

BONDI ICEBERGS CLUB LTD

Financial Report
Year Ended 30 June 2020



Bondi Icebergs Club Limited

ACN 155 415 991

Financial Statements

For the Year Ended 30 June 2020

NOTICE OF AGM & AGENDA

Notice is hereby given that the Ninety First Annual General Meeting of the Bondi Icebergs Club Limited will be held in the clubrooms at 1 Notts Ave, Bondi Beach on Monday 12th October at 6.30 pm.

- Written notice of any questions regarding the financial Figures for 2019-2020 should be addressed and delivered to The Board of Directors at the Club seven days prior to the meeting so a satisfactory answer can be provided at the meeting.
- No apologies will be taken from the floor. All apologies must be in writing addressed and delivered to The Board of Directors at the Club seven days prior to the meeting. Apologies will be read out and recorded at the meeting if they have been received in writing

Agenda for the Annual General Meeting

- 1) Welcome
- 2) Vale to deceased members.
- 3) To receive apologies that have been received in writing.
- 4) To confirm the Minutes of the Annual General Meeting held on 27th November 2019
- 5) To receive and consider the President's Report and Directors' Report.
- 6) To receive and if thought fit, adopt the Balance Sheet, Profit and Loss Statement and Auditor's reports for the year ended 30th June 2020 (Treasurer's report)
- 7) To consider and if thought fit, pass the following resolutions as approved by the Board of Directors.
 - A) That pursuant to the Registered Club's Act:
 - i) The Members hereby approve and agree to expenditure by the Club of amounts approved by the Board of Directors until the next Annual General Meeting of the Club for the following expenditure and benefits for Directors:
 - a) The reasonable cost of a meal and/or beverage for each Director immediately before, during or immediately after a Board or Committee Meeting on the date of that Meeting;
 - b) The reasonable cost of a meal and/or beverage for Directors engaged in the provision of hospitality to dignitaries visiting the Club;
 - c) The reasonable expenditure by the Club of amounts approved by the Board of Directors for the professional development and education of Directors;
 - d) The provision of clothing so that whilst on duty and on official occasions the Director can professionally represent the corporate image of the Club;
 - e) The reasonable expenditure by the Club on an annual dinner to give thanks to Directors of the Club and their spouses/ partners; and
 - f) The reimbursement of the cost of attending approved official functions to represent the Club.
 - ii) The Members acknowledge that the benefits in paragraph i) above are not available to Members generally but only for those who are either Directors or Officials of the Club.
 - B) That pursuant to the Registered Club's Act:
 - i) The Members hereby approve and agree
 - a) The reasonable cost of Directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time;
 - b) The reasonable cost of Directors attending other Registered Clubs and like facilities for the purpose of assessing their amenities and methods of operation, provided such attendances are approved by the Board as being necessary for the betterment of the Club;
 - c) The reasonable cost of Directors attending the Annual General Meetings of bodies such as Clubs NSW and the Club Manager's Association.
 - ii) The Members acknowledge that the benefits in paragraph i) above are not available to Members generally but only for those who are Directors of the Club.
- 8) To consider the nominations for Life Membership. No Life Member nominations received.
- 9) To confirm the Swimming Committee members for 2021
- 10) To confirm the Swimming Captain for 2021
- 11) To confirm the Board of Directors for 2020-2021
- 12) Elect the executive roles on the Board
- 13) General Business
- 14) Meeting Close

PRESIDENT'S REPORT

2020 will forever be etched into the memory as a year that tested in ways that we could never imagine - personally, as a country, and as a Club – but as they say in classics, it takes a lot to hold an Iceberg down!

Coming off the success of our 90th year, the summer of 2019/ 2020 was marked by the devastating bush fires that burnt more than 18.6 million hectares down the east coast of Australia.

Smoke from the fires shrouded Sydney for months, and while devastating for those families and communities impacted directly, it also had wide ranging impact on businesses in the hospitality and outdoor leisure industry over the peak months of December – January.

With the fires officially declared extinguished in March we moved from a crisis impacting our general part of Australia to one of a global scale – the COVID-19 pandemic. Never has a government in Australia been forced to lock down the country, and the businesses which underpin the economy in such a manner. Borders closed and restrictions on movement, capacity and socialisation were put in place, many of which remain as of today.

In March, under broad orders from the Federal and State Governments, the Licensed Club and Pool closed, re-opening only from July and with strict limitations on capacity.

Also impacted was our much-loved Winter Swimming Season. This year became the first time in our history that we did not hold a single official swim, at any location, for the entire season – truly unbelievable.

Clubs like ours are built on a shared passion, and a shared purpose – ours being Winter Swimming. During 2020 COVID-19 restricted our ability to gather at our famous pool, it took away the foundation that binds us together as a community, but it takes a lot to rattle an Iceberg.

PRESIDENT'S REPORT

As restrictions gradually eased, and members have returned to support their Club, albeit with a very different experience to normal, it has been heart-warming to see how everyone rallied around each other, rallied around the Club and brought back our sense of community spirit. The Club is privileged to have members who care as much as you do about each other and about your Club.

In these unprecedented times, the Club has been forced to respond in ways that would have seemed unimaginable only months ago. I would like to specifically call out all our staff - led by Kerrie, Charles and Chuky - who have had to endure a year of uncertainty and incredible external pressures. On behalf of the Board I commend them all for their approach to these unsettling times and thank them for their professional approach and dedication to the Club.

Thankfully, the Club and Pool are both currently open, however they operate under a strict set of restrictions, and with state and international borders all but closed for the longer term, personal health, financial and economic implications of this global pandemic are far from clear.

The lack of tourism in summer due to the bush fires and complete shutdown of the Club and Pool from March through to early July has had a material impact on our financial position. As you will see from the Financial Reports and the Treasurer's Report, in incredibly tough conditions we still managed to generate a positive cashflow from trading of \$234,000 which I believe is a significant achievement. However once depreciation, amortisation and new accounting rules regarding the treatment of our long-term pool license are factored in, this results in a loss of \$157,000.

Late last year, the Board undertook a review and update of the Club's Strategic Plan - the plan details the values and key performance areas of the organisation and sets out the objectives required to meet these over the course of the next five years. The Board now regularly updates its members on the status and progress of the Strategic Plan.

PRESIDENT'S REPORT

Whilst we were naturally unable to progress many Strategic Plan activities due to the pandemic, it gave us time to review and focus on other aspects of our operations, in particular a focus on members' experience with the Club.

Our members have always been both our biggest advocates, and our greatest asset. Many of you will have participated in the member research we undertook in late 2019, of which some of the findings have already started to roll out, with additional changes expected over coming months.

As you will now be aware, this is my last report as your President. While this year has not panned out at all as I had hoped, my decision to resign was made well in advance of any of this year's issues.

It has truly been an honour and a privilege to serve in the role of President of one of the greatest Clubs in the land. I am immensely proud of my time in the role, and proud of the successes that the Board and I have been able to achieve.

Highlights include:

- Securing our long-term future on the site with renewal of the Pool license from 2018 through to 2042.
- Regaining control of the leases that were held over our floor area – specifically the gaming area and the private room behind the gaming area, now known as the Polar Bear Room.
- The Club's 90th year celebrations – a fitting tribute to one of the world's great Clubs!
- Major capital works program on the pool level - bringing it up to the standard expected of a world-class and world-renowned destination.

Importantly, none of this would have been possible without the support and dedication of the Directors sitting on the Board. As a Club, we are incredibly lucky

PRESIDENT'S REPORT

to have the quality of Directors that we do. They are all leaders in their respective fields and have a passion for the Club that is second to none.

What the members are not able to see is the number of behind-the-scenes hours contributed by each Director on a voluntary basis on your behalf. The Club is privileged to have Directors with the skill, expertise and dedication that we have. They are the envy of many other Clubs I speak with, which gives me great comfort that we remain in safe hands. I would like to personally thank the Directors for their efforts and support over the years I have been on the Board.

In closing, I would like to express my thanks to everyone who has supported me as President – it has been pivotal and has always kept me focused.

I wish the incoming Board, and the new President, every success in continuing the proud history of our mighty Club!

Thank you.

Benn Dullard
President

TREASURER'S REPORT

External events outside the control of the Bondi Icebergs Club have certainly tested the resilience and financial performance of the Club. Following the renewal of the licence to operate the Icebergs pool to 2042, we embarked upon a capital renewal program of the entire pool area. Within 2019/20 this has included finalisation of building works and successful tenders with third parties to operate the new Café and massage area that complements the Icebergs Gym. The financial plan has been to utilise existing credit facilities for the building works and use increased customer patronage over the summer months to repay these facilities. The financial performance last summer was impacted by less visitors attending the Pool and Club due to smoke haze from the bushfires. From March 2020, the onset of the COVID-19 pandemic necessitated the closure of the Pool and Club in accordance with NSW Public Health orders. Both events have had a material impact on trading.

The reduction in visitors has required a concerted effort by the Club to preserve and manage cashflow. We have utilised all Government assistance programs and have been in constant planning and forecasting with our Stakeholders, suppliers and tenants to ensure our financial sustainability. Thankfully, the development of the pool area is complete and the extensive demands on our cashflow are over.

Our Financial Plan is to be focused on expanding our trading through the Pool and Club. Our Finance goals within the strategic plan includes but are not limited to (1) growing each of the five areas of Club operations, (2) increasing financial performance by connecting and integrating Members and guests to both the Pool and Club, and (3) planning for the Club to be trading profitably for each month of the year.

At the time of writing this report, the Club is still limited in its trading and the Winter Swimming season has been cancelled. Overseas tourists are non-existent, and we are relying heavily on the patronage of Members and guests from the local community as we strive to trade profitably.

TREASURER'S REPORT

The Club is reporting a loss of \$157,695 for the 2019/20 financial year however it is important to recognise that the Club generated \$234,172 in positive cashflow from trading. The income loss is significantly impacted by adoption of a new accounting standard AASB 16 associated with the pool lease and its recognition in the financial statements as both a right of use asset and as a lease liability. Accordingly, the Statement of Profit and Loss includes large increases in Finance Costs and Depreciation and Amortisation impacting the reported loss.

Financial Overview

Trading

Full year revenue decreased by 25% to \$5.619M. The Club was already feeling the impacts of the reduction in summer trade and to the beginning of March was down about 10% in Pool and Food & Beverage revenue. COVID impacts from March 2020 required the closure of the Club through to June with a limited re-opening in early July in the 2020/21 financial year.

A Net Loss of \$157,695 reflects reduced trading performance and increases in Depreciation & Amortisation and Finance costs associated with adoption of AASB 16 and treatment of the pool lease. The Club has not engaged in Consulting Fees to levels of a year ago as works were finalised on managing the pool tenders and the capital improvements to the pool. All efforts of the Club have been to manage cashflow and expenditure that is non-essential to trading has been deferred.

Balance Sheet & Liquidity

Net Assets decreased by 5.3% to \$5.100M, reflecting reduction in available cash associated with declines in trading performance and borrowings to finalise pool improvements. Up until the commencement of capital works, the Club has been able to use trading income to repay all loans and are looking to the 2020/21 summer trading period to provide additional cashflow and reduce our reliance on

TREASURER'S REPORT

borrowings. The challenge remains to manage cashflow tightly throughout the uncertainty of the pandemic and be as responsive as we can to a much-reduced tourism market.

I would like to take this opportunity to thank the support of the Icebergs Board of Directors and to Benn Dullard who is standing down as President. Benn has very successfully managed the Pool capital works program and has always provided the leadership to management that is in the best interests of the Club and its members. I would also like to thank the patience and resilience of all Icebergs staff in dealing with an exceptionally challenging year and like many look forward to more encouraging times. We certainly have much improved facilities that are ready to be shared with the local community and visitors to Bondi.

Nick Fitzgerald
Treasurer

SWIM CAPTAIN'S REPORT

Unfortunately, the 2020 Bondi Icebergs Winter Swimming season didn't get off the ground in an official capacity with the global pandemic of COVID-19 crippling and impacting so many organisations across the globe. But in true Bergs spirit many Members found ways to connect in the early months of tight restrictions with casual social distancing swims at several of the Eastern Suburbs beaches.

In late July, when the Club re-opened with limited numbers and the pool able to take more numbers, some social Table Relay and individual heats swims were held in accordance with NSW Health guidelines.

To our Members who were on their five years & 75 swims journey, 2020 will not be counted as part of the five years. As previously mentioned, due to circumstances beyond our control in relation to COVID-19 and social distancing rules, the season just couldn't get off the ground. 2020 is going to be treated as a gap year for our Swimming Club.

To all our Volunteers, a big thank you to reaching out to many of our Members, whether it be through a phone call, email or on the Swimming Club Facebook page. Also, thanks to the Members who assisted in putting together the well-received social swims throughout July, August and September which brought some much-needed positivity to those who were able to get involved.

I look forward to seeing you and many new Members in 2021 and hopefully we get some normality back into all parts of our lives. I have no doubt the Bondi Icebergs will become a bigger and stronger Club across the Eastern Suburbs community

Ben Morrisey
Club Captain

Bondi Icebergs Club Limited

ACN 155 415 991

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Bondi Icebergs Club Limited

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Directors' Report

30 June 2020

The directors present their report on Bondi Icebergs Club Limited for the financial year ended 30 June 2020.

Directors

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

Names	Position	Appointed/Resigned
Benn Dullard	Director	
Rebecca Piercy	Director	
Nicholas Fitzgerald	Director	
Benjamin Morrissey	Director	
Nicki Vinnicombe	Director	
Jane Lloyd	Director	
Lindsay Dawson	Director	
Vijay Jootna	Director	
Noel O'Dwyer	Director	Resigned: 27/11/2019
Lynne Fitzsimons	Director	Appointed: 27/11/2019

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

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Benn Dullard	
Experience	Club member since 2009, Director since 2015
Occupation	Company Director Technology Industry
Rebecca Piercy	
Experience	Club member since 2011, Director since 2014
Occupation	Communications Consultant
Nicholas Fitzgerald	
Experience	Club member since 1990, Director since 2017
Occupation	Chief Financial Officer & Business Services Lead
Benjamin Morrissey	
Experience	Club member since 2010, Director since 2015
Occupation	Teacher
Nicki Vinnicombe	
Experience	Club member since 1994, Director since 2014
Occupation	Professional Salesperson
Jane Lloyd	
Experience	Club member since 2004, Director since 2016
Occupation	Property Development Advisor and Director

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Directors' Report

30 June 2020

Information on directors (cont'd)

Lindsay Dawson

Experience	Club member since 2014, Director since 2018
Occupation	Philanthropy Insights & Research Manager

Vijay Jootna

Experience	Club member since 2013, Director since 2017
Occupation	State General Manager - Healthcare Industry

Lynne Fitzsimons

Experience	Club member since 2000, Director since 2019
Occupation	Nurse Manager

Noel O'Dwyer

Experience	Club member since 2000, Director since 2007
Occupation	Company director - Building Industry

Principal activities

The principal activity of Bondi Icebergs Club Limited during the financial year was promoting amateur swimming and the operation of a licensed club.

No significant changes in the nature of the Club's activity occurred during the financial year.

Short term objectives

The Club's short term objectives are to:

- provide and maintain pools, buildings, equipment and other facilities for swimming and other sport;
- maintain Club facilities and improve amenities of the Club; and
- provide the best possible hospitality service to members and the community.

Long term objectives

The Club's long term objectives are to:

- to foster, conduct, control and host swimming races and competitions especially during winter;
- to co-operate and affiliate with other winter swimming organisations including Bondi Icecubes Swimming; and
- to operate and carry on a licensed club in accordance with applicable legislation and provide a clubhouse.

Bondi Icebergs Club Limited

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Directors' Report

30 June 2020

Strategy for achieving the objectives

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

- ensure Club policies are appropriate;
- ensure Club employs professional management;
- ensure efficient and cost effective operation of the Club;
- always endeavour to attract and train effective professional staff;
- always endeavour to satisfy or exceed members' expectations for all services and facilities provided by the club; and
- ensure continued trading profitability and invest surplus returns back into facilities for members and/or in secure and recommended financial accounts with good returns.

Members guarantee

Bondi Icebergs Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 1 for members that are corporations and \$ 1 for all other members, subject to the provisions of the company's constitution.

At 30 June 2020 the collective liability of members was \$2,577 (2019: \$ 3,891).

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of Bondi Icebergs Club Limited.

Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

Events after the end of the Reporting Period

In March 2020, the World Health Organisation announced there was a COVID-19 pandemic; in effect the Federal Government announced protocols that must be instigated. This has created a level of uncertainty about the future trading outlook for all organisations in Australia. It is not possible to reliably assess the potential impacts at the present time.

Other than the matter noted above, there are no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

Bondi Icebergs Club Limited

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Directors' Report

30 June 2020

Meetings of directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Nicki Vinnicombe	12	10
Rebecca Piercy	12	12
Benjamin Morrissey	12	10
Benn Dullard	12	11
Jane Lloyd	12	12
Nicholas Fitzgerald	12	10
Vijay Jootna	12	10
Lindsay Dawson	12	12
Lynne Fitzsimons	8	7
Noel O'Dwyer	4	3

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2020 has been received and can be found on page 5 of the financial report.

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

Director: 
.....
Nicholas Fitzgerald

Director: 
.....
Benn Dullard

Dated 11 September 2020

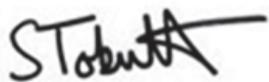
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Bondi Icebergs Club Limited

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

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



PKF



SCOTT TOBUTT
PARTNER

11 SEPTEMBER 2020
SYDNEY, NSW

Bondi Icebergs Club Limited

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**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2020**

		2020	2019
	Note	\$	\$
Revenue	3	5,619,438	7,460,505
Administrative expenses		(78,800)	(81,776)
Advertising expenses		(46,891)	(60,434)
Cost of Goods Sold	4	(3,030,368)	(3,684,864)
Employee Benefits Expense	4	(871,008)	(1,062,681)
Entertainment & Promotion		(52,621)	(89,958)
Printing, Stationary & Telephone		(39,559)	(38,670)
Cleaning		(128,570)	(147,795)
Depreciation & Amortisation	4	(431,591)	(268,635)
Glass, Crockery & Replacements		(11,771)	(18,531)
Repairs & Maintenance		(102,247)	(158,660)
Insurance		(95,193)	(83,791)
Bondi Trust Expenses		(70,087)	(175,250)
Professional Fees		(178,403)	(228,730)
Hire Charges		(7,208)	(10,323)
Rental Expenses		(17,500)	(22,043)
Finance costs	4	(106,855)	(23,573)
Other Expenses		(508,461)	(634,302)
Total expenses		(5,777,133)	(6,790,016)
(Loss) / profit from continuing operations		(157,695)	670,489
Income tax expense	1(b)	-	-
(Loss) / profit for the year		(157,695)	670,489
Other comprehensive income		-	-
Total comprehensive (loss) / income for the year		(157,695)	670,489

The accompanying notes form part of these financial statements.

Bondi Icebergs Club Limited

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Statement of Financial Position**As At 30 June 2020**

		2020	2019
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	360,673	835,490
Trade and other receivables	6	147,776	45,548
Inventories	7	49,599	82,295
Other assets	8	139,740	124,649
TOTAL CURRENT ASSETS		697,788	1,087,982
NON-CURRENT ASSETS			
Trade and other receivables	6	7,530	7,530
Property, plant and equipment	10	7,919,690	4,947,096
Intangible assets	11	109,375	109,375
TOTAL NON-CURRENT ASSETS		8,036,595	5,064,001
TOTAL ASSETS		8,734,383	6,151,983
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	370,979	277,424
Borrowings	13	180,000	41,199
Short-term provisions	14	93,779	146,403
Lease liability		15,908	-
Other liabilities	15	123,832	219,281
TOTAL CURRENT LIABILITIES		784,498	684,307
NON-CURRENT LIABILITIES			
Borrowings	13	528,663	-
Lease liability		2,227,880	-
Long-term provisions	14	93,651	84,649
TOTAL NON-CURRENT LIABILITIES		2,850,194	84,649
TOTAL LIABILITIES		3,634,692	768,956
NET ASSETS		5,099,691	5,383,027
EQUITY			
Reserves	16	1,250	1,250
Retained earnings		5,098,441	5,381,777
TOTAL EQUITY		5,099,691	5,383,027

The accompanying notes form part of these financial statements.

Bondi Icebergs Club Limited

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Statement of Changes in Equity

For the Year Ended 30 June 2020

	Asset Realisation Reserve	Retained earnings	Total
	\$	\$	\$
Balance at 1 July 2019	1,250	5,381,777	5,383,027
Loss attributable to members	-	(157,695)	(157,695)
Adjustment upon transition to AASB 16	-	(125,641)	(125,641)
Balance at 30 June 2020	1,250	5,098,441	5,099,691
Balance at 1 July 2018	1,250	4,711,288	4,712,538
Profit attributable to members	-	670,489	670,489
Balance at 30 June 2019	1,250	5,381,777	5,383,027

The accompanying notes form part of these financial statements.

Bondi Icebergs Club Limited

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Statement of Cash Flows For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		5,422,768	7,440,726
Payments to suppliers and employees		(5,171,148)	(6,528,002)
Finance costs		(17,448)	(23,573)
Net cash provided by operating activities		<u>234,172</u>	<u>889,151</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(1,283,953)	(804,139)
Net cash used by investing activities		<u>(1,283,953)</u>	<u>(804,139)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds / (repayments) of borrowings		667,464	(416,807)
Repayment of lease liabilities		(92,500)	-
Net cash provided / (used) by financing activities		<u>574,964</u>	<u>(416,807)</u>
Net decrease in cash and cash equivalents held		(474,817)	(331,795)
Cash and cash equivalents at beginning of year		835,490	1,167,285
Cash and cash equivalents at end of financial year	5	<u>360,673</u>	<u>835,490</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial statements are for Bondi Icebergs Club Limited ("the Club") as a not-for-profit individual entity incorporated and domiciled in Australia. Bondi Icebergs Club Limited is a Company limited by guarantee.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Income Tax

No provision for income tax has been raised as the Club is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*. The income tax exemption has been claimed based on self assessment by the Club.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows. Accordingly, investing and financing cash flows are presented in the statement of cash flows net of the GST that is recoverable from, or payable to, the ATO. Receivables and payables in the statement of financial position are shown inclusive of GST.

(d) Revenue and other income

For prior year

The Club recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Bondi Icebergs Club Limited's activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (cont'd)

(d) Revenue and other income (cont'd)

Provision of services

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Interest revenue

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

Revenue from contracts with customers - from 1 July 2019

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Club expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Club have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Club are:

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (cont'd)

(d) Revenue and other income (cont'd)

Provision of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(f) Inventories

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

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

(g) Property, plant and equipment

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

Plant and equipment

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

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (cont'd)

(g) Property, plant and equipment (cont'd)

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Club commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Fixed asset class	Depreciation rate
Leasehold property	4%
Plant and Equipment	13 -20%
Leasehold improvements	2.5%-20%

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

(h) Intangible Assets

Poker Machine Entitlements

Poker machine entitlements are initially recorded at cost. Poker machine entitlements have an indefinite life and are tested annually for impairment and carried at cost less any accumulated amortisation and impairment losses.

(i) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Club during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(j) Leases

For prior year

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Club are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Club will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (cont'd)

(j) Leases (cont'd)

For current year

At inception of a contract, the Club assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Club has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Club has the right to direct the use of the asset i.e. decision-making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Club recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Club believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Club's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Club's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Club has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Club recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (cont'd)

(k) Employee benefits

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Contributions are made by the Club to an employee superannuation fund and are charged as expenses when incurred.

(l) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Club commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (cont'd)

(l) Financial instruments (cont'd)

The Club does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

(ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

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

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(m) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (cont'd)

(m) Impairment of Assets (cont'd)

Where it is not possible to estimate the recoverable amount of a class of assets, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(n) Comparative figures

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

When the Club applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be presented.

(o) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Club.

Key estimates - Impairment of Intangibles

The recoverable amount of intangible assets was assessed by reference to the intangibles value-in-use. Value-in-use is calculated based on the present value of cash flow projections over a 5 year period. The cash flows are discounted using a rate of 7% and an annual growth rate of 0%. Management believes that any reasonable possible change in key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount of intangible assets to exceed its recoverable amount. The assumptions used in the discounted cash flow model are tested against a sensitivity model (+/- 5%).

Key estimates - Income tax exemption status

The Directors of the Club have self assessed their ongoing exemption from income tax at 30 June 2018, as a sporting Club in accordance with Section 50-45 of the Income Tax Assessment Act 1997.

(p) Adoption of new and revised accounting standards

A number of new or amended standards became applicable for the current reporting period being AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-For-Profit Entities and AASB 16 Leases. The adoption of AASB 15 and AASB 1058 has not caused any material adjustments to the reported financial position, performance or cash flow of the Club. Refer to Note 2 for details of the changes due to the adoption of AASB 16.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Change in Accounting Policy

Leases - Adoption of AASB 16

The Club has adopted AASB 16 Leases using the modified retrospective method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in note 1(j).

Impact of adoption of AASB 16

On adoption of AASB 16, the entity recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of AASB 16 are only applied after that date.

The Club has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition, the Club has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Club's incremental borrowing rate at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2020 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 30 June 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 30 June 2020.

Bondi Icebergs Club Limited

ACN 155 415 991

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Change in Accounting Policy (cont'd)

Financial statement impact of adoption of AASB 16

The Club has recognised right-of-use assets of \$2,121,239 and lease liabilities of \$2,246,880 at 1 July 2019, for leases previously classified as operating leases.

When measuring lease liabilities for leases that were previously classified as operating leases, the Club discounted lease payments using its incremental borrowing rate which applied at the date of initial application, 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 3.78%.

	<u>1 July 2019</u>
	<u>\$</u>
Operating lease commitments as at 30 June 2019	<u>3,487,500</u>
Discounted using the incremental borrowing rate as at 1 July 2019	<u>2,246,880</u>
Lease liabilities as at 1 July 2019	<u>2,246,880</u>

Bondi Icebergs Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Revenue and Other Income

	2020	2019
	\$	\$
Sales revenue		
- Sales of Goods	3,772,914	5,337,848
- Membership Fees	-	2,000
- Admission Fees	825,593	1,151,855
- Commissions	6,336	6,797
- Member Pool Access Income	278,858	305,080
- Net Gaming Revenue	38,310	70,628
- Hire and Rental Income	266,106	411,555
- Other Revenue	96,321	174,742
- JobKeeper Payments	285,000	-
- ATO Cashflow Boost	50,000	-
	<u>5,619,438</u>	<u>7,460,505</u>

4 Result for the Year

The result for the year includes the following specific expenses

Cost of Goods Sold	3,030,368	3,684,864
Employee Benefits Expense	871,008	1,062,681
Finance costs	106,855	23,573
Depreciation & Amortisation	431,591	268,635
	<u>4,339,822</u>	<u>5,039,753</u>

5 Cash and Cash Equivalents

Cash on hand	30,100	30,100
Cash at bank	330,573	805,390
	<u>360,673</u>	<u>835,490</u>

6 Trade and Other Receivables

CURRENT		
Trade receivables	147,776	45,548
NON-CURRENT		
Trade receivables	7,530	7,530
	<u>155,306</u>	<u>53,078</u>

7 Inventories

At cost:		
Beverage stock on hand	7,967	24,951
Merchandise stock on hand	24,379	34,811
Kitchen food stock on hand	17,253	25,997
	<u>49,599</u>	<u>85,759</u>

8 Other Assets

Prepayments	139,740	124,649
	<u>139,740</u>	<u>124,649</u>

Bondi Icebergs Club Limited

ACN 155 415 991

Notes to the Financial Statements

For the Year Ended 30 June 2020

9 Leases

The Club has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

Club as a lessee

The Club has a lease over the pool license. The Club has chosen not to apply AASB 16 to leases of intangible assets.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

The Club has a 24 year license for the pool and related premises with no option to renew included in the agreement.

Right-of-use assets

	Pool license	Total
	\$	\$
Year ended 30 June 2020		
Balance at beginning of year	2,121,239	2,121,239
Depreciation charge	(93,241)	(93,241)
Balance at end of year	2,027,998	2,027,998

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Club is a lessee are shown below:

	2020
	\$
Interest expense on lease liabilities	89,407
Depreciation of right-of-use assets	93,241
	<u>182,648</u>

Statement of Cash Flows

	2020
	\$
Total cash outflow for leases	<u>92,500</u>

Bondi Icebergs Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2020

10 Property, Plant and Equipment

	2020	2019
	\$	\$
Buildings		
At cost	1,520,260	1,520,260
Accumulated depreciation	(180,000)	(120,000)
Total buildings	<u>1,340,260</u>	<u>1,400,260</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	1,092,274	994,558
Accumulated depreciation	(725,031)	(673,273)
Total plant and equipment	<u>367,243</u>	<u>321,285</u>
Leasehold improvements		
At cost	5,829,037	4,706,686
Accumulated depreciation	(1,644,848)	(1,481,135)
Total leasehold improvements	<u>4,184,189</u>	<u>3,225,551</u>
Right of Use Asset - Pool License		
At cost	2,237,791	-
Accumulated depreciation	(209,793)	-
Total right of use asset	<u>2,027,998</u>	<u>-</u>
Total plant and equipment	<u><u>7,919,690</u></u>	<u><u>4,947,096</u></u>

Movements in Carrying Amounts

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

	Buildings	Plant and Equipment	Leasehold Improvements	Right of Use Asset	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2020					
Balance at the beginning of the year	1,400,260	321,286	3,225,550	-	4,947,096
Additions - AASB 16	-	-	-	2,121,239	2,121,239
Additions	-	161,602	1,122,351	-	1,283,953
Written off	-	(1,007)	-	-	(1,007)
Depreciation expense	(60,000)	(114,638)	(163,712)	(93,241)	(431,591)
Balance at the end of the year	<u><u>1,340,260</u></u>	<u><u>367,243</u></u>	<u><u>4,184,189</u></u>	<u><u>2,027,998</u></u>	<u><u>7,919,690</u></u>

Bondi Icebergs Club Limited

ACN 155 415 991

Notes to the Financial Statements

For the Year Ended 30 June 2020

11 Intangible Assets

Poker Machine Entitlements

	2020	2019
	\$	\$
Cost	<u>109,375</u>	<u>109,375</u>

12 Trade and Other Payables

Trade payables	318,490	223,746
Other payables	<u>52,489</u>	<u>69,424</u>
	<u>370,979</u>	<u>293,170</u>

13 Borrowings

CURRENT

Secured liabilities:

Bank loans	<u>180,000</u>	<u>41,199</u>
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NON-CURRENT

Secured liabilities:

Bank loans	<u>528,663</u>	<u>-</u>
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The bank loan is secured by the first ranking charge over the property and all existing and future assets and undertakings of the Club.

14 Provisions

CURRENT

Employee benefits	<u>93,779</u>	<u>146,403</u>
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NON-CURRENT

Employee benefits	<u>93,651</u>	<u>84,649</u>
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Movement in carrying amounts

	Annual leave	Long service leave	Total
	\$	\$	\$
Balance at 1 July 2019	89,285	141,767	231,052
Provisions accrued / (expensed)	<u>(34,827)</u>	<u>(8,795)</u>	<u>(43,622)</u>
Balance at 30 June 2020	<u>54,458</u>	<u>132,972</u>	<u>187,430</u>

15 Other liabilities

Membership subscriptions and income received in advance	<u>123,832</u>	<u>219,281</u>
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Bondi Icebergs Club Limited

ACN 155 415 991

Notes to the Financial Statements

For the Year Ended 30 June 2020

16 Reserves

	2020	2019
	\$	\$
Members share capital	<u>1,250</u>	<u>1,250</u>

17 Leasing Commitments

Contractual Commitments

Minimum payments under non-cancellable licence agreement:

- not later than one year	-	82,500
- between one year and five years	-	487,500
- later than five years	-	3,000,000
	<u>-</u>	<u>3,570,000</u>

Contractual commitments relate to the pool licence.

18 Contingencies

Estimates of the potential financial effect of contingent liabilities that may become payable:

Security deposit guarantee		
Bondi Baths Reserve Trust	<u>10,000</u>	<u>10,000</u>

19 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Club is \$ 354,621 (2019: \$345,717).

20 Related Parties

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

The following transaction occurred with a director related entity:

	Purchases	Sales	Other transactions	Balance outstanding Owed to the company	Owed by the company
Bay Breeze Constructions Pty Ltd	<u>3,780</u>	-	-	-	-

Bondi Icebergs Club Limited

ACN 155 415 991

Notes to the Financial Statements

For the Year Ended 30 June 2020

21 Financial Risk Management

The main risks Bondi Icebergs Club Limited is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Club's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

		2020	2019
		\$	\$
Cash and cash equivalents	5	360,673	835,490
Trade and other receivables	6	155,306	45,548
Total financial assets		515,979	881,038

Financial Liabilities

Financial liabilities at amortised cost			
Trade and other payables		370,979	277,424
Borrowings		708,663	41,199
Other liabilities		123,832	219,281
Total financial liabilities		1,203,474	537,904

22 Events after the end of the Reporting Period

In March 2020, the World Health Organisation announced there was a COVID-19 pandemic; in effect the Federal Government announced protocols that must be instigated. This has created a level of uncertainty about the future trading outlook for all organisations in Australia. It is not possible to reliably assess the potential impacts at the present time.

Other than the matter noted above, there are no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

23 Members' Guarantee

The Club is incorporated under the *Corporations Act 2001* and is a Club limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$ 1 each towards meeting any outstanding obligations of the Club. At 30 June 2020 the number of members was 2,577 (2019: 3,891).

24 Club Details

The registered office of and principal place of business is:
Bondi Icebergs Club Limited
1 Notts Ave
Bondi Beach NSW 2026

Bondi Icebergs Club Limited

ACN 155 415 991

Directors' Declaration

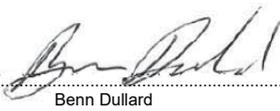
The directors of the Club declare that:

1. The financial statements and notes, as set out on pages 6 to 25, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

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

Director

Nicholas Fitzgerald

Director

Benn Dullard

Dated 11 September 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BONDI ICEBERGS CLUB LIMITED

Report on the Audit of the Financial Report

Opinion

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

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



PKF



SCOTT TOBUTT
PARTNER

11 SEPTEMBER 2020
SYDNEY, NSW

Bondi Icebergs Club Limited

ACN: 155 415 991

(Serial Number: 225852)

IMPORTANT INFORMATION FOR CLUB MEMBERS

THE REPORTING PERIOD FOR THE BONDI ICEBERGS CLUB IS 30 JUNE 2020

1. IMPORTANT NOTES

1.1 The Registered Club Act 1976 and Registered Clubs Regulations 2009 defines a TOP EXECUTIVE as being one of the five highest paid employees of the club at each separate premises of the club, and their remuneration package exceeds the high-income threshold set by the Fair Work Commission, and they are involved in the general administration of the club or with its liquor and gaming operations, or any person who is nominated by the club as a top executive.

2. DISCLOSURE OF INTERESTS OF DIRECTORS IN CONTRACTS WITH THE CLUB - SECTION 41C

2.1 Club members may inspect the original of these disclosures and declarations by making a written application to the Secretary.

2.2 The Registered Club Act 1976 requires DIRECTORS who have a material personal interest in matters that relates to the affairs of the club to declare the interest at a board meeting AND display the declaration on the club's notice board.

2.3 A contract is any commercial arrangement whether written or not.

2.4 In the reporting period there was 0 occasion when DIRECTORS reported a material personal interest in a matter relating to the club's affairs.

3. FINANCIAL INTERESTS IN HOTELS – SECTION 41D

3.1 Club members may inspect the original of these disclosures and declarations by making a written application to the Secretary.

3.2 In the reporting period there were 0 occasions when DIRECTORS reported a financial interest in a hotel in NSW.

3.3 In the reporting period there were 0 occasions when TOP EXECUTIVES reported a financial interest in a hotel in NSW.

4. GIFTS TO DIRECTORS AND STAFF – SECTION 41E AND SECTION 41F

4.1 Club members may inspect the original of these disclosures and declarations by making a written application to the Secretary.

4.2 An affiliated body of the club includes subsidiary clubs, and any body which the club made a grant to within the previous 12 months.

4.3 A gift includes money, hospitality, or discounts.

4.4 A gift valued at more than \$500 must be disclosed; gifts from CONTRACTORS must be disclosed if they total more than \$500 from an individual contractor in the reporting period.

4.5 Directors

4.5.1 In the reporting period there 0 occasions when DIRECTORS of the club reported receiving gifts from AFFILIATED BODIES.

4.5.2 In the reporting period there were 0 occasions when DIRECTORS of the club reported receiving gifts from CONTRACTORS.

4.6 Top Executives and Employees

4.6.1 In the reporting period there were **0** occasions when TOP EXECUTIVES of the club reported receiving gifts from AFFILIATED BODIES.

4.6.2 In the reporting period there were **0** occasions when EMPLOYEES of the club reported receiving gifts from CONTRACTORS.

4.7 Value of Gifts

4.7.1 The total value of gifts that DIRECTORS and TOP EXECUTIVES received from AFFILIATED BODIES in the reporting period is **\$0**

4.7.2 The total value of all gifts that DIRECTORS and EMPLOYEES received from CONTRACTORS in the reporting period is **\$0**

5. TOP EXECUTIVES – C.18(2)(b)

5.1 The number of club TOP EXECUTIVES for the reporting period is **1**

6. OVERSEAS TRAVEL – C.18(2)(c)

6.1 In the reporting period the club incurred the following costs for the overseas travel of DIRECTORS and EMPLOYEES.

NAME	POSITION	DESTINATION	TRAVEL PURPOSE	COSTS PAID BY CLUB
Nil	Nil	Nil	Nil	Nil

7. LOANS TO STAFF – C.18(2)(d)

7.1 The Registered Clubs Act 1976 requires the club to report loans to EMPLOYEES of \$1,000 or more.

7.2 In the reporting period, the Club made the following loans to EMPLOYEES:

LOAN AMOUNT	DATE OF LOAN	INTEREST RATE PA	TERM OF LOAN
Nil	Nil	Nil	Nil

8. CONTRACTS APPROVED BY BOARD – C.18(2)(e)

8.1 During the reporting period the Board approved **0** contracts relating to the remuneration of the club's TOP EXECUTIVES.

8.2 The Registered Club Act 1976 defines a Controlled Contracts as being a club contract:

8.2.1 > in which a DIRECTOR or TOP EXECUTIVE has a pecuniary interest, or

8.2.2 > for provision of professional advice relating to the following, a.) significant change to management structure or governance of the club; b.) significant change to the financial management of the club; c.) disposal of land; and d.) the amalgamation of the club.

8.3 During the period **0** controlled contracts were approved by the Board and forwarded to the Director of Liquor and Gaming of which:

8.3.1 **0** such contracts related to contracts in which a DIRECTOR or TOP EXECUTIVE has a pecuniary interest.

8.3.2 **0** such contracts related to the provision of professional advice. These contracts fall into the following advice categories:

8.3.3 **0** Significant change to the management structure or governance of the club.

8.3.4 **0** Significant changes to the financial management of the club.

8.3.5 **0** Disposal of club land.

8.3.6 **0** Amalgamation of the club.

9. PAYMENTS TO CONSULTANTS – C.18(2)(g) and (h)

9.1 During the reporting period there were **5** instances where the club engaged a consultant.

9.2 The total costs paid by the club to consultants in the reporting period was **\$54,295**

9.3 Which included the following instances when consultants were paid \$30,000 or more.

9.4	Consultant	Nature of Consultancy	Amount
	Tully Heard Consulting	General Hospitality	\$33,852

10. DETAILS OF SETTLEMENTS PAID BY THE CLUB – C.18(2)(i)

10.1 In the reporting period the club made **0** legal settlements with either a director or club employee.
Being

10.1.1 **0** with a director of the club

10.1.2 **0** with a club employee

10.2 The total value of all legal settlements was **\$0**

10.3 The total legal costs paid by the club for such settlements was **\$0**

11. LEGAL FEES PAID BY THE CLUB – C.18(2)(j)

11.1 In the reporting period, there were **0** instances where the club paid legal fees for DIRECTORS and EMPLOYEES. This included:

11.1.1 **0** instances for Directors and

11.1.2 **0** instances for Employees

11.2 In the reporting period the club paid a total of **\$0** being for legal fees paid for DIRECTORS and EMPLOYEES.

12. GAMING MACHINE PROFIT – C.18(2)(k)

12.1 *Gaming machine profit* and the *gaming machine tax period* are defined in the Gaming Machine Tax Act 2001.

12.2 In the most recent gaming machine tax period, the total profit from gaming machines was **\$35,546**

13. AMOUNTS PAID TO COMMUNITY DEVELOPMENT – C.18(2)(l)

13.1 Clubs earning in excess of \$1,000,000 p.a. in gaming machine profit can apply part of such profit to community development and support.

13.2 In the reporting period the Club applied **\$0** to community development and support.

VALE

Les Ayers #506 Honorary Life Member

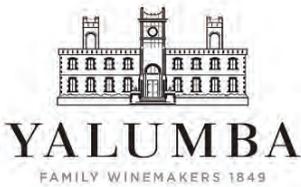
William (Billy) Burgess #643 Long Service

James French #288 Honorary Life Member

Eric Parkinnen #38 Honorary Life Member

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