audience.



HAWKESBURY LIQUOR ACCORD

The Hawkesbury Liquor Accord is a community body comprising local licensed venues working with community groups such as the police, the health industry, local council and other community groups to encourage and support the responsible service of alcohol and gaming in our community. Richmond Club is an active and integral part of the local liquor accord and works with others in our community to help educate, enforce and inform local people about alcohol usage.



HAWKESBURY DISTRICT AGRICULTURAL ASSOCIATION

The Hawkesbury Showgrounds host dozens of clubs throughout the year, and stages the biggest district agricultural show outside the Sydney Royal Show, in Easter attracting thousands of people just three days. Although the Show was cancelled in 2020 due to the pandemic, we are proud to continue our association with the group, as it embodies the mix of rural, township and a progressive community future, as seen through the annual Showgirl Competition.

CORPORATE STRATEGIC PARTNERSHIPS:

Learning Links Children's Charity - Weekly charity cash housie fundraiser, Richmond Club annual charity race day, Reading for Life and Counting for Life programs in Hawkesbury primary schools; Memorandum of Understanding to partner building a children's health and wellbeing centre in Francis Street.

Nova Employment + RM Williams - major sponsors of the Australian PGA Seniors Championship Legends Tour at Richmond Golf Club;

LOCAL PARTNERSHIPS

Hawkesbury Legacy	Chris O'Brien Lifehouse
RSL Life Care	Relay for Life
RSL & Clubs services	Pink Finss
Rotary International	Colo Soccer Football Club
Hawkesbury Liquor Accord	Hawkesbury Agricultural Rugby Club
Improve your long game: Cancer Council of NSW	Richmond Travel Club
Hawkesbury Community Kitchen	SIDS Stampede
UWS Greengate Initiatives	Hawkesbury Cancer Support Group
Camp Quality	Hawkesbury City JRLC
Blue Datto Foundation	



ClubGRANTS



WORKING IN OUR COMMUNITIES



“CLUBGRANTS PROVIDES MORE THAN \$100 MILLION IN CASH EACH YEAR TO A VARIETY OF WORTHY CAUSES ACROSS NSW”

We are proud to support a host of community services and projects throughout the Hawkesbury through ClubGRANTS.

Whether it's cash funding or in-kind assistance, our club is here to support the community, especially disadvantaged groups in the district which have no other funding source available to them.

In-kind support includes discounted or waived room hire fees, fundraisers, meetings, member activities, catering, vouchers and sponsorship donations.

LAST FINANCIAL YEAR WE GAVE

\$796,587.22

TO THE HAWKESBURY COMMUNITY

The total amount of money, we have given to the community 2019-2020 is \$796,587.22. Of this - \$728,000 of this in cash. This equates to giving approximately \$12 to every resident* in the Hawkesbury.

Community projects or groups we supported include:

Australian Pony Stud Book Society	NPL Hawkesbury Poker
Autism & Aspergers Association	NSW Endurance Riders
Barrington's Course Training	Parramatta Diocesan School Parish
Blue Datto Foundation	PatchWork Group
Bridges Disability Services	Pink Finss Charity
Bushfire Relief	RAAF Base Richmond
Chisholm Catholic Primary School	Richmond Club Bowling Greens Maintenance
Gideon International	Richmond Club Euchre Club
Hawkesbury Camera Club	Richmond Club Table Tennis
Hawkesbury City Football Club	Richmond Club Travel Club
Hawkesbury City Chamber of Commerce	Richmond Club Trivia
Hawkesbury City Council	Richmond Ex-Servicemen's Soccer Club
Hawkesbury Combined Probus	Richmond Golf Club
Hawkesbury Community Kitchen (Soup Kitchen)	Richmond Golf Club Ladies
Hawkesbury Dog Agility	Richmond Golf Club Pennants
Hawkesbury Dressage	Richmond Memorial Bowling Club - Mens Bowling Club
Hawkesbury Editing Group	Riding for the Disabled
Hawkesbury Jazz Club	Rotary Club of Richmond
Hawkesbury Martial Arts	St Monica's Primary School
Hawkesbury Race Club	SPPHA - Standardbred Pleasure and Performance Horse Association
Hawkesbury Scuba Club	The Living Room
Hawkesbury Teachers	UWS Rugby
Hawkesbury Torchbearers	VIEW Club
Hawkesbury Teachers	Windsor Red Cross
Hawkesbury Ukele Music Society	WIRES
Hawkesbury War Widows Guild	WSRVGA (veteran golfers)
ICASA Golf Club	
Learning Links	
Lions Club	*according to the ABS 2018 census estimate.



FINANCIAL STATEMENTS

RICHMOND CLUB PG 45
FINANCIAL STATEMENTS

HAWKESBURY LIVING CANCER PG 74
TRUST CHAIRMAN'S REPORT

HLCT FINANCIAL STATEMENTS PG 75





Remembering our ex-servicemen & women

**Richmond Club Limited
& Controlled Entity**

ABN 14 001 034 911

**Annual Financial Report
for the year ended 30 June 2020**

Richmond Community Club Limited ABN 14 001 034 911
Annual financial report for the year ended 30 June 2020

Contents

	Page
Directors' report	3 - 5
Auditor's independence declaration	6
Financial statements	
Statement of profit or loss and other comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 25
Directors' declaration	26
Independent auditor's report to the members	27 - 28

These financial statements are the financial statements of Richmond Club Limited & Controlled Entity. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 20 October 2020. The Directors have the power to amend and reissue the financial statements.

Director's report

Your Directors present their report on Richmond Club Limited (the Company) for the year ended 30 June 2020.

Directors details

The following persons were Directors of Richmond Club Limited during the financial year, and up to the date of this report:

Mr Geoffrey Luscombe

Chairman, elected 18 November 2009.
Director since 1998

Chairman 11 years. Vice Chairman 8 years.
Board member 22 years. Club member 44 years.
Retired Police Officer. Real Estate Agent.

Mr Peter Chidgey

Director
Director since 2005

Board member 15 years. Vice Chairman 6 years.
Club member 17 years. Company Director, CEO.

Mr James Bullock

Director
Director since 2015

Board member 5 year. Club member 14 years.
Business Owner/Director.

Mrs Kerry Spindler

Director - Resigned August 2019

Club member 9 years. Manager at Nova Employment.

Mr Garry Watterson

Vice Chairman, elected 1 November 2013.
Director since 2004

Vice Chairman 7 years. Board member 17 years.
Club member 36 years. Retail Services Manager. Retired.

Mr Gregory Thompson

Director
Director since 2009

Board member 11 years. Club member 11 years. Veterinary Surgeon.

Mrs Dianne Finch

Director
Director since 2015

Board member 5 year. Club member 29 years. Business Owner. Retired Vice Mayor and Councillor of Hawkesbury City Council.

Mr Scott Reilly

Director
Director since 2019

Club member 4 years. Business Development Manager at Neverfail Springwater.

Mrs Elissa Esposito

Director
Director since 2019
Club member 4 years. Self employed Mortgage Broker.

Company secretary

Kimberley Talbot is the Group Chief Executive Officer and is the Company Secretary.

Director's meetings

The number of meetings the Directors held during the year and the number of meetings attended by each director is as follows:

Board members	Board meetings	
	A	B
Mr Geoffrey Luscombe	10	10
Mr Garry Watterson	10	9
Mr Peter Chidgey	10	5
Mr Gregory Thompson	7	3
Mr James Bullock	10	10
Mrs Dianne Finch	10	8
Mrs Kerry Spindler Resigned August 2019	1	1
Mr Scott Reilly	10	10
Mrs Elissa Esposito Appointed September 2019	8	6

Where:

- column A: the number of meetings the Director was entitled to attend
- column B: the number of meetings the Director attended

Director's report (Continued)

Principal activities

During the year, the principal activities of the Company was to conduct a licenced social, sporting and recreation club and the operation of a nursing home and retirement units in Richmond, NSW through its controlled entity.

Short-term objectives

The short-term objectives are to:

- Continually improve the quality of services we provide including food, beverage, gaming, sport, recreation, fitness, children's play area, caravan facility, function centre, entertainment, residential aged care, tourism, golf, and other complimentary services;
- Continue working toward the health and wellbeing of our children, seniors and community including the provision of sport and recreation;
- Cater for our older community and those with special needs, developing health and wellbeing;
- Improve net cash inflows;
- Continually improve and enhance social inclusion programs through our venues and the local community;
- Extend the caravan facility and assist in the development of sustainable tourism through the Hawkesbury and adjoining Local Government Areas;
- Continue to improve our facilities at the registered clubs including integrating the Hotel complex with the Club.
- To assess the fiscal and communities long and short-term impact of the COVID19 pandemic and to continually work towards a fiscal recovery which will allow the company to meet its long term objectives.
- To manage the mental health issues arising from the COVID 19 pandemic related not only to our employees but to our members and assist where possible.

Long-term objectives

The long-term objectives are to:

- Continually improve the quality of services we provide including food, beverage, gaming, sport, recreation, fitness, children's play area, caravan facility, function centre, entertainment, residential aged care, tourism, golf, and other complimentary services;
- Continue to embrace the sacrifice of our servicemen and women past, present and future;
- Provide a balance of planet, people and profit for communities of the Hawkesbury and surrounding districts;
- Maintain a high standard of aged care and quality services and to develop those services for the group;
- Continue providing Hawkesbury residents with a sense of dignity as well as comfort, privacy and safety levels;
- Provide affordable, independent housing;
- Assist in the development of Hawkesbury Living Cancer Trust and the Len and Margaret Peel Chemotherapy and Infusion Unit and remain the appointer of the Trustees;
- Improve golf course grounds, facilities and clubhouse services to players, members and guests;
- Build stage 4 of Hawkesbury Living and DA for stage 5;
- Reduce aged care waiting lists generally;
- Maintain the excellent course and facilities at Richmond Golf Club;
- Collaborate with other Aged Care providers to increase infrastructure in the Hawkesbury responsibility;
- Collaborate with relevant charities to assist in the provision of childcare services;
- Collaborate with local sporting groups to enhance sports in the Hawkesbury;

Strategy for achieving short and long-term objectives

To achieve these objectives, the Company adopted the following strategies and measures of performance;

- The use of benchmarking and key performance indicators within that process including profitability, efficiency, membership, staff productivity cost control, gross profit in core trading areas, ratios, marketing, cashflow from operations to reinvestment in capital expenditure and community support. Community support performance is not only the amount of funds directed to that area but the amount of "in kind" support provided;
- To continually strive to operate efficiently and in a manner that is consistent with accepted business practice to ensure facilities are preserved, member benefits are maintained and community support is ongoing;
- We constantly monitor member, guest and residents satisfaction of services and facilities;
- The training of employees to ensure the highest levels of service are provided to our members, guests and aged care residents;
- The company is actively involved with government representatives and departments with the club and aged care environments;
- Assessment and other accreditation standards and other responsibilities as required by the Aged Care Act 1997; Assessments include surprise and arranged visitations.

Director's report (Continued)

Performance measurement

The Company measures its performance against industry benchmarks, profit and net profit percentage of divisional trading areas. The Company also uses total net profit and EBITDA to measure the financial performance of the Group overall.

Review of operations

The profit / (loss) for the year after tax was \$(1,540,020) (2019: \$(116,578)). Revenue of \$24,954,202 was a 4.02% increase on last years result of \$23,989,496.

The current years result was negatively impacted by:

- The COVID 19 business closure from mid March 2020 to the end of May 2020;
- The impacts of droughts, bush fires, floods and building closures which occurred during the year.

The total comprehensive income / (loss) for the year was \$3,158,075 (2019: \$(116,578)). This represents an increase of \$3,274,653 and mainly resulted from, over and above the profit and loss for the year, the impact of an independent valuation of the groups land and buildings conducted as at 30 June 2020.

Contribution in winding up

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, each member is liable to contribute no more than four dollars. The collective liability of members was \$83,824 (2019: \$73,064).

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest dollar.

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 6 and forms part of this Directors' report.

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



Geoffrey Luscombe - Chairman

Dated: 20 October 2020

Auditor's independence declaration

To the Directors of Richmond Club Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Richmond Club Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements as set out in the section 307C of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Richmond Club Limited and the entity it controlled during the year.



Shaun Mahony - Partner



DFK Crosbie Partners
Chartered Accountants

Dated: 20 October 2020
Newcastle West

Richmond Club Limited & Controlled Entity

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Revenue from continuing operations	2	23,247,185	23,892,019
Other Income	3	1,707,017	97,477
Cost of goods sold		(773,984)	(1,116,681)
Employee benefits expense		(12,796,055)	(11,202,532)
Finance costs		(1,341,450)	(514,252)
Depreciation, amortisation and impairment expense		(2,505,334)	(2,097,477)
Other expenses		(9,316,907)	(8,934,890)
Support payments to the community		(170,386)	(236,693)
Profit / (loss) before income tax	4	(26,904,116)	(24,102,525)
Income tax expense		(1,949,914)	(113,029)
Profit / (loss) for the year		409,894	(3,549)
		(1,540,020)	(116,578)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Gain on revaluation of land and buildings	18	6,264,127	-
Tax effect on revaluation of land and buildings	18	(1,566,032)	
Other comprehensive income for the year, net of tax		4,698,095	-
Total comprehensive income / (loss) for the year		3,158,075	(116,578)

The above consolidated *statement of profit or loss and other comprehensive income* should be read in conjunction with the accompanying notes

Richmond Club Limited & Controlled Entity

Consolidated statement of financial position

For the year ended 30 June 2020

	Notes	2020	2019
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	5	2,415,167	3,906,582
Receivables	6	321,269	386,321
Inventories	7	59,758	81,061
Financial assets at amortised cost	8	373,740	268,488
Other assets	9	94,684	128,792
Total current assets		3,264,618	4,771,244
 Non-current assets			
Property, plant and equipment	10	55,443,568	50,396,628
Intangible assets	11	3,057,964	3,085,272
Right-of-use asset	12 (a)	816,120	-
Other assets	9	7,442	10,627
Deferred tax assets	13	574,954	166,857
Total non-current assets		59,900,048	53,659,384
 Total assets		63,164,666	58,430,628
 LIABILITIES			
Current liabilities			
Trade and other payables	14	2,746,338	3,572,075
Financial liabilities	15	25,732,757	19,891,082
Provisions	16	1,235,692	1,060,492
Other liabilities	17	390,677	275,140
Lease liabilities	12 (b)	237,434	265,208
Total current liabilities		30,342,898	25,063,997
 Non-current liabilities			
Financial liabilities	15	626,889	5,787,811
Provisions	16	139,097	167,827
Lease liabilities	12 (b)	385,532	463,053
Deferred tax liabilities	13	1,766,796	202,561
Total non-current liabilities		2,918,314	6,621,252
 Total liabilities		33,261,212	31,685,249
 Net assets		29,903,454	26,745,379
 MEMBERS FUNDS			
Reserves	18	10,383,903	5,685,808
Retained profits		19,519,551	21,059,571
 Total members funds		29,903,454	26,745,379

The above consolidated *statement of financial position* should be read in conjunction with the accompanying notes

Richmond Club Limited & Controlled Entity

Statement of changes in equity

For the year ended 30 June 2020

	Revaluation Surplus \$	Retained Profits \$	Total \$
Balance at 1 July 2018	5,685,808	21,176,149	26,861,957
Profit for the year	-	(116,578)	(116,578)
Total comprehensive income for the year	-	(116,578)	(116,578)
Balance at 30 June 2019	5,685,808	21,059,571	26,745,379
Profit for the year	-	(1,540,020)	(1,540,020)
Other comprehensive income	4,698,095	-	4,698,095
Total comprehensive income for the year	4,698,095	(1,540,020)	3,158,075
Balance at 30 June 2020	10,383,903	19,519,551	29,903,454

The above consolidated *statement of changes in equity* should be read in conjunction with the accompanying notes

Richmond Club Limited & Controlled Entity

Statement of cash flows

For the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers		35,365,401	24,281,985
Payments to suppliers and employees		(29,048,421)	(22,451,578)
Finance Costs		(1,341,450)	(514,669)
Net cash inflow (outflow) from operating activities		4,975,530	1,315,738
Cash flows from investing activities			
Acquisition for property, plant and equipment		(1,875,149)	(10,690,387)
Net cash inflow (outflow) from investing activities		(1,875,149)	(10,690,387)
Cash flows from financing activities			
Proceeds from borrowings		527,095	13,255,506
Repayment of lease liabilities		(207,718)	-
Repayment of borrowings		(4,911,173)	(3,212,267)
Net cash inflow (outflow) from financing activities		(4,591,796)	10,043,239
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial year		(1,491,415)	668,590
Cash and cash equivalents at the end of the financial year		3,906,582	3,237,992
		2,415,167	3,906,582

The above consolidated *statement of cash flows* should be read in conjunction with the accompanying notes

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2020

1 Summary of significant accounting policies

(a) Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial statements are for the consolidated group consisting of Richmond Club Limited (the Company) and its controlled entity (the Group). The Company is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

(b) Statement of compliance

This financial report complies with Australian Accounting Standards - *Reduced Disclosure Requirements* as issued by the Australian Accounting Standards Board (AASB).

The financial report has been prepared on an accruals basis and is based on historical costs, except for land and buildings which have been measured at fair value. The financial report is presented in Australian Dollars.

(c) New and amended standards adopted by the Company

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2019:

- AASB 15 *Revenue from Contracts with Customers*
- AASB 16 Leases

The principal accounting policies adopted are consistent with those of the previous financial year except for the policies stated below:

AASB 15 Revenue from Contracts with Customers

The Group has adopted AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15' from 1 July 2019. AASB 15 establishes a comprehensive five-step framework for recognising revenue. AASB 15 applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. AASB 15 has replaced past revenue recognition guidance including AASB 18 Revenue, AASB 11 Construction Contracts and the related Interpretations.

Under AASB 15, revenue is recognised when a performance obligation has been satisfied at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgment, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers.

AASB 15 has been applied by the Group in accounting for and recognising revenue. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The new policies are set out in note 2.

The standard permits either a full retrospective or a modified retrospective approach for adoption. The Group employed the modified retrospective approach for adoption as at 1 July 2019.

The adoption has impacted the annual financial statements as follows:

The Group concluded that AASB 15 required no change in the method of accounting for the provision of goods and services provided.

The application of AASB 15 has not had a significant impact on the financial position and/or financial performance of the Company.

The Group concluded that AASB 15 required no change in the method of accounting for the sale of goods and the provision of services. Sales are made at a point in time as the products and services are provided, with no contingent features to the price or volumes delivered. Sales for the provision of services are made at a point in time, with no contingent features to the price. The Group has a customer loyalty program which allows customers to earn points from selected purchases within the Richmond Club and Richmond Golf Club which are redeemable on future purchases. It was determined that the impact of the loyalty program and internal Club vouchers on 1 July 2019 and 30 June 2020 was immaterial.

The application of AASB 15 has not had a significant impact on the financial position and/or financial performance of the Group other than for Pro shop income and expenses where the Group acts as an agent to an external supplier and as such the gross receipts do not meet the definition of revenue under AASB 15. The impact of not recognising this revenue has resulted in a decrease in golf revenue of \$394,899 with a corresponding adjustment to other expenses.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2020

(c) New and amended standards adopted by the Company (continued)

AASB 16 Leases

The Group has adopted AASB 16 'Leases' from 1 July 2019. AASB 16 Leases ('AASB 16') removes the current operating and finance lease distinction for lessees and requires entities to recognise all material leases on the statement of financial position. AASB 16 requires the recognition of a right-of-use asset and a corresponding lease liability at the commencement of all leases, except for short-term leases and leases of low value assets.

The standard permits either a full retrospective or a modified retrospective approach for adoption. The Group has elected to apply the modified retrospective method of adoption from the date of initial application, which allows the Group to not restate comparative financial statement information.

The adoption has impacted the annual financial statements as follows:

As a result of the adoption of AASB 16, the Group has recognised right-of-use assets and lease liabilities with the following effects on the statement of financial position:

- The reclassification to right of use assets from property, plant and equipment of \$506,303
- The reclassification to lease liabilities from financial liabilities of \$381,163

(d) Change in Accounting Policy

AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors:

The Group has elected to change its accounting policy in relation to bed licences recognised in accordance with AASB 138 Intangible Assets from 1 July 2019. The change impacts the measurement of these intangible assets, being bed licences. The change has resulted in these intangible assets being measured at historic cost rather than fair value.

The Directors have elected a change the Group accounting policy following an assessment as to whether there is a sufficiently active market to meet the requirements relating to fair value measurement of intangible assets under Australian Accounting Standards and generally accepted industry practice.

The adoption has impacted the annual financial statements for both the current and comparative year as follows:

Current year

- Decrease of asset revaluation reserve of \$7,179,689
- Decrease of bed licence revaluation of \$7,179,689

Comparative year

- Decrease of asset revaluation reserve of \$7,179,689
- Decrease of bed licence revaluation of \$7,179,689

(e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2020

(f) Working capital deficiency

As at 30 June 2020, Richmond Club Limited & Controlled Entity has a working capital deficiency of \$27,078,280

The working capital deficiency is caused by:

- (a) The entire balance owed to the ANZ of \$10,089,380 being classified as current due to the fact that the negotiations with the company's financial providers had not been completed at year end. The Directors expectation is that these negotiations will be favourably concluded in the new year.
- (b) Nursing home accommodation bonds totalling \$15,314,738 classified as current.

The Directors believe the above working capital deficiency will be satisfied due to the following:

- (a) The Group has a cash balance at 30 June 2020 of \$2,415,167.
- (b) The Directors expect to continue to receive support from the ANZ bank and the loans are not expected to be required to be repaid within the next 12 months.
- (c) The nursing home accommodation bonds are not expected to all be repaid within the next 12 months. The Directors also believe any accommodation bonds to be repaid will be satisfied with new resident bonds.
- (d) The Group's operating cashflow for the year end 30 June 2020 was significantly negatively impacted by bushfires, floods, droughts, renovation closures and the COVID-19 pandemic and related shutdown of the industry from 23rd March to 1 June. The Group expects future cashflows to improve and return to more normal levels based on trading performance since reopening in June 2020 (notwithstanding that restrictions remain in place which limit a return to pre-COVID operating conditions).
- (e) The Group expects to continue to receive support from its suppliers and members.
- (f) The Group has prepared a cashflow budget for 2021 and based on the forecast expect the Group to continue to trade with sufficient positive operating cashflows in order to meet its obligations to financiers, suppliers, employees and other creditors.

The Directors are of the opinion the above will be achieved and the Company will continue as a going concern and meet its debts and commitments as they fall due. As a result, the Directors have prepared the financial report on a going concern basis.

2 Revenue

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time for the following services:

2020	Beverage and food revenue	Gaming revenue	Golf revenue	Residential aged care revenue	Other revenue	Total
	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	1,972,542	6,181,813	1,180,213	13,191,356	703,464	23,229,388
Other revenue (not covered by AASB15)	-	17,797	-	-	-	17,797
	1,972,542	6,199,610	1,180,213	13,191,356	703,464	23,247,185

Timing of revenue recognition

At a point in time	1,972,542	6,199,610	792,724	-	381,540	9,346,416
Over time	-	-	387,489	13,191,356	321,924	13,900,769
	1,972,542	6,199,610	1,180,213	13,191,356	703,464	23,247,185

2019	Beverage and food revenue	Gaming revenue	Golf revenue	Residential aged care revenue	Other revenue	Total
	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	2,632,863	7,666,063	1,134,872	10,498,156	1,949,576	23,881,530
Other revenue (not covered by AASB15)	-	10,489	-	-	-	10,489
	2,632,863	7,676,552	1,134,872	10,498,156	1,949,576	23,892,019

Timing of revenue recognition

At a point in time	2,632,863	7,676,552	788,659	-	1,418,048	12,516,122
Over time	-	-	346,213	10,498,156	531,528	11,375,897
	2,632,863	7,676,552	1,134,872	10,498,156	1,949,576	23,892,019

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2020

(b) Accounting policies

Revenue recognition policy for revenue from contracts with customers (AASB15)

The Group recognises revenue related to the transfer of promised goods or services when a performance obligation is satisfied and when control of the goods or services passes to the customer. The amount of revenue recognised reflects the consideration to which the Company is or expects to be entitled in exchange for those goods or services.

The Group considers whether there are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods or services, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) Sale of goods - beverage and food

Revenue from the sale of beverages and food is recognised at a point in time when the physical control of the goods passes to the customer.

(ii) Provision of services - gaming revenue

Revenue from rendering services from gaming facilities to members and other patrons is recognised when the services are provided. Gaming revenue is measured at the fair value of the consideration received from the net position of the wagers placed less customer winnings paid out. Commission income where the Club acts as an agent for third parties who provide wagering services to members and guests is recognised at a point in time when the wagering transactions has been completed.

(iii) Sale of goods and provision of services - golf revenue

Revenue from the sale of goods and provision of services is recognised at a point in time when the physical control of the goods passes or the service is provided to the customer. Membership subscriptions are recognised over the term of the membership and any unearned portion is deferred and included in contract liabilities.

(iv) Residential aged care revenue

The Group recognises revenue from aged care services over time as performance obligations are satisfied, which is as the services are rendered, primarily on a daily or monthly basis. Revenue arises from discretionary and non-discretionary services, as agreed in a single contract with the resident. Fees received in advance of agreed aged care services performed are recognised as contract liabilities and are included within other liabilities.

Residential aged care revenue comprises of the following:

Department of Health and Aged Care revenue - reflects the Group's entitlement to revenue from the Australian Government based upon the specific care and accommodation needs of the individual residents. Revenue funded by the Government is derived under the Group's contracts with customers and comprises of basic subsidy amounts calculated in accordance with Aged Care Funding Instrument, accommodation supplements, funding for short term respite residents and other Government Incomes.

Resident fees and accomodation - residents are charged a basic daily fee as a contribution to the provision of care and accommodation which are regulated by the Australian Government. Other fees charged to the residents in relation to care and accommodation services including Daily Accommodation Payments (DAP), means tested care fees, rescom fees and other sundry services provided by the Company. These services are recognised over time as the service is provided.

(v) Other Revenue

The Group recognises other revenue at a point in time when the performance obligation has been satisfied.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2020

3 Other income and expense items

	2020	2019
	\$	\$

(a) Other income

Other Income	86,603	70,204
Interest Income	684,169	-
Government stimulus funding - Job keeper	650,107	-
Government stimulus funding - Cashflow Boost	62,500	-
Government stimulus funding - Aged Care Support Grant	110,000	-
Gain on disposal of non current assets	113,638	27,273
	<hr/>	<hr/>
	1,707,017	97,477

(i) Other income

Other income is recognised on an accruals basis.

(ii) Government Stimulus Funding

The Company recognises stimulus funding from the Australian Taxation Office when it is considered to be receivable.

(iii) Gain on disposal of non current assets

The Group recognises gains on disposals of non current assets when it is considered to be receivable.

(b) Other expenses

Cost of goods sold		
Beverage trading	537,081	586,996
Catering	205,097	478,826
Gym	3,996	2,270
Hair salon	27,810	48,589
Total - Cost of goods sold	<hr/>	<hr/>
	773,984	1,116,681

Other Expenses

Catering expenses	70,454	115,321
External catering expenses	107,633	35,370
Beverage trading expenses	30,314	46,299
Gaming machine expenses & taxes	1,637,070	2,067,989
Gymnasium expenses	38,689	61,501
Hair salon expenses	6,035	12,787
Golf expenses	605,231	601,843
Membership expenses	12,433	17,383
Aged care facility expenses	3,638,215	2,412,571
Entertainment & promo	937,809	1,024,138
Occupancy expenses	775,722	995,039
Repairs & Maintenance (excluding gaming)	345,591	354,552
Consultancy fees	89,465	28,551
Insurance	318,052	379,291
Miscellaneous	704,194	782,255
Total - Other expenses	<hr/>	<hr/>
	9,316,907	8,934,890

Employee remuneration & benefits

Wages	10,618,043	9,251,483
Superannuation expense	1,018,865	896,568
Annual & long service leave expense	1,044,547	902,265
Fringe benefits tax	46,652	43,895
Other employee remuneration and benefits	67,948	108,321
Total - Employee Remuneration & benefits	<hr/>	<hr/>
	12,796,055	11,202,532

Finance Costs

Interest expense - bank loans	613,359	472,117
Imputed interest charge on RADs (i)	684,169	-
Interest expense on leases payable	43,922	42,135
	<hr/>	<hr/>
	1,341,450	514,252

(i) Imputed interest charge on RADs

On adoption of AASB 16 Leases, the fair value of non-cash consideration (in the form of an interest free loan) received from a resident, that has elected to pay a RAD is required to be recognised as income and correspondingly, an interest expenses with no net impact on profit or loss.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2020

4 Income tax expense

(a) Numerical reconciliation of income tax expense to *prima facie* tax payable

The Income Tax Assessment Act 1936 (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. The controlled entity is exempt from income tax under section 50 of the Income Tax Assessment Act 1997. The amount set aside for income tax in the statement of profit or loss and other comprehensive income has been provided on a taxable income calculated as follows:

	2020 \$	2019 \$
Operating profit/(loss) before income tax	(1,949,914)	(113,029)
Tax at the Australian tax rate at 27.5% (2019: 27.5%)	(536,226)	(31,083)
Non deductible expenses	(49,719)	(97,402)
Apportionment adjustment members income and expenses	412,253	366,086
Non assessable and non deductible items due to tax exempt status of controlled entity	155,168	(241,150)
Net deferred tax asset not bought to account	-	-
Deferred tax asset for tax losses not bought to account	428,417	-
Income tax expense	<u>409,893</u>	<u>(3,549)</u>

Accounting policy

Deferred tax assets and liabilities are recognised for deductible and temporary differences where considered material. Deferred tax assets in respect of unused tax losses are only recognised to the extent it is probable that a taxable profit will be available against which deductible temporary differences and carried forward tax losses can be utilised if material.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on the tax rates (and tax law) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

5 Cash and cash equivalents

Current

Cash and Cash Equivalents	2,415,167	3,906,582
	<u>2,415,167</u>	<u>3,906,582</u>

Accounting policy

Cash and short-term deposits in the Statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the Statement of cash flows, cash and cash equivalents consists of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Cash inflows and outflows of RADs are classified as cash flows from operating activities as they are considered part of the operational business model. Upon entering a facility, a non-supported resident has a choice to pay either a RAD, DAP or a combination of both. If the resident pays a DAP then this is classified as revenue and forms part of the cashflows from operating activities and thus the RAD inflows are also considered to be classified as operational cashflows.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2020

6 Receivables

	2020	2019
	\$	\$
Current		
Trade receivables	321,269	386,321
	<hr/>	<hr/>
	321,269	386,321

Accounting policy

Trade receivables are recognised initially at the amount of the consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost. Trade receivables are generally due within 30 days from the date of recognition.

7 Inventories

Current

Inventory on hand	59,758	81,061
	<hr/>	<hr/>
	59,758	81,061

Accounting policy

Inventories are measured at the lower of cost and current replacement cost.

8 Financial assets at amortised cost

Current

GST Receivable	16,439	-
Other receivables	357,301	268,488
	<hr/>	<hr/>
	373,740	268,488

Accounting policy

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

9 Other assets

Current

Prepayments	94,684	128,792
	<hr/>	<hr/>
	94,684	128,792

Non-current

Other assets	7,442	10,627
	<hr/>	<hr/>
	7,442	10,627

Accounting policy

This includes prepayments made in advance for goods and services which are to be received in a future period.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2020

10 Property, plant and equipment

	Leasehold improvements	Plant and equipment	Capital \$	WIP \$	Freehold Land and Buildings	Total \$
Non-current assets						
At 1 July 2019						
Cost	895,708	26,560,215	628,722	45,709,489	73,794,134	
Accumulated depreciation	(448,461)	(17,301,736)	-	(5,647,309)	(23,397,506)	
Net book amount	447,247	9,258,479	628,722	40,062,180	50,396,628	
Year ended 30 June 2020						
Opening net book amount	447,247	9,258,479	628,722	40,062,180	50,396,628	
Reallocation to Right-of-use assets on AASB 16 implementation	-	(506,303)	-	-	(506,303)	
Additions	-	1,269,246	188,080	355,308	1,812,634	
Disposals	-	(187,098)	-	-	(187,098)	
Transfers in/out	-	(2,990,594)	(372,856)	3,363,450	-	
Revaluation increment	-	-	-	6,264,127	6,264,127	
Depreciation charge	(49,014)	(1,398,257)	-	(889,149)	(2,336,420)	
Closing net book amount	398,234	5,445,473	443,946	49,155,916	55,443,568	
Year ended 30 June 2020						
Cost	895,708	24,651,769	443,946	49,155,916	75,147,339	
Accumulated depreciation	(497,475)	(18,699,993)	-	-	(19,197,468)	
Net book amount	398,233	5,951,776	443,946	49,155,916	55,443,568	

Accounting policy

(a) Land and buildings

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Freehold land and buildings were revalued on 30 June 2020 by Nelson Partners Australia. Nelson Partners Australia frequently assess the market values for properties similar to those held by the Group, having regard to past sales prices of other properties and current market conditions.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the asset revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of decrement on revaluation of land and buildings. All other decreases are charged to the statement of profit or loss and other comprehensive income.

As the revalued buildings are depreciated, the difference between depreciation recognised in the income statement, which is based on the revalued carrying amount of the asset, and the depreciation based on the assets original cost is transferred from the revaluation surplus to retained earnings.

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.

Freehold land and buildings that have been contributed at no cost, or for nominal costs, are valued and recognised at the fair value of the asset at the date it is acquired.

(b) Plant and equipment, freehold land and buildings, leasehold improvements

Plant and equipment, leasehold improvements is carried at cost less any accumulated depreciation and any impairment in value.

(c) Depreciation

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

Buildings and leasehold improvements	5 - 40 years
Plant and equipment	2 - 10 years

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2020

(d) Impairment

The carrying values of plant and equipment, leasehold improvements are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash in flows, the recoverable amount is determined for the cash generating unit in which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the future economic benefits of an asset are not dependant on the asset's ability to generate net cash inflows and if deprived of the asset the Company would replace its remaining future economic benefit, value in use is determined as the depreciated replacement cost of the asset.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income as a separate line item.

11 Intangible assets

	Corporate Branding	Bed Licences	Poker machine entitlements \$	Total \$
Non-current assets				
At 30 June 2019				
Cost	384,226	2,690,311	206,666	3,281,203
Accumulated amortisation	(195,931)	-	-	(195,931)
Net book amount	188,295	2,690,311	206,666	3,085,272
Year ended 30 June 2020				
Opening net book amount	188,295	2,690,311	206,666	3,085,272
Additions	12,350	-	-	12,350
Amortisation charge	(39,658)	-	-	(39,658)
Closing net book amount	160,987	2,690,311	206,666	3,057,964
At 30 June 2020				
Cost	396,576	2,690,311	206,666	3,293,553
Accumulated amortisation	(235,589)	-	-	(235,589)
Net book amount	160,987	2,690,311	206,666	3,057,964

Accounting policy

(i) *Poker Machine Entitlements*

Poker machine entitlements are intangible assets acquired separately and are capitalised at cost, the useful lives of these intangible assets are assessed to be indefinite. These are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired.

The Poker machine entitlements, were tested for impairment having regard to the market value of such entitlements and the cash flow generated from holding these assets, with no impairment loss adjustment required.

(ii) *Bed Licences*

Bed licences are an allocated place for a person to receive residential care. Bed licences are initially measured at historical cost or if acquired in a business combination, at fair value as at the date of acquisition. Following initial recognition, the licences are not amortised but are measured at cost less any accumulated impairment losses.

Bed licences are assessed at having an indefinite useful life as they are issued for an unlimited period and therefore are not amortised. The assessment of indefinite life is assessed annually. These are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired.

The Bed Licences were tested for impairment having regard to the market value for such licences and the cash flow generated from holding these assets, with no impairment loss adjustment required.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2020

	2020	2019
	\$	\$

12 Leases

The Group leases several assets including Poker Machines and Motor Vehicles.

a) Right-of-use asset

Non-current

Right-of-use assets

	816,120	-
--	---------	---

Reconciliation of right-of-use assets

2020	Motor Vehicles	Poker Machines	Total
	\$	\$	\$
At 1 July 2019	36,382	469,921	506,303
Additions	-	439,073	439,073
Amortisation	9,095	120,161	129,256
30 June 2020	27,287	788,833	816,120

b) Lease liabilities

Current

Lease liabilities	9,385	228,049	237,434
Non-current			
Lease liabilities	19,765	365,767	385,532

Total

Reconciliation of lease liabilities

2020	Motor Vehicles	Poker Machines	Total
	\$	\$	\$
At 1 July 2019	37,950	343,213	381,163
Additions	-	439,073	439,073
Interest expense	2,190	8,258	10,448
Lease payments	10,991	196,727	207,718
Net movement during year	(8,801)	250,604	241,803
30 June 2020	29,149	593,817	622,966

Accounting policy

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still, or now contains, a lease.

The term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised.

At inception, a right-of-use asset and a lease liability is recognised. Right-of-use assets are included in the statement of financial position and grouped in classes of similar underlying assets.

Right-of-use assets are initially measured at cost, comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- an estimate of costs to be incurred in dismantling and removing the underlying asset;
- any initial direct costs incurred;

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The weighted average incremental borrowing rate is 5.96%.

The lease payment used in the calculation of the lease liabilities includes variable payments when they relate to an index or rate. Where leases contain variable lease payments based on an index or rate at a future point in time, the Company has only included the known CPI increases to date and not estimated future CPI-related increases.

The Company does not recognise leases that have a lease term of 12 months or less or are of low value as a right of use asset or lease liability. The lease payments associated with these leases are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2020

13 Deferred tax balances

(i) Deferred tax assets

The balance comprises temporary differences attributable to:

	2020	2019
	\$	\$
Provisions	60,120	164,166
Other	-	2,691
Carried forward tax losses	<u>514,834</u>	-
	<u>574,954</u>	166,857

Movements

At 1 July 2019

(Charged)/credited to statement of profit or loss and other comprehensive income

At 30 June 2020

(i) Deferred tax liabilities

The balance comprises temporary differences attributable to:

Land and Buildings	1,749,296	202,561
Other	17,500	-
	<u>1,766,796</u>	202,561

Movements

At 1 July 2019

Charged/(credited) to statement of profit or loss

Charged/(credited) to statement of comprehensive income

At 30 June 2020

Accounting policy

Deferred tax assets and liabilities are recognised for deductible and temporary differences where considered material. Deferred tax assets in respect of unused tax losses are only recognised to the extent it is probable that a taxable profit will be available against which deductible temporary differences and carried forward tax losses can be utilised if material.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on the tax rates (and tax law) that have been enacted or substantively enacted at the statement of financial position date.

14 Trade and other payables

Current

Trade payables	613,841	1,394,535
Other payables and accruals	1,509,494	2,006,239
GST payable	623,003	171,301
	<u>2,746,338</u>	3,572,075

Accounting policy

Trade and other payables, including accruals, are recorded initially at fair value and subsequently at amortised cost. Trade and other payables are non-interest bearing. Trade accounts payable are normally settled within 30 days.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2020

15 Financial liabilities

	2020 \$	2019 \$
Current		
<i>Secured</i>		
Bank loans (i)	10,089,380	8,803,006
Other loans (ii)	328,639	501,519
Loans from related parties	-	-
Total secured financial liabilities	<u>10,418,019</u>	<u>9,304,525</u>
<i>Unsecured</i>		
Resident loans	15,314,738	10,586,557
Total unsecured financial liabilities	<u>15,314,738</u>	<u>10,586,557</u>
	<u>25,732,757</u>	<u>19,891,082</u>
Non-current		
<i>Secured</i>		
Bank loans (i)	-	5,501,231
Other loans (ii)	626,889	286,580
Total secured financial liabilities	<u>626,889</u>	<u>5,787,811</u>

(i) Secured liabilities

The above loans and lines of credit are secured by the following:

- First registered mortgage over the property at 110 March Street, Richmond, NSW;
- First registered mortgage over the property at 6 East Market Street, Richmond, NSW;
- All present and future undertakings (including goodwill) and unpaid or uncalled capital of the security provider.

(ii) Other secured liabilities

The other loans are secured by a fixed charge over the specific assets that are financed.

Accounting policy

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

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Resident loans comprise refundable accommodation deposits (RAD's) which are non-interest bearing deposit paid or payable to an approved provider by a resident for the residents accomodation in an aged care facility. Residents can choose to pay a full lump-sum RAD, a regular rental-type payment called a 'daily accommodation payment' (DAP), or a combination of both.

RADs are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Due to RADs becoming payable upon short notice, their carrying value approximates their fair value.

RAD refunds are guaranteed by the Federal Government under the prudential standards legislation. Providers are required to have sufficient liquidity to ensure they can refund the RAD balances as they fall due in the following twelve months. Providers are also required to implement and maintain a liquidity management strategy. There is no unconditional right to defer payment for twelve months and therefore RAD liabilities are recorded as current liabilities.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2020

16 Provisions

	2020 \$	2019 \$
Current		
Employee entitlements (i) & (ii)	1,235,692	1,060,492
	<hr/>	<hr/>
	1,235,692	1,060,492
Non-current		
Employee entitlements (ii)	139,097	167,827
	<hr/>	<hr/>
	139,097	167,827

Accounting policy

(i) Annual leave

Liabilities for annual leave expected to be settled within 12 months of the reporting date, are recognised in the provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Any annual leave expected to be settled beyond 12 months of the reporting date is measured at the present value of expected future payments.

(ii) Long service leave

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage levels and period of service. Discount rates of the Australian bond rates matching the estimated future cash outflows have been used.

17 Other liabilities

Current

Contract liabilities - membership income (i)	387,051	264,215
Contract liabilities - income in advance (i)	3,626	10,925
	<hr/>	<hr/>
	390,677	275,140

(i) Contract liabilities

Contract liabilities generally represent the membership subscriptions and other income received in advance which is held until the performance obligation has been satisfied. The services provided are usually provided or the conditions usually fulfilled within 12 months.

Accounting policy

Revenues received in advance are recorded as a contract liability if they are in relation to contracts with customers under AASB 15 and recognised as revenue when they are earned in future periods.

18 Reserves

Balance at 1 July 2019

Revaluation of land and buildings

Tax effect of revaluation

Balance at 30 June 2020

	Asset revaluation \$	Total \$
	5,685,808	5,685,808
	6,264,127	6,264,127
	<hr/>	<hr/>
	(1,566,032)	(1,566,032)
	<hr/>	<hr/>
	10,383,903	10,383,903

(i) Nature and purpose of reserves

Asset revaluation

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2020

19 Commitments

There are no commitments as at the date of this report.

20 Contingent liabilities

There are no contingent liabilities as at the date of this report.

21 Related parties

Transactions between related parties are on normal commercial terms and conditions, and are no more favourable than those available to other parties unless otherwise stated.

	2020	2019
	\$	\$
Total key management personnel benefits	969,579	972,345

(b) Subsidiary entity and transactions

The subsidiary entity is Hawkesbury Living Pty Limited, a company limited by guarantee incorporated in New South Wales. At 30 June 2020 the Company was the sole member of Richmond Club Limited.

Hawkesbury Living Pty Limited has provided a loan to Richmond Club Limited. As at 30 June 2020 the Company owed Hawkesbury Living Pty Limited \$10,790,403 (2019 \$10,155,226).

Transactions between the Company and its Controlled Entity during the financial year include:

Rent paid by Hawkesbury Living Pty Limited to the Company	765,500	662,480
Management fees paid by Hawkesbury Living Pty Limited to the Company	-	34,843
Interest paid by the Company to Hawkesbury Living Pty Ltd	280,510	325,667

(c) Other related party transactions

Transactions between other related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Other related party transactions include:

- Ethan Talbot, the son of Group CEO Kimberley Talbot is employed by subsidiary company Hawkesbury Living Pty Limited on an arms length basis.
- Lauren Stanley, the daughter of director Peter Chidgey is employed by subsidiary company Hawkesbury Living Pty Limited on an arms length basis.
- Director James Bullock supplies motor vehicle services to the Company on an arms length basis.

22 Core and non-core property

Pursuant to Section 41E(5) of the Registered Clubs Act 1976 (NSW) for the financial year ended, the following land and buildings are

Core Property

- 5 Toxana Street, Richmond, NSW 2753, also known as 6 East Market Street Richmond, NSW, 2753
- 8 East Market Street, Richmond, NSW, 2753
- 9 Toxana Street, Richmond, NSW, 2753
- 34 Bourke Street, Richmond, NSW, 2753

Non - Core Property

- 71 Francis Street, Richmond, NSW, 2753
 - 116 March Street, Richmond NSW 2753
 - 122 March Street, Richmond NSW 2753
 - 87 Francis Street, Richmond NSW 2753
- The land on the corner of Francis Street and East Market Street.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2020

23 Parent entity financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2020	2019
	\$	\$
Balance Sheet		
Assets		
Current assets	1,269,876	985,915
Non-current assets	<u>36,631,473</u>	<u>36,019,702</u>
Total assets	<u>37,901,349</u>	<u>37,005,617</u>
Liabilities		
Current liabilities	9,795,571	4,407,421
Non-current liabilities	<u>13,601,671</u>	<u>16,522,122</u>
Total liabilities	<u>23,397,242</u>	<u>20,929,543</u>
Members funds		
Retained earnings	4,276,807	10,390,266
Reserves	<u>10,227,300</u>	<u>5,685,808</u>
Total members funds	<u>14,504,107</u>	<u>16,076,074</u>
Profit /(loss) for the year	<u>(1,571,967)</u>	<u>(993,484)</u>

The financial information for the parent entity, Richmond Club Limited, has been prepared on the same basis as the consolidated financial statements, except in relation to investments in subsidiaries. Investments in subsidiaries are accounted for at cost in the financial statements of Richmond Club Limited. Any distributions received from subsidiaries are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

24 Critical accounting estimates and judgements

Management is required to make judgements, estimates and assumptions about reported amounts of assets, liabilities, income and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. 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 estimate is revised and future periods if the revision affects both current and future periods.

Judgements made by management that have significant effects on the financial statements and estimates with a significant risk of material adjustment in the next period are disclosed where applicable, in the relevant notes to the financial statements:

- Estimation of useful lives of non-current assets (notes 10 and 11) - The useful life of property, plant and equipment is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The useful life of poker machine entitlements and bed licences classified as an intangible asset has been assessed as indefinite. There is uncertainty in relation to this assumption as it is based on current legislation and conditions attached to the entitlements and licences. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.
- Estimated fair value of land and buildings - The fair value of land and buildings is estimated at each reporting date, based on independent assessments of the market value of the property conducted at least every three years and other available knowledge of current market prices. Estimation uncertainty exists and is related to the various assumptions used in determining the fair value.
- Impairment of non-current assets (note 11) - Impairment testing of non-current assets is performed where indicators of impairment exist or annually for indefinite life intangible assets. In assessing impairment, estimates are made of the recoverable amount of each asset or cash generating unit based on discounted expected future cash flows or estimated replacement cost. Estimation uncertainty exists in relation to assumptions regarding future operating results and cash flows, determination of an appropriate discount rate and estimated current replacement cost of the asset.

Directors' declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 7 to 25 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Geoffrey Luscombe - Chairman

Richmond, NSW
20 October 2020



Independent auditor's report to the members of Richmond Club Limited & Controlled Entity

Opinion

We have audited the financial report of Richmond Club Limited (the Company) and its subsidiary (the Group) which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is 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 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon. The other information provided at the date of this report comprises the Chairman's Report and the CEO Report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing further to report in this regard.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial report, which indicates that the Group has incurred a net loss before tax of \$1,949,914 in the current year and has a deficiency in working capital such that current liabilities exceeded current assets by \$27,078,280. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.



Other Matter

The financial report of Richmond Club Limited and controlled entity for the year ended 30 June 2019 was audited by another auditor who expressed an unmodified opinion on that financial report on 24 September 2019. The audit report included an emphasis of matter with regards to the impairment of non-financial assets and valuation of bed licenses.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Matters relating to the electronic presentation of the audited financial report

The auditor's report relates to the financial report of the Company for the year ended 30 June 2020 included on the Company's web site. The Company's Directors are responsible for the integrity of the Company's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our audit report.


Shaun Mahony - Partner

DFK Crosbie Partners
Chartered Accountants

20 October 2020
Newcastle West



VARIOUS IMAGES USED IN THIS REPORT ARE COURTESY OF HAWKESBURY
CAMERA CLUB, NOVA EMPLOYMENT AND GEOFF JONES FAIRFAX MEDIA.

HAWKESBURY LIVING CANCER TRUST CHAIRMAN'S REPORT 2019-20



Dear Stakeholders,

As the Chairperson of the Hawkesbury Living Cancer Trust, I am pleased to present to you the audited financial report for the Trust, for the Year ended 30 June 2020.

The Unit which was established in partnership with Nepean Blue Mountains Local Health District and Hawkesbury District Health Service within Hawkesbury Hospital has four treatment beds for residents to receive chemotherapy.

Every year since its opening the unit has been providing more treatments to residents of the Hawkesbury District. The Hawkesbury Living Cancer Trust provides funding to the Nepean Blue Mountains Health District each year for the gap between payments they get from the State Government and the actual cost of providing services to residents. This ensures the Unit remains viable for the future.

This year the Trustees of the Hawkesbury Living Cancer Trust looked further in to how we might provide support in the community for people battling cancer. We noticed the amazing work being done by another Hawkesbury District charity the "Pink Finss" in supporting people in

the community in a practical and hands on approach. We therefore donated \$50,000 to this wonderful organisation.

Transport for treatment is another area we examined and the Trustees decided to purchase a car in conjunction with the Richmond Club, each paying half. This provides extra options for patients to get to chemotherapy treatments and eases some of the strain on relatives.

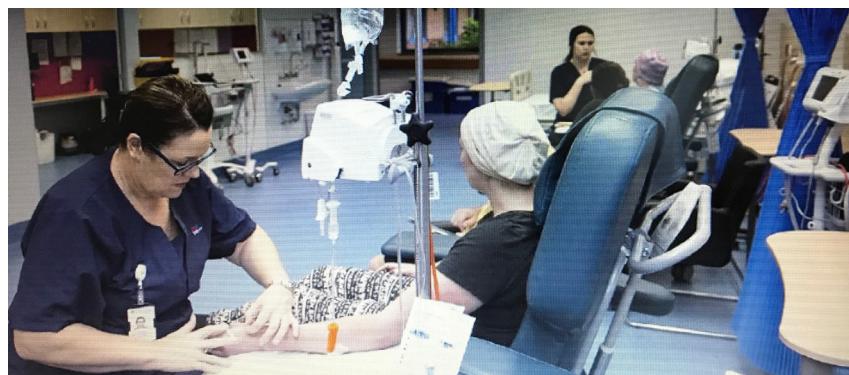
The Hawkesbury Living Cancer Trust is still actively fundraising.

I would like to thank my fellow Trustees, Vivienne Leggett , Graeme Colless, John O'Brien and Kimberley Talbot for their ongoing work and contributions, the Richmond Club Board of Directors, St John of God Hospital and Nepean Blue Mountains Local Health District.

Kind Regards,

Dr Duncan Guy
Chairperson
Hawkesbury Living Cancer Trust

Dr Duncan Guy
BMedSci, MBBS, PhD, FRACP
Chief Executive Officer
Specialist Services Medical Group
Galen Property Group
www.specialistservices.com.au





Hawkesbury Living Cancer Trust

Annual Financial Report for the year ended 30 June 2020

Hawkesbury Living Cancer Trust

Annual financial report for the year ended 30 June 2020

Contents

	Page
Financial statements	
Statement of income and expenditure	3
Statement of financial position	4
Statement of distribution	5
Notes to the financial statements	6
Trustees' declaration	7
Independent auditor's report to the trustees	8 - 9

HAWKESBURY LIVING CANCER TRUST

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 2020

	Notes	2020	2019
		\$	\$
INCOME			
Donations Received		105	82,637
Interest Received		10,365	12,073
TOTAL INCOME		10,470	94,710
EXPENDITURE			
Bank Charges		180	180
Sundry Expenses		310	566
Website Expenses		-	570
TOTAL EXPENDITURE		490	1,316
NET PROFIT		9,980	93,394
INCOME TAX EXPENSE		-	-
NET PROFIT AFTER TAX		9,980	93,394

The above *statement of distribution* should be read in conjunction with the accompanying notes

**D.Guy, P Chidgey, V. Leggett, G. Colles, J. O'Brien and K. Talbot
AS TRUSTEES FOR
HAWKESBURY LIVING CANCER TRUST**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	Notes	2020	2019
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	2	1,225,723	1,295,743
TOTAL CURRENT ASSETS		1,225,723	1,295,743
NON-CURRENT ASSETS			
Plant and Equipment	3	-	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		1,225,723	1,295,743
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	4	10,000	10,000
TOTAL CURRENT LIABILITIES		10,000	10,000
TOTAL LIABILITIES		10,000	10,000
NET ASSETS		1,215,723	1,285,743
EQUITY			
Settlement Sum	100	100	100
Retained Earnings	1,215,623	1,285,643	1,285,643
TOTAL EQUITY		1,215,723	1,285,743

The above *statement of distribution* should be read in conjunction with the accompanying notes

**D.Guy, P Chidgey, V. Leggett, G. Colles, J. O'Brien and K. Talbot
AS TRUSTEES FOR
HAWKESBURY LIVING CANCER TRUST**

**STATEMENT OF DISTRIBUTION
AS AT 30 JUNE 2020**

	2020 \$
Accumulated Earnings as at 1 July 2018	1,275,565
Net Profit for the year ended 30 June 2019	93,394
Accumulated Earnings before distribution	1,368,959
less: Distributions made during the year ended 30 June 2019	(83,316)
Accumulated Earnings as at 1 July 2019	1,285,643
Net Profit for the year ended 30 June 2019	9,980
Accumulated Earnings before distribution	1,295,623
less: Distributions made during the year ended 30 June 2020	(80,000)
Accumulated Earnings as at 30 June 2020	1,215,623

The above *statement of distribution* should be read in conjunction with the accompanying notes

**D.Guy, P Chidgey, V. Leggett, G. Colles, J. O'Brien and K. Talbot
AS TRUSTEES FOR
HAWKESBURY LIVING CANCER TRUST**

**NOTES TO FINANCIAL STATEMENTS
AS AT 30 JUNE 2020**

1 Summary of significant accounting policies

The Trustees of the trust have prepared the financial statements of the trust on the basis that the trust is a non-reporting entity because there are no users dependant on general purpose financial statements. The financial statements are therefore special purpose financial statements and have been prepared in accordance with the trust deed.

No accounting standards have been followed in the preparation of this financial report.

The financial statements have been prepared on a cash basis and are based on historical costs unless stated otherwise.

The following material accounting policies have been adopted in the preparation of this report.

Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable any accumulated depreciation. The depreciable amount of all fixed assets including buildings are depreciated on a straight line basis over their useful lives commencing from the time the asset is held ready for use.

Other payables

Payables includes GST obligations which have arisen in the prior years.

	2020	2019
	\$	\$
Current		
Cash and Cash Equivalents	1,225,753	1,295,743
	<hr/>	<hr/>
	1,225,753	1,295,743

3 Property Plant and Equipment

Non-Current

Plant and Equipment at cost	1,480	1,480
Less Accumulated depreciation	(1,480)	(1,480)
	<hr/>	<hr/>

4 Trade and Other Payables

Current

Other Payables	10,000	10,000
	<hr/>	<hr/>

HAWKESBURY LIVING CANCER TRUST**STATEMENT BY TRUSTEES**

The Trustees have determined that the trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in note 1 to the financial statements.

In the opinion of the trustees the financial report as at 30 June 2020 comprising the Statement of Financial Position, the Statement of Income and Expenditure and the notes to the financial statements:

- (i) Presents a true and fair view of the financial position of Hawkesbury Living Cancer Trust as at 30 June 2020 and its performance for the year ended on this date.
- (ii) At the date of this statement, there are reasonable grounds to believe that Hawkesbury Living Cancer Trust will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the trustees and is signed for and on behalf of the trustees by:



Duncan Guy - Trustee

Richmond NSW
Dated: 20 October 2020



Independent auditor's report to the trustees of Hawkesbury Living Cancer Trust

Opinion

We have audited the financial report of Hawkesbury Living Cancer Trust (Trust) which comprises the statement of financial position as at 30 June 2020 the statement of income and expenditure and the notes to the financial statements, including a summary of significant accounting policies, and the Trustees' declaration.

In our opinion, the accompanying financial report present fairly, in all material respects, the financial position of the Trust as at 30 June 2020 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the Australian Charities and Not-for-Profit Commission Act 2012.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report. We are independent of the Hawkesbury Living Cancer Trust in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 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 audit opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Trust's financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Trustees for the financial report

The Trustees of the Trust are responsible for the preparation and fair presentation of the financial report in accordance with the accounting policies described in Note 1 to the financial statements and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the Trustees determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Trustee's are responsible for assessing the Trust'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 Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Matters relating to the electronic presentation of the audited financial report

The auditor's report relates to the financial report of the trust for the year ended 30 June 2020 included on the Trust's web site. The Trustees are responsible for the integrity of the Trust's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

**Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our audit report.

A handwritten signature in black ink.

Shaun Mahony - Partner

A stylized logo for DFK Crosbie Partners, with the company name in a script font above the word 'Partners'.

DFK Crosbie Partners
Chartered Accountants

20 October 2020
Richmond



RICHMOND CLUB 6 East Market st Richmond | **HAWKESBURY LIVING** 116 March st Richmond
RICHMOND GOLF CLUB 34 Bourke st Richmond | richmondclub.com.au | 4578 1144