



ANNUAL REPORT 2019

Celebrating 125 years



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CELEBRATING 125 YEARS

Since its inception in 1895 by a group of 20 bookmakers, City Tattersalls Club has been an integral part of the fabric of the Sydney and broader NSW communities.

Located in the heart of the CBD on Pitt Street, between Market and Park Streets, City Tatts has grown to become one of the largest and most iconic clubs in the CBD.

Its involvement in supporting charities, such as Rough Edges, PCYC Glebe/Leichhardt, The Sweetest Gift and of course the drought and bushfire appeals, has seen City Tatts make a real difference in the community.

The 2019 year was an historic one for the Club as it received Stage 1 DA approval from City of Sydney for the iconic City Tattersalls Club redevelopment which

includes a new Clubhouse, a hotel as well as private apartments.

However, only a few months after this our world was turned upside down. In mid-March 2020 City Tatts was required to close its doors temporarily due to the devastating impact of COVID-19. The Club has continued to connect with Members and serve the community to the best of its ability.

The Directors and staff sincerely hope Members and guests are staying safe and enjoy reading the 2019 Annual Report.

Details of the Annual General Meeting

Notice is hereby given that the 124th Annual General Meeting of the City Tattersalls Club is to be held at 6.00pm on Tuesday, 26th of May 2020 in the Gadigal Room, on the second level of the Club premises in 198 Pitt Street, Sydney.


City Tattersalls Club

194-204 Pitt Street, Sydney NSW 2000 Australia
Phone: 02 9261 3593
Email: members@citytatts.com.au
ABN: 44 004 054 353



CHAIRMAN'S REVIEW

Marcelo Veloz and his team should be congratulated for the ways they have responded to COVID-19. They were on the front foot from day one, and have acted with purpose and determination every step of the way. They have looked after all our staff, suppliers, supporters, tenants, our Clubhouse, and to the greatest extent they could, our Members too.



It's strange to be talking about 2019, because 2019 seems like an entirely different world to the one we're in now. Usually, one financial year moves fairly unremarkably into the new year, and trends emerging in the old year usually provide some insights into what might be expected in the new one. Not so for 2019 leading into 2020!

In early 2020, the COVID-19 pandemic forced us to close our Club for several months. This was the first time in our 125-year history that our Club has closed its doors to its valued Members.

It's extremely regrettable that this forced closure occurred in our 125th anniversary year. This year was to be a big and special one for our Club. Instead, it will be remembered for all the wrong reasons, as it will be for all Clubs and businesses in the hospitality field.

Like the Olympic Games, we have had to suspend our anniversary celebrations until next year. But rest assured they will happen!

The Club will inevitably make a loss this year. This means that the imperative for our Board and management is to control and minimise that loss, and make the most of any opportunities that fall out of the changed environment.

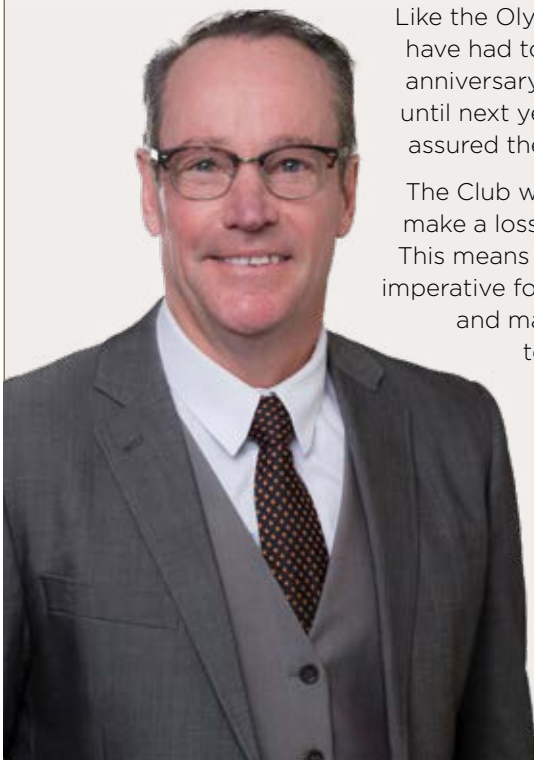
Green shoots are starting to emerge. The Federal Government has advised that from Monday 1 June we will be able to reopen certain sections of our Club for up to 50 people, but we are yet to hear when we will be able to reopen the gymnasium, a facility we know so many of you have missed.

Our team is working with ClubsNSW to assist the industry to reopen Clubs under proposed new guidelines set out by the New South Wales Government. I would like to take this opportunity to thank Josh Landis, Chief Executive Officer of ClubsNSW, for all the hard work he and his team have done behind the scenes to convince the NSW Government that Clubs can be trusted and should be allowed to reopen as part of the effort to start rebuilding a very damaged economy.

You will hear shortly from our CEO Marcelo Veloz about what our Club has been doing to weather this unheralded tsunami.

Marcelo and his team should be congratulated for the ways they have responded. They were on the front foot from day one, and have acted with purpose and determination every step of the way. They have looked after all our staff, suppliers, supporters, tenants, our Clubhouse, and to the greatest extent they could, our Members too.

Marcelo and his team are now busy setting things up so that our Club can come back as soon as possible, but we need to acknowledge that there will be changes, because the impact of COVID-19 will continue into next year and beyond. Our Club's offerings will necessarily be different as restrictions are peeled back slowly.



So I ask Members to be patient and to be ready for and accepting of the changes that must be made.

Even though 2019 was a different world from today, our Club still made very good progress in many areas.

- There was a healthy profit for the year of over half a million dollars, which while less than targeted, was a satisfactory result in the circumstances.
- We obtained stage 1 approval for the Airspace Development.
- Our land and building value increased by over \$37 million from just over \$141 million to over \$178 million.
- 3,221 new Members joined in the year, mostly in the younger age category of 30-45 years.
- We continued to enhance our Clubhouse with refurbishments of the gaming room and foyer and the opening of exciting new spaces such as the Level 5 Rooftop Bar and the Corporate Concierge.
- Our Young Professionals Network got some great traction, with 154 new gold members joining through that network.
- Our Corporate Concierge initiative (launched in October 2018) generated over \$116,000 in revenue in its first year.
- Our rental income saw a significant increase.
- Our Gym membership also saw an encouraging increase.
- Our Club's charitable initiatives continued at pace, with our Club raising and donating important funds for drought and bushfire relief, as well as many other very worthwhile charitable causes.

- Our Club hosted some wonderful community events such as International Women's Day, the Sydney Folk Festival, and the Sydney Fringe Festival, to name a few.
- From feedback received, staff morale and Member satisfaction were high throughout the year.

So, 2019 had a lot of positives for our Club.

I want to thank Marcelo and his management team and all of our staff for their efforts and achievements in 2019.

I also thank the members of our Board for their outstanding efforts throughout the year.

I also want to thank you, our Members, for your support in 2019. As usual, I recommend that you approve the resolution giving Life Memberships to the 130 special and very loyal Members who have clocked up 40 years of continuous membership.

At the end of my speech on this occasion last year, I said: "Members, brace yourself for a big year next year in 2020." Well, it is a big year, although not for the reasons I was thinking of! The rest of 2020 is going to be a massive challenge and a lot of very hard work. We're counting on your continuing support!



Patrick Champion


Chairman

I want to thank Marcelo and his management team and all of our staff for their efforts and achievements in 2019.



CHIEF EXECUTIVE OFFICER'S REPORT

In his Chairman's Review, Patrick summarised many of our major achievements well. I would like to make special mention of the fantastic connections we were able to develop with our various Member groups in 2019.



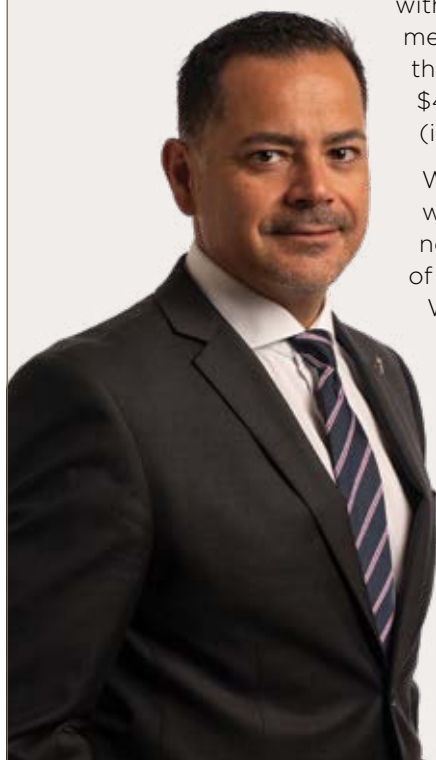
Dear Members,

We are incredibly lucky to have the depth and quality of Members we have, from our internal sporting and social Sub-clubs, to those who train without fail in our fitness centres every day, through to those new Members who joined the City Tatts Young Professionals Network and the Corporate Concierge Program in 2019 and initiated some great social and charitable events in and outside the Club.

Overall, 2019 was a great year, and I would like to thank all our Members for your incredible support of the services we provided and the decisions we bravely undertook on your behalf to take your Club forward.

However, 2020 is proving a little difficult. Being closed for almost nine weeks to the date of the Annual General Meeting with no revenue coming in means financial losses to the extent of approximately \$400,000 per month (including depreciation).

What we do boldly now will ensure that we are not part of the 35 percent of Clubs in New South Wales that will never reopen. It's with this in mind that I would like to summarise some of the hard measures we've had to take and will be taking to ensure our ongoing success.



Fitness Centre consolidation

The men's and women's fitness centres will be consolidated into a single fitness centre on levels 3 and 4. Running two large swimming pools, two spas, two steam rooms, two saunas, separate men's and women's-only classes, air conditioning, water treatment for all the wet areas, and a massive laundry is an incredible duplication of costs the Club can no longer afford. We have been mindful of your feedback and what is important to most Members, have consulted with both male and female Members, and we believe the outcome of our changes will deliver a great joint facility.

Conversion of Zest Kitchen

Zest Kitchen has been converted into a broad lounge space where food can be consumed, but is no longer a two-way service restaurant. The new space is casual and fun with a fully-serviced bar. The menu has been simplified and will develop as trade improves and demand increases. The outdoor area of Zest Kitchen will become a smoking area to cater for the various groups. During the restriction period, we will observe the New South Wales Government COVID-19 Guidelines and food orders will be taken and delivered to the tables. As the measures are relaxed, we will evaluate the service model.

Conversion of Lime Bar

Lime Bar is being converted into an alfresco gaming area. Social distancing has meant a reduction in the overall number of gaming machines the Club is able to operate on the ground level. Placing additional machines alfresco in Lime Bar is important to the Club.



Corporate Concierge Dining Room

The Dining Room in Corporate Concierge will in time be open for lunch and dinner bookings, giving those who enjoy a more upmarket dining experience the opportunity to do so in this beautiful space, complemented as always by our best wines and service. Legends will hopefully also come back in due course, but for the moment will remain closed yet accessible.

Lower Bar

Our beloved Lower Bar will remain accessible to Members, but without service until demand increases. Members will still be able to use this space to chat, read, play cards, chess, and so forth.

Functions

We will leave the functions market and will only deliver functions jointly with Navarra Venues in the Lower Bar and the Roof Top Bar when the State Government lifts restrictions and it is financially appropriate to do so.

We have reviewed every cost centre in an attempt to find ways to reduce expenditure and put the Club back on a sustainable footing financially. Luxuries such as Sky Channel will go, on the basis that any Member wanting to access this facility can do so in the TAB area at no cost to the Club. Foxtel will be reduced from five to two channels, and a freeze on employment will continue until we open the new Club.



CHIEF EXECUTIVE OFFICER'S REPORT

continued

We have also reluctantly decided to reduce printing of the City Tatts Magazine to once a year in March, and will email digital copies of all other editions to Members, again making significant savings for the Club.

On a more positive and strategic note, as you will be aware, the Club continues to pursue the realisation of the Airspace Development, and is also looking at amalgamation opportunities with other Clubs that will help consolidate our balance sheets and strengthen our position as a group of Clubs with greater membership numbers.

These are just a few examples of the many hard decisions we will need to make in the near future to ensure our Club comes back on top. Your support of our initiatives is paramount to our joint success, and I thank those Members who have already contributed to the proposed changes by coming to see us and offering their assistance.

To conclude, I would like to extend an enormous thank-you to the many wonderful staff who make up our team, in particular to the six staff

and nine Directors who worked through the most difficult period of COVID-19 to determine what had to be done to save the Club. To our joint venture partners ICD Property, our bankers at Commonwealth Bank of Australia, and our friends at KPMG, thank you for your assistance and support and belief in our Club.

Please enjoy reading the highlights of 2019 in this Annual Report. I look forward to seeing many more of our Members come back to our Club in the coming months, and in the meantime, please stay safe.

Marcelo A. Veloz
Chief Executive Officer

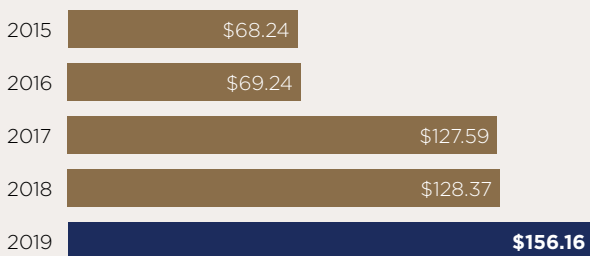
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PERFORMANCE HIGHLIGHTS

In the reporting period ending 31 December 2019, the Club's operating profit was \$503,080. Total Club revenue during the reporting period was \$25.2 million, up 6.3% on 2018.

Net Assets \$million



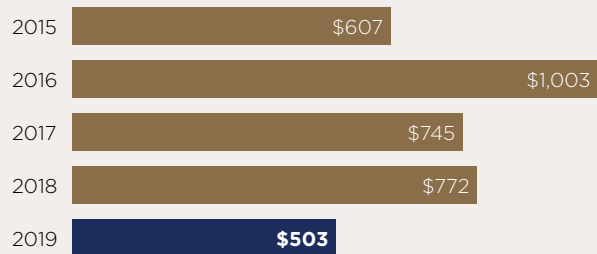
Revenue \$million



EBITDA \$million



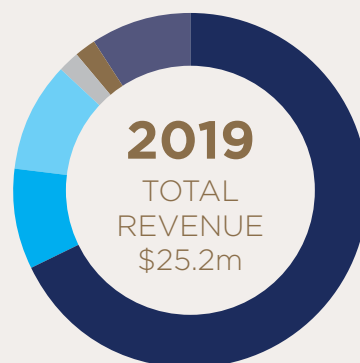
Profit \$'000



Source of Revenue



- Gaming **76%**
- Catering **7%**
- Beverage **9%**
- Gymnasiums **2%**
- Membership **2%**
- All Other **4%**



- Gaming **68%**
- Catering **9%**
- Beverage **10%**
- Gymnasiums **2%**
- Membership **2%**
- All Other **9%**



OUR STRATEGIC OBJECTIVES, MISSION AND VALUES



Our vision is to become one of Sydney's most exciting entertainment destinations for social, cultural, sporting and business interactions.



Our mission

Our mission is to deliver an incredibly exciting Club where great memories are created. It is the primary objective to which our Club's plans are targeted.

We will use the mission to ensure that our decisions are consistent, to motivate our people, to build organisational unity, to integrate short-term objectives with longer-term goals, and to enhance communication.



Our values

- We honour our heritage
- We hold our Members in esteem
- We promote best practice in all our work
- We promote adaptability and change
- We encourage commitment and loyalty



The strategic objectives are:



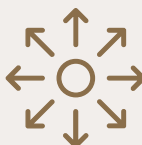
1. Airspace project

- Develop plan Stage 2 DA
- Retain current membership levels
- Implement interim club plan
- Enter into satisfactory hotel agreement



2. Membership increase

- Attract younger people to the Club
- Balance the male/female ratio among Members
- Leverage strong relationships
- Establish more efficient membership systems
- Deliver leading facilities, products and services



3. Diversify the business

- Leverage the Club's value/brand proposition
- Leverage corporate citizenship
- Establish new business/service offerings
- Develop online businesses



4. Achieve long-term financial sustainability

- Improve operational efficiencies
- Improve return on assets (ROA)
- Optimise space and resources usage
- Improve profitability
- Improve budgeting systems

CLUB STATISTICS

We're building a stronger future for our Members



21,468

litres of wine served
That's 143,120 glasses!



5,550

kgs of chips served
That's the weight of eleven
race horses!



3,174

Brekkies served at our
Boonoona Ski Resort
Another bumper year
at Perisher!



644,000

courses served
That's 53,667 per month!



83,806

litres of beer served
That's 294,056 middies!



600+

Functions and events
catered for



2,392

women's fitness
classes
That's 46 classes a week!



2,150

men's fitness
classes held in our
gymnasiums
That's a lot of dedicated
Members!





AIRSPACE DEVELOPMENT

Despite the precautions put in place to counter the COVID-19 pandemic placing incredible financial pressure on the Club since the closure of all registered clubs on 23 March 2020, our work to develop a new clubhouse in a high rise tower on our existing site has continued.



Recently three major decisions were made for what we have called the Airspace Development, which received stage one development application approval for the height and width of the tower, and preservation of heritage aspects of the existing buildings from the City of Sydney Council in November 2019.

The first is that our joint venture partners ICD Property and First Sponsor Group, have formed the view that speeding up our stage two development application process will play an important role in reactivating the Sydney economy as it will not only create jobs, but it will provide businesses, small, medium and large with the opportunity to transact with us by providing a raft of goods and services.

At this stage the development team at ICD Property expects to submit the stage two development application in the second half of this year, much earlier than was planned, which will speed up the completion of the project.

The second development was the decision by our Board and ICD Property to explore the merits of building a 200 room upmarket hotel in the new City Tattersalls tower, rather than the 100 room hotel originally envisaged.

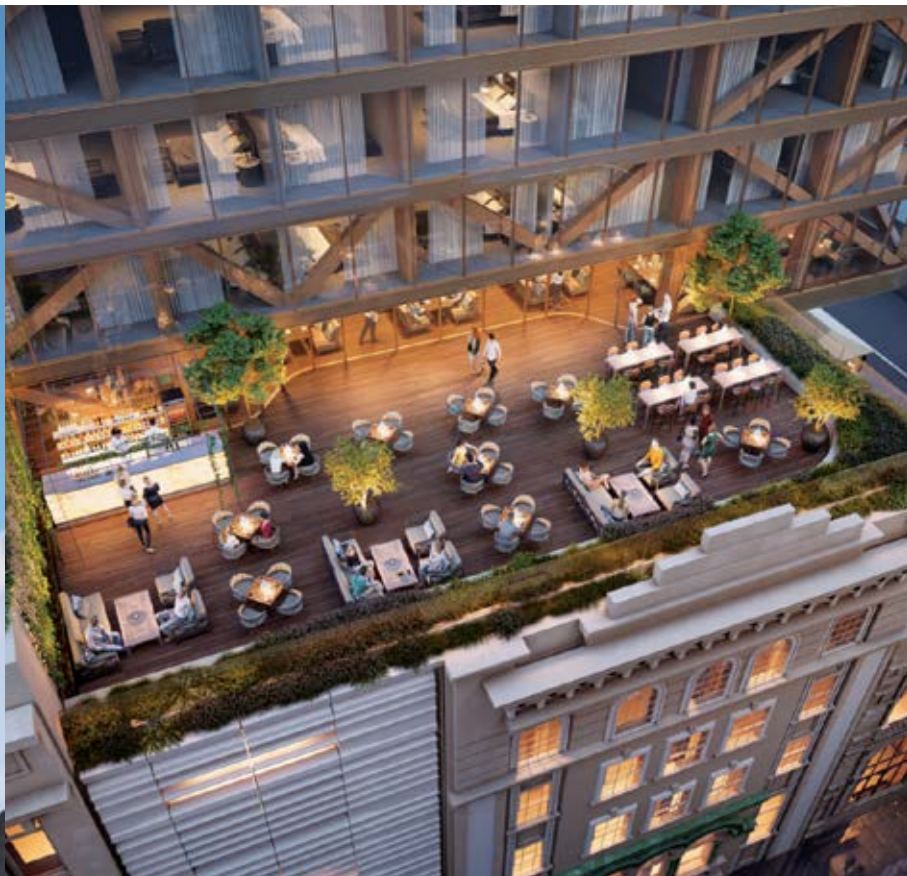
We are currently working on cost-benefit analysis of a larger hotel and are receiving advice from hotel consultants on the requirements and impact of a larger hotel and synergies with the Club, and the residential apartment component of the tower.

The third major development is that after three years of consideration the Club's Board and senior executive team have come to the conclusion that it will be safer and in the best interest of the Club and its Members to house the Club at an offsite facility while construction is being completed.

This way Members of City Tatts will still have access to the facilities the Club promised back in 2015 when the project was initiated and the Club will not need to spend millions of dollars on an interim onsite Clubhouse that will become redundant after construction of the Airspace Development is completed.

Accordingly, during the first week of March 2020, the Board sent Members a number of related special resolutions for approval as part of its Notice of AGM which is to be held online on the 26th May 2020.

If the key resolution is passed (and with the safety of its Members and the public in mind, the Board hopes it is), City Tattersalls will be in a position to negotiate an amalgamation opportunity with the Castlereagh Club, which is located at 199 Castlereagh Street. If this is achieved it will allow our Club to move its facilities to the Castlereagh Club premises and offer its and our Members a raft of amenities for their enjoyment during and after the construction process.





AIRSPACE DEVELOPMENT

continued

Key Airspace Development milestones dates over the next 6 years



City Tatts tower design competition commenced

■ May 2020

City Tatts tower design competition completed

■ July 2020

Hotel joint-venture feasibility study completed

■ August 2020



Formal lodgement of Stage 2 development application

■ Second half of 2020

Stage 2 development application determined

■ Second half of 2021

City Tatts interim Club options to be executed

■ Early 2022



Construction commences

■ Early 2022

Construction completed

■ Late 2025, early 2026

City Tatts relocation to new tower on Pitt Street

■ Late 2025, early 2026

What else are we up to with the Airspace Development?

At the time of writing in the second half of May, the Club's executive team and joint venture partners are carrying out a complex body of work that will enable our joint venture partners to finalise documentation for the submission of a stage two development application by the end of 2020.

This involves reviewing the initial Club concept designs, base build costs, and circulation, accessibility and vertical transportation requirements for the new tower and loading dock servicing.

We are also looking at spatial requirements for each Club offering, subject to heritage constraints, and the best use of each space within the future Club to enhance the financial viability of the Club product offering.

As well as commissioning work to assess the cost-benefit of a larger 200 room hotel in the tower, we have received proposals from four project management firms, one of which will be selected to assist the Club to fulfil its project obligations in a professional and timely manner.

Following the COVID-19 outbreak we have had to revisit feasibility forecasts prepared before the closure of the Club, debt levels and the Club's capacity to service debt during and post development. We are also reviewing profit and loss forecasts for both the Club and the hotel business over a ten-year period.





CITY TATTERSALLS CLUB BOARD OF DIRECTORS



Patrick Campion Chairman

Patrick has been a City Tattersalls Club Member for more than 37 years, and a Life Member for 17. He was elected to the Board in 2002 and has been CTC Chairman since June 2011. Patrick currently sits on the Finance, Property and Airspace Development and Remuneration Committees.

He is an Executive Lawyer at Clinch Long Woodbridge and works across several areas with a particular focus on dispute resolution and litigation. Patrick holds Bachelor of Arts and Bachelor of Law degrees from the University

of Sydney and is a member of The Law Society of NSW and the Australian Institute of Company Directors.

Martyn Berry Non-Executive Director

Martyn joined the Board of City Tattersalls Club in 2009. He currently chairs the Finance and Remuneration Committees and sits on the Property and Airspace Development Committee. Over a 35-year career in the financial services industry, Martyn has held senior executive positions in general management, sales and marketing. He has also served as a director on

Above: Roderick Faulkner, Michael Sterndale-Smith, Martyn Berry, Lawrence Coy, Kumar Kalyanakumar, Annette Niven. **Sitting:** James Chen, Patrick Campion and Paul Cavallaro.



CITY TATTERSALLS CLUB BOARD OF DIRECTORS

continued

the Board of several large financial corporations including Westpac Financial Services Ltd, Westpac Securities Administration Ltd and MLC Client Services Ltd.

Martyn was also a director of not-for-profit charity, Learning Links, for 10 years, during which he also held the position of deputy chair for a number of years.

Michael Sterndale-Smith Non-Executive Director

Michael joined the Board of City Tatts in 2011 and has been a proud Member of the Club since 1974. He is currently a member of the Sponsorship and Community Committee and is the Board representative to the Young Professionals Committee. Michael is President of the City Tatts Ski Club, is on the Management Committee of the Cheetahs Swimming Club, is a member of the City Tatts Golf Club and an active gym member.

Michael has a business background with over 30 years senior management experience in the retail, manufacturing and service industries in Australia and overseas with such companies as the Myer Group, Clarks Shoes and Protector Technologies. He is currently a sessional Lecturer in Business studies at various tertiary education facilities in Sydney.

Michael is a director of the St John's College Foundation at Sydney University that has been at the forefront of assisting indigenous students financially to undertake tertiary courses at universities in Sydney.

A Fellow of the Australian Marketing Institute and a CPM, Michael is able to bring both his academic and business acumen to both the exciting Aerospace Development and subsidiary clubs that will grow the membership base and increase benefits for all Members.

Paul Cavallaro Non-Executive Director

Paul has been a Member of City Tattersalls Club since 2002 and has been on the Club's Board for over 10 years.

He is currently the Chair of the Property and Airspace Development Committee as well as sitting on the Finance and Remuneration Committees.

A member of the Australian Institute of Company Directors, Paul has project-managed developments, including liaising with banks, councils, architects, engineers and related consultants from conception through to occupation certification, as well as both managing and supervising construction projects.

Paul is a Chartered Accountant and Certified Public Accountant and has been practising for more than 25 years, in addition to being a registered tax agent and superannuation fund auditor.

James Chen Non-Executive Director

"Jimmy" is an accountant, tax agent, Justice of the Peace and Life Member of City Tattersalls Club. He was elected to the Board in 2003 and held the position of Treasurer from 2009 to 2018. He is currently a member of the Finance and Property and Airspace Development Committees.

Jimmy has been an active member of the Fitness Centre for more than 36 years, as well as being a member of several City Tattersalls Club sub-clubs since 1972, including the Harriers, Cheetahs and Ski Club.

Lawrence Coy Non-Executive Director

Lawrence was elected to the City Tattersalls Club Board in 2006, following a successful and distinguished career as a specialist

medical practitioner and medical researcher. He is a member of the Property and Airspace Development Committee. Since his retirement, he has been actively involved as a hotel director and partner of several licensed hotels in Sydney. He is currently a director of a successful Sydney hotel, and has managed and overseen significant renovation projects and multiple food and beverage operations during a lifetime in the industry.

Lawrence has participated in fitness classes for more than 40 years and has previously run with the Harriers.

Roderick Faulkner Non-Executive Director

Rick has been a Member of the Board since 2015 and has been a dedicated member of the Club for 20 years. Rick currently chairs the Nominations and Sub Clubs Committee and is a member of the Sponsorship and Community Committee. He worked for 43 years in the railway industry, predominantly with the NSW Government Railways. In 2006, he worked on the Taiwan High Speed Railway, where he managed train operations, safety and customer service initiatives. He is currently the Operations Manager for a private company working on the Sydney Northwest Metro project.

Kumar Kalyanakumar Non-Executive Director

Kumar has been a Member the City Tattersalls Club since 2000, a member of the Board of Directors since May 2018, and is a member of the committee overseeing the "Airspace Development", a critical part of the Club's future growth plans.

Professionally, Kumar brings a broad range of experience and skills to the Board, with a professional career that spans more than 30 years, including senior banking roles and part-ownership and executive directorship in

a multi-billion boutique funds management business. In his current role as Head of Australia for AXA Investment Managers – Real Assets, Kumar manages large portfolios of real estate investments around the country. His professional career has seen him take up executive and non-executive directorships in a range of businesses.

Since joining the Club, Kumar has been an active member of the Men's Fitness Centre, not only participating, but also leading classes.

As a founding member and President of the Club's newest Sub Sporting Club, the CTC Cycling Club, Kumar has been instrumental in that club's growth and its support of charities such as Ride4ceylon and Lifeline.

Annette Niven Non-Executive Director

Annette is a tenured senior executive and human resource professional with more than 20 years' experience in senior leadership roles in the human services, human resources and talent acquisition sectors. Annette is widely engaged in the business community and is currently employed in a leadership role with National Workforce as the National Sales and Marketing Manager. Annette brings to the Board of City Tattersalls Club a strong capability in the management of large, senior account management, sales and marketing teams as well as extensive experience in the design and implementation of successful relationship management models resulting in strong customer satisfaction and retention.

Annette is a member of the Governance and Nominations Committees.

OUR 125TH ANNIVERSARY

The year 2020 was always going to be a significant milestone in City Tattersalls Club's history. It was supposed to be the year when we celebrated the 125th Anniversary of a group of 25 men coming together on 2nd September, 1895 to pass a resolution to create our beloved Club.

As part of this we were going to reveal the final design of the building which will house our new Clubhouse – a project we have been calling 'The Airspace Development'.

However, all this was overtaken by fallout from the COVID-19 pandemic and the government shutdown of all entertainment venues across the nation. As a result on 23rd March for the first time in the Club's 125 year history, we closed our Clubhouse doors without knowing when we would open again.

We will still celebrate our 125th Anniversary at a later stage when we can once again hopefully be all together again without restrictions. The design of the new Clubhouse, with its tower containing the hotel and residential apartments will also still be revealed later this year.

Our revered former Chairman John Healy OAM said at the Centenary Sportsman of the Year dinner in August 1995: "In a world of volatile change, the Club will always be facing fresh challenges".

And so it is today as we face one of the Club's greatest challenges, of not only sustaining our great Club throughout the shutdown, but also keeping alive the hopes and dreams of the Members for the Club as we navigate through this challenging period.

Fortunately for 125 years City Tattersalls Club has always had an 'ace' up its sleeve which it could rely on, and this was articulated very well by John Healy in his introduction to the Century City Tattersalls Club History book:

"Looking back over the years, the Club's success has been largely due to the vision of those

who have so far-sightedly guided its fortunes to meet developing needs. These dynamic people have come from the ranks of both staff and the Committee, and at this time we should remember them with great gratitude."

City Tatts' greatest fortune has been that during critical times of history we have been able to rely on the wisdom, experience, foresight and passion of our Members, staff and Committee to guide the Club through the storm to calm waters.

One hundred and twenty five years ago, on the 25th of April, 1895, 20 years before this day was to



become ANZAC Day and six years before Australia became a nation, a horse race was held, where outsider Merry Girl stormed home to beat favourite Pearl Powder in the last race at Kensington, only to be disqualified when her jockey W. Cock carried his whip onto the scales to weigh in 2lb over.

Uproar ensued and angry bookmakers in the paddock, the best-paying enclosure, refused to pay on Pearl Powder and left the racetrack.

Kensington Pony Track, now the UNSW Village Green, was praised as the best run pony course in town. Racecourses were then split on class lines: the flat inside the running rail was known as battler territory. The leger or St Leger reserve, opposite the finishing straight, cost more to enter and drew a slightly better class of punter. The paddock, closer to the winning post and members' stand, boasted the big money so every bookie's dream was to move through the ranks to make a decent quid fielding in the paddock. But being a good bookie did not guarantee a place in the paddock.

Tattersalls Club (Big Tatts) with its mainly affluent and well-connected bagmen effectively controlled paddock bookies, because Big Tatts members also controlled the Australian Bookmakers Association, which selected which bookmakers had a paddock stand.

When Kensington track boss Patrick O'Mara insisted paddock bookies pay on Pearl Powder at the next pony meeting a few days later, the paddock bookies refused and walked off the field. So, O'Mara called in bookies from the St Leger reserve.

The leger bookies willingly paid out Pearl Powder bets, infuriating paddock bookies who demanded that Tattersalls Club intervene to challenge and discredit O'Mara's ruling. Despite the best efforts of Tattersalls Club, O'Mara won support from Rosehill and other pony tracks and the St Leger

Bookmakers took over the Paddock betting areas of most of the major racetracks in NSW.

The Leger bookies formed the Leger Bookmakers' Association in June 1895, and on 2nd September 1895, despite loud opposition, voted to form their own Club named "City Tattersalls Club".

The bitter fall-out between Tattersalls and City Tattersalls Club lasted for decades, with bookies unable to be a member of both clubs until the 1940s. The split was a win for punters. Newspapers praised leger bookies for offering better odds at the track, so the fledgling Club quickly won widespread popular support. As has been proven many times over its 125-year history, the wisdom and foresight of the Club's Members, staff and Committee, guided the fledgling Club to become the great institution it has become today.

On this page you will find a picture of former Chairman John Healy OAM and his retired predecessor Laurie Taylor taken in 1991 at Laurie's retirement dinner.

On the previous page is a picture of a race meeting at the Kensington Pony Track. It would not be hard to believe that some of these gentlemen would be some of the founding Members of City Tatts.





TRIBUTE TO JOHN HEALY – OAM,

Life Member & City Tattersalls Club Patron

Members

Today is a dark day in the life of our Club. It is with great sadness that I advise you that John Francis Healy – OAM, legend of our Club and former Chairman of the Board passed away peacefully this morning.

John steered our Club as Chairman from 1991 to 2008. His contribution over the many decades was incredible and invaluable.

John was a City Tatts Member since 1964, an inspirational Fitness Trainer, Patron of our Racquet Ball Club, Cheetahs Swimming Club and Captain of the Harriers. John was a member of the Board from 1988-2008 and Chairman of the Board for 17 years, making John the 4th longest serving Chairman behind big names like Clarke, Taylor and Herdsman.

John had always had a passion for fitness, some would say an obsession. As a young car salesman in the 1960s, John had wanted to train under the legendary fitness guru, George Daldry, which led John to become a City Tatts Member in 1964.

Like many others, John attended George's "Spartan" training session for many years. He became an inspirational fitness trainer in his own right. As a trainer he met many people along the way who embraced his techniques. These included Terry Fearnley, who at that time was coaching Rugby League's Parramatta Reserve Grade and invited John to do some conditioning work with the team before the Grand Final.

Recently over lunch with mates at his place before moving up North to be closer to his family, John recalled, ***"I began in the two weeks before the Grand Final, took them to Parramatta Park and gave them the George Daldry treatment."*** Many of you would know exactly what kind of torture that means! The team went on to win the 1975 Grand Final.

"They would have won the comp with or without me, because they were a great side. In fact, they won the comp despite me!"

John carried on with Terry, who moved on to coach the 1st grade side over the ensuing years. This included the 1977 Grand Final, which was the first ever draw in a Rugby League Final.

John's reputation as a conditioning coach is legendary at St Joseph's College, when after initially training the rowers in 1980, he was asked to train the First XV rugby side.

"I introduced them to something that gave them an advantage."

In 1981, the Centenary year for the school, Joeys won the premiership and again in 1982-86. They went on to win the GPS premiership for 12 out of the 13 years. For the next 30 years John's name was associated with St Joseph's College Rugby and the John Healy Fitness Centre still honours his contribution to fitness and the development of healthy young men at the College today.

Though John's contribution to our City Tatts fitness centre is the stuff of legend, it was his

“...the legacy he laid down, highlighted his shrewd decision making. This included the welcoming of Directors with a variety of commercial skills, his foresight to explore diversification, and his championing of the purchase of the Merivale building at 194 Pitt Street.”

Patrick Campion, 2018

vision and leadership as a Board member and as the Club's Chairman for 17 years that will be forever immortalised in the history of City Tatts.

John became a Committee Member in 1988 and then Chairman in 1991, however his vision of what City Tatts could become was formulated in 1970 when he visited the New York Athletic Club. John came to the Club's Board during a time when traditionally it was made up of mainly racing men. To some he was viewed as an outsider.

The New York Athletic Club gave John a vision of a future Club that “offers eight or nine floors of accommodation, magnificent gymnasium and swimming pool. An exclusive, upmarket Club.”

His legacy was to broaden the number of business women on the Board. He said **“We're in a prime location and have wonderful facilities. The Board's Composition should extend beyond the racing fraternity.”**

John, ably assisted by Keith Free, the Club Treasurer, laid the foundation and created the opportunity for the Club to expand and grow into the future, as we can see from the Airspace Development Project, which we look forward to delivering in his honour.

At a special lunch held in 2018 to honour John, we attributed the progress of our Club in no small measure to John's vision and dedication.

“...the legacy he laid down, highlighted his shrewd decision making. This included the welcoming of Directors with a variety of commercial skills, his foresight to explore diversification, and his championing of the purchase of the Merivale building at 194 Pitt Street”. (Pat Campion, 2018)

Indeed, without John's foresight it would be difficult to see how the opportunity for the

Airspace Development could have come to fruition and certainly not to the scale of opportunity we currently have. John's vision of The New York Athletic Club of Sydney is alive and well.

One Member who remembers very well some of the meetings that John had to Chair, described him as **“Grace under fire.”**

During some very tough AGM's, General and Special Meetings, John always maintained a dignified and courteous presence. No matter what was thrown at him from the floor, he never wavered from the task at hand. John created a culture of decency, honesty and integrity, but above all he maintained a respect for Members.

In the Chairman's introduction of the Centenary history book in 1995, John wrote;

“Looking back over the years, the Club's success has been largely due to the vision of those who have so far-sightedly guided its fortunes to meet developing needs. These dynamic people have come from the ranks of both staff and Committee, and at this time we should remember them with deep gratitude.”

John Francis Healy, you were one of these “dynamic people.” One whose foresight and vision has contributed greatly to City Tatts and for that vision and your many years of dedication, we Members will be forever grateful.

John had a long and largely good life, which is fitting for the quality of man that he was. The Club sends its condolences to his family.

Thank you and Rest In Peace my old friend.

John Francis Healy – OAM & CTC Club Patron 16th August 1929 – 19th May 2020

Patrick Campion
Chairman

SUPPORTING THE BUSH FIRE RELIEF, RESPONSE TO THE DROUGHT

City Tatts is proud to honour the efforts of Australia's frontline workers during the drought, bushfires and the recent COVID-19 epidemic.

First Responder Service Men and Women Discount

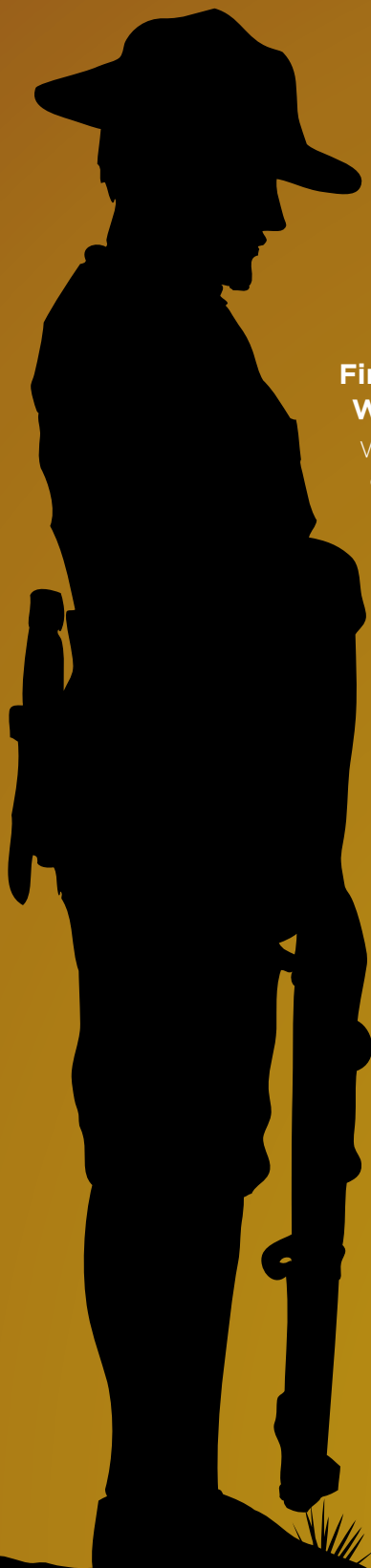
With all Australian registered clubs closed down from 23 March 2020 due to COVID-19 restrictions City Tattersalls Club was not able to host the traditional Anzac Day celebrations on April 25 that have been a major milestone in the Club's entertainment calendar.

To pay tribute to Anzac Day and all it represents and in anticipation of Sydney city life getting back to normal, the City Tattersalls Club Board asked all Members to do something special at the Club's 26 May online AGM.

In a video distributed widely, Club Chairman Patrick Campion appealed to all Members to recognise in a tangible way the special contributions of service men and women and the country's first responders.

"The Board of City Tattersalls would like to formally acknowledge and honour the contribution these great Australians make to our country. This is especially in light of their courageous work during the horrific drought and bushfire season Australia experienced in late 2019 and the most recent impact of COVID-19," he said

Mr Campion urged all members to support a special resolution, which appears below, that was due to be tabled at the May 26 AGM and - if supported - would offer a special Club discount to service men and women and the country's first responders.





Resolution 6 – First Responder & Ex-Service Men/Women Discount:

That in light of the courageous efforts demonstrated by our first responders and armed forces during the horrific 2019 drought and bushfires and the most recent devastating impact of COVID-19, the Members hereby approve and authorise the Club to provide a discount of up to 15% on some or all goods and services supplied by the Club, as the Board may determine from time to time, to any Member or guest of the Club who is able to verify in a manner reasonably determined by the Board that they are;

- A current serving employee or member of the Australian Firefighting Brigade or service (e.g. Fire & Rescue NSW or NSW Rural Fire Service).
- A current serving employee or member of an Australian Emergency Service (e.g. NSW State Emergency Service).
- A current serving employee or member of an Australian Ambulance or Paramedic Service.
- A current serving employee or member of the Australian Police Force (whether State or Federal)

- A Current or Former member of the Australian Armed Forces (including The Australian Army, The Royal Australian Navy or The Royal Australian Air Force).

City Tatts Bushfire Appeal Handicap

As well as the initiative to recognise first responders during the recent Australian bushfire season City Tattersalls Club teamed up with the Australian Turf Club (ATC), to raise funds to help those impacted by fast moving flames.

The Club contributed \$25,000 by sponsoring the City Tatts Bushfire Appeal Handicap at Royal Randwick on 25 January 2020.

The 1,600m race was sixth on the card and won by Domed, with Helga second and New Zealand horse Missybeel third.

The ATC's Racing For The Bushfire campaign and the special race meeting at Royal Randwick raised more than \$150,000 which was used to pay for hay for horses, livestock, and animals, as well as funding for fencing and buildings in local communities.

CITY TATTS DOES CITY2SURF

In 2019 City Tatts completed its first ever team fun run in Sydney's annual City2Surf run for charity, raising more than \$20,000 for the Sydney Children's Hospital Foundation.

The City Tatts team of more than 100 Members, staff, Board members and family members tackled the challenging 14km course with vigour. City Tatts is honoured to have been a part of this event and our team was full of camaraderie and encouragement. The race from Hyde Park in Sydney's CBD to the iconic Bondi Beach ended with smiles all around.

The City2Surf was established in 1970 as a humble road race and over time has transformed into one of the largest and most loved

community events in the world. Every year it attracts more than 80,000 participants from many countries, of all ages. Originally a race dominated by men, today the race is entered by equal parts women and men, and today is widely regarded as a 'bucket list' item for serious runners and adventure-seekers internationally.

For Club Chairman, Patrick Campion, this was the second time he had completed the City2Surf run. "The beauty of events like the City2Surf is their ability to bring total strangers together and



unite them for a worthy cause. The City2Surf is about fun, fitness, fundraising and being a part of the community - values that are very much aligned with those of City Tatts. We look forward to participating in the future with our Board Members, Members and staff," he said.

One of the most notable team members, Paul Daley, who is on the Hall of Fame as an instructor in the Men's Fitness Centre, is also one of 20 City2Surf legends who have completed the course every year since its inception 49 years ago. In 2017 Paul was inspired by the courage

and endurance of chronically ill children at the Sydney Children's Hospital and used his run to raise \$25,000 to purchase equipment for the hospital. The 70-year-old completed the course this year in an impressive 1 hour and 39 minutes.

We are inspired by his efforts and hope to create a long-standing tradition of City Tatts team fun runs at the City2Surf. We hope you will join us in 2020 and show your support for the 2020 City2Surf on its 50th anniversary, date to be confirmed.












We are looking forward to encouraging further participation at future running events.







SUPPORTING THE COMMUNITY

2019 Club Grants Listing

In 2019 our Club donated \$349,418 to organisations that make a positive impact to our community by tackling key issues such as homelessness, domestic violence, aged care, early childhood care and community sports, to name a few.

Organisation	Purpose of funding	Total
 PCYC POLICE CITIZENS YOUTH CLUBS NSW	Woolloomooloo & Inner City PCYC – To provide financial assistance & school scholarships to underprivileged children	\$10,000
 THE UNIVERSITY OF SYDNEY	Sports Foundation – Support the development of Women's Rugby – outfitting the women's team and resourcing our medical and rehabilitation program.	\$25,315
 The Shepherd Centre Helping people overcome a stroke	To provide a social group setting to support children with hearing loss to develop their communication skills.	\$3,000
 THE GUT FOUNDATION	Prevention of gastrointestinal diseases or conditions through increased awareness about the detection, treatment and cure of gastrointestinal diseases and conditions.	\$750
 THE GIRLS & BOYS BRIGADE	To upgrade essential furniture & equipment in their family support room, to provide a non judgemental environment.	\$11,046
 SYDNEY FRINGE FESTIVAL	Independent arts festival in NSW that provides an accessible space for early career and emerging artists.	\$50,000
 SYDNEY FC	Supporting youth football through the Sydney FC Youth Academy.	\$20,000
 SYDNEY CHILDREN'S HOSPITAL BANDICOOT	To provide a specialist child protection service delivering clinical assessment & therapeutic interventions to children and their families.	\$10,000
 St John	St John's Community Services Ltd – To support women who have experienced domestic violence to rebuild their lives.	\$3,000
 St Canice's Kitchen ...for I was hungry...	To provide lunch 7 days a week for 120 – 150 homeless / marginalised people per day.	\$5,000
 SIR RODEN & LADY CUTLER FOUNDATION INC	To provide door to door medically related transport service to people who are physically or mentally or financially disadvantaged.	\$6,000

Organisation	Purpose of funding	Total
	Supporting Rural Australia – Buy a Bale Campaign.	\$5,000
	Fund life changing research into blood cancers. Provide Function Room Hire for Ruby Red Board Meetings.	\$1,045
	Hitting the Road for Mental Health – Rolling workshop tour around Country NSW hosting workshops on Health, Wellness and Resilience.	\$12,654
	Support for Indigenous Talented Athlete Program to create opportunities for local indigenous youth to engage with a key support network through PCYC.	\$8,546

The Sweetest Gift

In 2019 City Tatts introduced fundraising for The Sweetest Gift charity to Wednesday nights in Zest Kitchen. The Sweetest Gift aims to change lives, promote social inclusion and provide stimulating and understanding work environments for transplant recipients. Recipients often struggle with ongoing medical issues and can have trouble maintaining work due to unpredictability of their health.

On Wednesday nights the Club supports this special charity by selling delicious desserts to patrons in Zest Kitchen, with all funds raised going to the charity.

The Sweetest Gift was established in 2017 by Patricia Scheetz, a chronic illness warrior who discovered her passion for baking while recovering from transplant surgery. A participant on reality cooking show Zumbo's Just Desserts in 2016, she was inspired to start her own business to try and help people in similar situations to her own.



SUPPORTING THE COMMUNITY

continued

PCYC Youth Clubs – Helping Children of Today

Founded in 1937 and with more than 60 Clubs and centres across NSW, Police Citizens Youth Clubs (PCYC) NSW is one of Australia's leading youth organisations. Its mission is to develop the skills and character of young people as well as reduce and prevent crime by and against young people.

City Tatts has proudly been involved with the PCYC since 2007. In 2019 City Tatts was delighted to be able to assist a range of the organisation's programs including its Indigenous sports program, café programs that teach barista skills, as well as the Time 4 Kids Fundraiser which the Club supported through a successful boxing night at City Tatts.



The Club's most significant support was in helping PCYC to raise enough funds for a community bus, which will enable hundreds of young people to participate in more events.

"We will now be able to transport them to and from more activities as a group instead of taking multiple trips. The bus will also allow us to give more young people the opportunity to experience activities which are further away, which until now they have been restricted from attending because of limited transport options. Just as importantly, it will allow us to ensure all children get home safely as we can drop them to their door," said Brett Roberts, PCYC Glebe-Leichhardt Club Manager.

In 2020 watch out for PCYC Glebe-Leichhardt events such as the Nation of the Origins, which is an indigenous sports carnival, and hopefully another Battle of the Gloves at City Tatts later in the year.

For more information please visit <https://www.pycnsw.org.au/glebe-leichhardt/>






Organisation	Purpose of funding	Total
 PLUNKETT STREET PUBLIC SCHOOL	Purchase of new classroom furniture to provide teachers the opportunity and the flexibility for small group work and teaching.	\$8,546
 Paralympics	Australian Turf Club Tickets - Donated to event	\$1,125
	Kings Cross Police Area Command - To give local police and the community opportunities to interact in a positive manner through organised events and meetings in the Woolloomooloo and Kings Cross area.	\$2,000
 NSW JOCKEYS TRUST	Support for industry participants who are often in dire need of assistance.	\$10,000
	Newtown Swans Junior Football Club - Support for a community-based Junior AFL Club and funding for the framing of a commemorative Jersey.	\$3,544
 National Jockeys Trust	Provide help for injured Jockeys.	\$10,000
 miracle babies FOUNDATION	To produce and deliver 200 neonatal intensive care unit survival packs to the Newborn care centre at the Royal Hospital for Women, to support many local families with premature or sick newborn babies from within the City of Sydney LGA and beyond.	\$2,000
 MAKE-A-WISH Australia	Provide Function Room Hire and support to help grant wishes.	\$736
 LITTLE WINGS	To seek financial support for 2 return flights for children from rural, remote and regional NSW communities requiring treatment at the Children's Hospital in Sydney.	\$3,500
Kings Cross Community Centre Inc	To fund the maintenance and running costs of a community bus.	\$3,300
 INVICTUS GAMES SYDNEY 2018	To stage the Australian Invictus Games in Sydney. This event uses sport as a vehicle for rehabilitation for both physical and mental athletes and is focused at the wounded and ill community.	\$19,221
 ZEST GLIDE YOUTH SERVICE INC	To provide an after school drop-in safe place for vulnerable and at risk teens	\$5,000
Father Nektarios Zorbalas Soup Kitchen	To provide a hot hearty lunch daily for homeless and low income people.	\$3,000

SUPPORTING THE COMMUNITY

continued

Organisation	Purpose of funding	Total
	Max Potential is a 5 month leadership development program. Each young adult is matched with a volunteer coach to make a difference in the life of a young person.	\$41,415
 Toastmasters Club	Sub Club Support for Operation and Equipment Expenses and Function Room Hire.	\$4,192
 Snooker Club	Sub Club Support for Operation and Equipment Expenses.	\$500
 Ski Club	Sub Club Support for Operation and Equipment Expenses and Funding for an event – Swimmers V Skiers/Boonoono Open.	\$3,016
 Raquetball Club	Sub Club Support for Operation and Equipment Expenses.	\$1,000
 Mens Golf Club	Sub Club Support for Operation and Equipment Expenses.	\$1,000
 Mens Bowls Club	Sub Club Support for Operation and Equipment Expenses.	\$5,000
 Mahjong Club	Sub Club Support for Operation and Equipment Expenses and Function Room Hire.	\$6,382
 Ladies Indoor Bowls Club	Sub Club Support for Operation and Equipment Expenses and Function Room Hire.	\$9,258
 Harriers Club	Sub Club Support for Operation and Equipment Expenses.	\$1,000
 Early Birds Club	Sub Club Support for Operation and Equipment Expenses and Function Room hire.	\$1,422
 Dance Club	Sub Club Support for Operation and Equipment Expenses.	\$1,000
 Cycle Club	Sub Club Support for Operation and Equipment Expenses.	\$3,240
 Cheetahs Swimming Club	Sub Club Support – Funding for events, 60th anniversary of the Cheetahs Swimming Club, 2 Tatts Relay, Clovelly Eskimo Event.	\$13,641
	To provide a playgroup weekly program for parents and carers with children, 0-5 years.	\$1,000
	Cultural Event support.	\$2,277
	To provide funding for an emergency helicopter mission in greater Sydney next year.	\$3,000

Organisation	Purpose of funding	Total
	Providing counselling services for persons affected by problem gambling in the Club's region.	\$6,240
	To support children and young people from City of Sydney LGA who live in families affected by mental illness.	\$1,000
	Funding for the Cross Country Wheelchair for Disabled Veteran, Graeme Bolitho.	\$500
Total		\$349,418

ClubGRANTS: Helping create a Women's Safe Space at Rough Edges

In 2019 City Tatts helped non-government community support organisation Rough Edges to create a safe drop-in centre for Sydney women and children who have suffered from domestic violence. Rough Edges is based in Darlinghurst and through a range of programs aims to bring a greater sense of community and self to all patrons and people experiencing homelessness and marginalisation in society.

With a \$3,000 grant from City Tatts earlier this year Rough Edges was able to develop an additional program which they called Banksia Women, named after the iconic Australian plant that thrives in the ashy aftermath of bushfires.

The program was launched on 11th July 2019 at the Australian National Maritime Museum, with guest speaker Taya Wilson who shared her incredible story of how she survived 10 years of domestic violence.

According to Paula Darwin, former Rough Edges Fundraising & Community Engagement Manager, Banksia Women was designed to provide a community for women in distress to connect and gain support .

“Similar to how we run Rough Edges Café in Darlinghurst, our women’s space is a drop-in centre led by a female social worker and a team of female volunteers to support women after they have left a domestic violence situation. The safe space has a shower, laundry and childcare facilities and volunteers are on hand to help with complimentary legal advice, case management and other support services.”

In 2019 City Tatts donated more than \$349,000 in grants to a wide range of organisations. Giving back to the community is a huge focus for our Club. Other 2019 grant recipients included Little Wings, Sydney Children’s Hospital Foundation and Kings Cross Community Centre.

For more information about Rough Edges and Banksia Women or to make a contribution, please visit <https://www.roughedges.org/>



BOONOONA SKI LODGE

Located in the gorgeous Kosciuszko National Park, City Tatts' Boonoona Ski Lodge is home to more than 1,200 skiable hectares.

The idyllic mountain getaway in Perisher Valley offers varied terrain for City Tatts Members to explore, with slopes suitable for beginners as well as more experienced skiers.

Managed by Matt and Luanne Geercke and their children, the family has created a warm and friendly lodge atmosphere where City Tatts Members can feel at home throughout the ski season. Boonoona's location is ideal – just moments away from the ski tube terminals. Skiers and snowboarders can launch from the lodge onto the snow and shoot down to the lifts in minutes.

"We have been managing the lodge for over six years but also worked for the previous managers before that. It's such a great spot. We really enjoy meeting all the new guests who come and visit, making sure they have everything they need, and being a part of their winter getaways," says Luanne.

"Having worked and lived in Perisher Valley for 20 winter seasons, it really is a home to our family. We know the trails, the slopes and love seeing visitors come and enjoy Boonoona as much as we do. There are so many great ways to keep busy down here and we love seeing the kids discover snow, sometimes for the first time," Luanne adds.

By Australian standards, Perisher Ski Resort is huge, with the largest ski terrain and the greatest number of lifts in the Southern Hemisphere. Spanning seven peaks, Perisher Valley is spread out horizontally and offers 47 lifts, including a mega 8-pack express chair lift and three fabulous high-speed quad chairs.

Renowned for superior service, with a 5-star rating on Tripadvisor and 9.3 on Booking.com, Boonoona oozes comfort and winter style and will make your Perisher getaway memorable. A legendary cook, Luanne freshly prepares



three-course meals for dinner each night and breakfast and lunch meals are also prepared daily. If you've visited before, you know these meals are worth the visit alone. There's a licensed bar with stunning views of the Snowy Mountains to relax in after a day of busy activities.

"Mains are things like confit chicken with roasted sweet potato, a pickled cauliflower and chickpea salad, butterflied lamb, herb and pomegranate couscous with tahini dressing and fillet of beef with potato rosti, broccolini and red wine jus. To quench your thirst, the lounge bar offers a selection of cocktails that the staff love to prepare and be creative with. We feel it's all about the extra touch and we love it," Luanne says.

Luanne also creates meals for kids with special dietary requirements. When adults want to enjoy a glass of wine but remain with children, Boonoona has a games room where families can enjoy some inside entertainment together.

There's a relaxing hot tub and steam room to help restore achy muscles after a day out and guests are offered complimentary over-snow transport for arrivals and departures. Matt will also collect you after a day of fun on the slopes, to ensure you return to the lodge hassle-free.

Travelling to Perisher is all part of the fun too. From Sydney Perisher Valley is approximately a five to six-hour drive, or seven hours from Melbourne. As you approach Perisher you see the incredible mountain peaks, beautiful valleys and boulder-filled landscapes of the Monaro Plains.

Perisher Valley is owned by Vail Resorts, the premier mountain resort company in the world. At the time of publication Vail Resorts and NSW National Parks and Wildlife Services were monitoring the COVID-19 outbreak in Australia while discussing when it would be safe and appropriate to open the ski season in Perisher Valley.

BOOKINGS: The Reservations Team for Boonoona Ski Lodge operates from the Club house. For all enquiries, please contact (02) 9287 6447, visit citytatts.com.au/ski-lodge or email boonoona@citytatts.com.au



A DAY AT THE RACES

When it comes to style, fashion and racing, there are few events that rival the City Tattersalls Club Cup Day at Royal Randwick.

On Saturday 26th October 2019, City Tatts once again played host to the annual Race Day, which we first conducted in 1900 and have run continuously for 109 years since 1910. It's the biggest day of the year for the Club, celebrated by Members, Board of Directors, sponsors and staff alike.

With the sun shining brightly, albeit with a forceful wind, the ballroom was set for a stunning day celebrating our colourful racing legacy and a few wins on the racecourse. The wonderful social occasion brought together more than 700 ballroom guests in the Randwick Ballroom in the Queen Elizabeth II Grandstand, overlooking the final straight.

Also attending the event were the six major Race Day sponsors: Kogaroo, Daily Press, Forum Group, Southern Cross Group, ICD Property and ClubsNSW. Every guest dressed in their

fashionable best and our photographers were kept busy capturing all the action. The day was awash with colour, with bright pinks and reds taking centre stage with ladies in their matching fascinators in all shapes and sizes.

In 2019 the City Tattersalls Club Cup Day boasted an exciting new feature - the \$1 million 1,600m long Bondi Stakes race. Won by Kubrick, the race was set for three-year-olds and made for a sensational add-on to the Everest Carnival.

The City Tattersalls Cup (2,400m) was won by Master of Wine. It was clear from the 800m mark he was in charge. Master of Wine's winning margin of 2¼ lengths was an obvious display of his sheer dominance.

Avoiding the heavy rainfall from previous years, attendees enjoyed gorgeous centrepieces, beautiful programs and were able to pop out on



to the balcony to watch the live action. The cool buffet included freshly shucked Pacific oysters and chilled ocean king prawns, both of which were guest favourites. Hot selections included slow roasted dry beef rib and BBQ steamed blue eye cod fillet with roasted rosemary scented sweet potatoes. For those who love savoury and sweet there was a selection of artisan Australian cheeses as well as petit fours.

On the day, the Club was delighted to raise almost \$10,000 for our Race Day charities, the NSW Jockeys Trust and the National Jockeys Trust. Both of these provide valuable assistance to jockeys and their families during any personal or mental crisis they may be experiencing.

For the first time there was a live silent auction on Race Day for generous donations, which included a Sydney Roosters signed 2019 Premiership jersey, a Canterbury Bulldogs signed 2019 jersey, a Sydney FC 'Money Can't Buy' experience, a ladies Longines watch, a City Tatts Corporate Concierge dinner for 10, courtesy of Navarra Venues, and tickets to the Cronulla Sharks' opening 2020 home game in the Chairman's Lounge.

The raffle tickets were also a success, with prizes including generous donations from Studio Maura, Tyrell's Wines, Stewarts Gentlemen's Outfitters, a City Tattersalls Club Day Spa experience, and a table for 10 at the 2020 City Tattersalls Club Cup Day. We were proud to donate \$10,000 to each charity, for their stellar work and commitment to the welfare of jockeys.

City Tatts All Stars live band featuring Toni kept crowds busy on the dance floor with classics like 'Don't blame it on the sunshine' and other favourite hits.



NOTICE OF ANNUAL GENERAL MEETING

The 124th Annual General Meeting of City Tattersall's Club will be held at 6pm on Tuesday, 26 May 2020 in the Gadigal Room, on the second level of the Club's premises at 198 Pitt Street, Sydney.

The business for the Annual General Meeting is set out below in the 'Business of the Annual General Meeting' section.

Copies of the minutes of the Annual General Meeting held on 28 May 2019 are available for Members by request from the Secretary's Office at the Club.

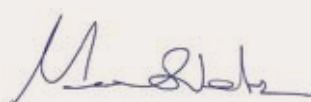
Under clause 20.4 of the Club Rules, any Voting Member who wishes to submit any matter to be discussed at the Annual General Meeting, must give complete and precise written notice thereof to the Secretary by 3 April 2020.

Under clause 22.4 of the Club Rules, any Voting Member who wishes to ask a question in relation to the financial affairs or any proposed changes to the

rules of the Club must be provided to the Secretary in writing no later than 7 days before the date of the general meeting at which the Member wishes to ask the question.

Under the Club Rules, Gold Members, Silver Members and Life Members are entitled to receive notice of, attend and vote at the Annual General Meeting.

This notice is issued under a resolution of the Board.



Marcelo A. Veloz

Chief Executive Officer

BUSINESS OF THE ANNUAL GENERAL MEETING

The business of the Annual General Meeting will be:

- 1. Apologies:** For Members to table any apologies for the record.
- 2. Minutes:** For Members to receive, review and confirm the minutes of the Annual General Meeting held on 28 May 2019.
- 3. Election Results:** For the Chairman of the Club to confirm the results of the Election of Directors under the Triennial Rule.
- 4. Financial Reports:** For Members to receive from the Board a comprehensive Annual Report detailing information including the Director's Report, Statement of Accounts and Balance Sheet for the year ended 31 December 2019.
- 5. Auditor's Report and Appointment of Auditor:** For Members to receive the Auditor's Report, as noted in the Annual Report, and to appoint KPMG as the auditors for the subsequent year.
- 6. Proposed Resolutions:** For Members to consider, and if thought fit, to pass each of the resolutions noted below.
- 7. Matters for Discussion:** To deal with matters duly submitted to the Board for discussion in accordance with the Club Rules.
- 8. Financial Questions:** To deal with financial questions duly submitted to the Secretary for discussion in accordance with the Club Rules.
- 9. Amalgamation Offers in previous 12 months:** For Members to receive notice of any expression of interest in an amalgamation, and any unsolicited merger offer, received from another club in the previous 12 months.
- 10. CEO's Report:** For Members to receive a summary of proposed capital expenditure on improving, repairing, renovating or rebuilding the premises of the Club during the 12 months following the meeting and information current as at the end of May 2020 as to the assets and liabilities of the Club.

BOARD AND COMMITTEE MEETING ATTENDANCE

Board Meetings

Directors	Board Meetings		Annual General Meeting	
	Held	Attended	Held	Attended
Patrick Champion	12	12	1	1
Paul Cavallaro	12	12	1	1
Martyn Berry	12	12	1	1
Francine Binns	4	4	-	-
James Chen	12	12	1	1
Lawrence Coy	12	10	1	1
Roderick Faulkner	12	8	1	1
Annette Niven	12	11	1	1
Kumar Kalyanakumar	12	10	1	1
Michael Sterndale-Smith	8	7	1	1

Committee Meetings

Directors	Finance		Property and Airspace Development		Sponsorship and Community	
	Held	Attended	Held	Attended	Held	Attended
Patrick Champion	12	11	9	9	-	-
Paul Cavallaro	12	12	9	9	-	-
Martyn Berry	12	12	9	9	-	-
Francine Binns	-	-	-	-	4	2
James Chen	12	12	9	9	-	-
Lawrence Coy	-	-	-	-	-	-
Roderick Faulkner	-	-	-	-	11	10
Annette Niven	-	-	-	-	-	-
Kumar Kalyanakumar	-	-	9	9	11	9
Michael Sterndale-Smith	-	-	-	-	7	7

Held - Number of meetings held that the Director was eligible to attend

Attended - Number of Meetings attended



FINANCIAL REPORT CONTENTS

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2019

In AUD	Note	2019	2018
Revenue from rendering of services		18,802,524	18,890,868
Revenue from sale of goods		4,654,957	3,933,206
Other revenue		1,746,366	883,799
Total revenue	4	25,203,847	23,707,873
Gain on sale of property, plant and equipment	5	1,766	105,267
Cost of goods sold		(1,973,835)	(1,776,639)
Personnel expenses	6	(7,787,615)	(7,130,170)
Entertainment, marketing and promotional costs		(1,600,244)	(1,428,613)
Member expenses		(420,994)	(422,008)
Office expenses		(903,011)	(657,410)
Poker machine licences and taxes		(4,717,540)	(5,062,812)
Property expenses		(3,815,408)	(3,443,208)
Other expenses		(843,799)	(607,482)
Earnings before financing costs, depreciation and income tax		3,143,167	3,284,798
Finance income		3,276	4,178
Finance costs		(123,509)	(208,916)
Net finance costs	7	(120,233)	(204,738)
Depreciation expense	12	(2,519,854)	(2,307,869)
Profit before income tax		503,080	772,191
Income tax expense	8	-	-
Profit for the year		503,080	772,191
Other comprehensive income for the year			
Revaluation of property, plant and equipment		27,283,506	-
Total comprehensive income for the year		27,786,586	772,191

The notes on pages 43 to 64 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

In AUD	Note	2019	2018
Assets			
Cash and cash equivalents	9	605,740	1,390,762
Trade and other receivables	10	445,041	182,490
Inventories	11	342,911	240,553
Prepayments		335,495	271,541
Total current assets		1,729,187	2,085,346
Property, plant and equipment	12	182,299,970	153,155,379
Total non-current assets		182,299,970	153,155,379
Total assets		184,029,156	155,240,725
Liabilities			
Trade and other payables	14	4,261,003	4,534,756
Loans and borrowings	9,15	1,002,232	540,974
Employee benefits	16	599,525	600,095
Provisions	17	177,009	177,139
Lease liability	24	23,405	-
Total current liabilities		6,063,173	5,852,964
Loans and borrowings	15	21,327,239	20,001,766
Trade and other payables	14	118,008	711,251
Employee benefits	16	122,770	254,338
Provisions	17	50,000	50,000
Lease liability	24	190,974	-
Total non-current liabilities		21,808,991	21,017,355
Total liabilities		27,872,164	26,870,319
Net assets		156,156,992	128,370,406
Members' funds			
Reserves		107,958,941	80,675,435
Capital profit reserve		284,928	284,928
General funds		47,913,123	47,410,043
Total members' funds		156,156,992	128,370,406

The notes on pages 43 to 64 are an integral part of these financial statements.

STATEMENT OF CHANGES IN MEMBERS' FUNDS

for the year ended 31 December 2019

In AUD	Asset revaluation reserve	Capital profit reserve	General funds	Total
Balance at 1 January 2018	80,675,435	284,928	46,637,852	127,598,215
Total comprehensive income for the year				
Profit for the year	-	-	772,191	772,191
<i>Other comprehensive income</i>	-	-	-	-
Total comprehensive income for the year	-	-	772,191	772,191
Balance at 31 December 2018	80,675,435	284,928	47,410,043	128,370,406
Balance at 1 January 2019	80,675,435	284,928	47,410,043	128,370,406
Total comprehensive income for the year				
Profit for the year	-	-	503,080	503,080
<i>Other comprehensive income</i>	27,283,506	-	-	27,283,506
Total comprehensive income for the year	27,283,506	-	503,080	27,786,586
Balance at 31 December 2019	107,958,941	284,928	47,913,123	156,156,992

The notes on pages 43 to 64 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

as at 31 December 2019

In AUD	Note	2019	2018
Cash flows from operating activities			
Cash receipts from customers		27,435,428	26,167,392
Cash paid to suppliers and employees		(25,722,154)	(22,367,450)
Cash generated from operations		1,713,274	3,799,942
Interest received		3,276	4,178
Interest paid		(123,509)	(208,916)
Net cash from operating activities	9	1,593,042	3,595,204
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		11,696	121,782
Acquisition of property, plant and equipment		(4,151,268)	(4,987,173)
Net cash used in investing activities		(4,139,572)	(4,865,391)
Cash flows from financing activities			
Repayment of borrowings		-	(18,670,000)
Proceeds from borrowings		650,000	20,000,000
Payment of lease liabilities		695,623	418,761
Net cash from financing activities		1,345,623	1,748,761
Net (decrease)/increase in cash and cash equivalents		(1,200,907)	478,574
Cash and cash equivalents at beginning of year		1,390,762	912,188
Cash and cash equivalents at end of year	9	189,855	1,390,762

The notes on pages 43 to 64 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

1 Non-reporting entity

City Tattersalls Club (“the Club”) is a club domiciled in Australia. The address of the Club’s registered office is 194-204 Pitt Street, Sydney, NSW 2000. The financial statements of the Club are as at and for the year ended 31 December 2019.

The Club is primarily involved in the hospitality and entertainment industry.

2 Basis of preparation

(a) Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board – Reduced Disclosure Requirements (AASB) and the City Tattersalls Club Act 1912 as amended by City Tattersalls Club Amendment Act 1936, the City Tattersalls Club Rules as Amended. The financial statements do not comply with International Financial Reporting Standards (IFRSs) as the Club has adopted the exemptions allowed for non-for-profit organisations under AASB 101 Presentation of Financial Statements.

This is the first set of the Club’s annual financial statements in which AASB 16 *Leases* have been applied. Changes to significant accounting policies are described in note 3(k).

The Club’s Committee Members are also referred to in the financial statements as Directors. The financial statements were approved by the Board of Directors on 30 April 2020.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for land and buildings which are measured at fair value less accumulated depreciation on buildings and any impairment losses.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Club’s functional currency.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that

affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, are included in the notes to the financial statements.

(e) Going concern

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

As at balance date, the Club’s current liabilities exceeded its current assets by \$4,333,987 (2018: \$3,767,618). Notwithstanding this, the Directors believe that the going concern basis of preparation of the financial report is appropriate given:

- The Club generated \$503,080 profit for the year (2018: \$772,191) and earnings before financing, depreciation and income tax of \$3,143,167 (2018: \$3,284,798) during the year ended 31 December 2019; and generated cash flows from operating activities of \$1,593,042 (2018: \$3,595,204).
- The Club has performed a detailed review of its cost structures in light of the disruptions caused in its operations due to COVID-19 (refer to subsequent events disclosure under note 23) and was able to restructure elements of its cost base which identified cash savings.
- The Club has negotiated favourable financing terms with its current financiers which has assisted with the cashflow requirements over the next 12-18 months.
- The Club has prepared a 12 month profit and cashflow forecast to 31 December 2020 and a further 4 month profit and cashflow forecast to 30 April 2021, which indicate that the Club will

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019 (continued)

2 Basis of preparation (continued)

generate adequate cashflows in order to meet its liabilities and payables as and when due.

After considering the above, the Directors consider that the Club will be able to continue to fulfil all obligations as and when they fall due for the foreseeable future, being at least twelve months from the date of approval of these financial statements, and accordingly, that the Club's financial statements should be prepared on a going concern basis.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments

(i) Non-derivative financial assets

Financial assets are recognised initially on the date at which the Club becomes a party to the contractual provisions of the instrument.

The Club derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Club is recognised as a separate asset or liability.

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

The Club has the following categories of non-derivative financial assets: cash and cash equivalents and trade and other receivables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at

amortised cost using the effective interest method, less any impairment losses (see note 3(d)).

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Club's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the date, which is the date that the Club becomes a party to the contractual provisions of the instrument. The Club derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Club has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Club has the following non-derivative financial liabilities: bank overdrafts, trade and other payables and loans and borrowings.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

(b) Property, plant and equipment

(i) Recognition and measurement

Land and buildings are measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation. Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Revaluation of land and buildings

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and any subsequent accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Fair values are confirmed by independent valuations which are obtained with sufficient regularity to ensure that the carrying amounts do not differ materially from the assets' fair values at the reporting date.

Land and buildings are treated as a class of assets. Any surplus arising on the revaluation of land and buildings at each reporting date is recognised directly in the revaluation reserve within funds, except to the extent that the surplus reverses a previous revaluation deficit on the land and buildings charged previously to profit and loss is recognised in the statement of comprehensive income. Any deficit on revaluation is recognised in profit or loss except to the extent of any balance in the revaluation reserve of the land and buildings, in which case it is recognised directly in the revaluation reserve.

Property, plant and equipment

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

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that

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

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Club will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative years are as follows:

■ Buildings and amenities	40 years
■ Plant and equipment	3-13 years
■ Leasehold improvements	10-20 years
■ Leased assets	3-5 years

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

(c) Inventories

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

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

(d) Impairment

(i) Non-derivative financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019 (continued)

3 Significant accounting policies (continued)

occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Club on terms that the Club would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or economic conditions that correlate with defaults.

The Club considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Club uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Club's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if

the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of the item less, where applicable, accumulated depreciation to date, calculated on the basis of such cost. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(e) Employee benefits

(i) Defined contribution superannuation funds

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

(ii) Other long-term employee benefits

The Club's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their

service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Club's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

(iii) Short-term employee benefits

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

(f) Provisions

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

(g) Revenue

(i) Goods sold and services rendered

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods. It is measured at the fair value of the consideration received or receivable and is recognised in the profit or loss when the significant risks and rewards of ownership have been transferred to the customer. Revenue from services rendered comprises revenue from the Club facilities together with other services to members and patrons of the Club. It is measured at the fair value of the consideration received or receivable and is recognised in profit or loss as the services are provided. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is risk of return of goods or there is continuing management involvement with the goods.

(ii) Gaming revenue

Gaming revenue comprises the Club facilities provided to members and patrons of the Club. It is measured at the fair value of the consideration received and is recognised in profit or loss as the services are provided.

(iii) Membership

Membership subscriptions represents annual membership fees paid by the Club's members. The Club recognises membership subscriptions over the term of the membership and any unearned portion is included in revenue received in advance.

(h) Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

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

(I) Income tax

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

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

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019 (continued)

3 Significant accounting policies (continued)

tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

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

(j) Goods and services tax

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 taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

(k) Leases

The Club has initially applied AASB 16 Leases from 1 January 2019. The Club has applied AASB 16 using the modified retrospective approach. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported under AASB 117 and related interpretations. The details of accounting policies under AASB 117 are disclosed separately if they are different from those under AASB 16 and the impact of changes is disclosed in Note 3(l).

Policy applicable for 1 January 2019 to 31 December 2019

At inception of a contract, the Club assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Club assesses whether:

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

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

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

For contracts entered into before, the Club determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and

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

(i) As a lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Club's incremental borrowing rate. Generally, the Club uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and

- lease payments in an optional renewal period if the Club is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Club is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Club's estimate of the amount expected to be payable under a residual value guarantee, or if the Club changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Club presents right-of-use assets and lease liabilities separately in the statement of financial position.

Under IAS 17

In the comparative period, as a lessee the Club classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Club's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

(ii) As a lessor

When the Club acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Club makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease;

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019 (continued)

3 Significant accounting policies (continued)

if not, then it is an operating lease. As part of this assessment, the Club considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Club recognises lease payments received under operating leases as income on a straight line basis over the lease term as part of "other revenue".

The accounting policies applicable to the Club as a lessor in the comparative period were not different from AASB 16.

AASB 16 Leases

On 1 January 2019 the Club adopted AASB 16 Leases. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term.

(I) New accounting standards adopted during the year

On 1 January 2019 the Club adopted AASB 16 Leases. The standard replaces AASB 117 Leases and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The

exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into principal (financing activities) and interest (either operating or financing activities) component.

On transition to AASB 16, the Club recognised \$240k of right-of-use assets and \$240k of lease liabilities. When measuring lease liabilities, the Club discounted lease payments using its incremental borrowing rate at the date of initial application. The rate applied is 1.06%.

4 Revenue

In AUD	2019	2018
Revenue from rendering of services	18,945,664	19,035,440
Loyalty points issued	(143,140)	(144,572)
	18,802,524	18,890,868
Revenue from sale of goods	5,215,441	4,666,899
Redemption of complimentary and discounted food and beverages	(560,483)	(733,693)
	4,654,957	3,933,206
Function room hire	495,689	223,691
Rent income	511,248	113,459
Other revenue	739,429	546,648
	25,203,847	23,707,873

5 Gain on sale of property, plant and equipment

In AUD	2019	2018
Net gain on sale of property, plant and equipment	1,766	105,267
	1,766	105,267

6 Personnel expenses

In AUD	2019	2018
Wages and salaries (net of wages capitalisation on self constructed assets)	6,048,497	5,569,244
Other associated personnel expenses	1,259,056	1,033,098
Contributions to defined contribution plan - superannuation	612,200	545,980
Decrease in liability for employee benefits	(132,138)	(18,152)
	7,787,615	7,130,170

7 Finance income and finance costs

In AUD	2019	2018
Interest income	3,276	4,178
Finance income	3,276	4,178
Interest expense	(55,962)	(166,859)
Other finance expense	(67,547)	(42,057)
Finance costs	(123,509)	(208,916)
Net finance costs recognised in profit or loss	(120,233)	(204,738)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019 (continued)

8 Income tax expense

In AUD	2019	2018
Current tax expense		
Current year	-	-
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Total income tax expense	-	-

Numerical reconciliation between tax expense and pre-tax accounting profit

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

In AUD	2019	2018
The amount set aside for income tax in the statement of comprehensive income has been calculated as follows:		
Proportion of net taxable income attributable to non-members	9,075,563	6,708,705
Less: Proportion of expenses attributable to non-members	(9,333,594)	(6,638,490)
	(258,031)	70,215
Add: Other taxable income	620,667	232,796
	362,636	303,011
Less: Other deductible expenses	(635,327)	(634,619)
Net income subject to tax	(272,691)	(331,608)
Income tax using the Club's statutory income tax rate of 30% (2018: 30%)	(81,807)	(99,482)
Current year losses for which no deferred tax asset was recognised	81,807	99,482
Income tax expense on pre-tax net loss	-	-
Tax losses		
Unused tax losses for which no deferred tax assets has been recognised @ 30%	(5,849,117)	(5,576,426)
	(1,754,735)	(1,672,928)

9 Cash and cash equivalents

In AUD	2019	2018
Bank balances	23,703	1,936
Cash on hand	582,038	1,388,826
Cash and cash equivalents in the statement of financial position	605,740	1,390,762
Bank overdrafts used for cash management purposes	(415,885)	-
Cash and cash equivalents in the statement of cash flows	189,855	1,390,762

The Club's exposure to credit and interest rate risks and a sensitivity analysis for financial assets are disclosed in note 19.

Reconciliation of cash flows from operating activities

In AUD	2019	2018
Cash flows from operating activities		
Profit for the year	503,080	772,191
Adjustments for:		
Depreciation	2,519,854	2,307,869
Net interest expense	120,233	204,738
Gain on sale of property, plant and equipment	(1,766)	(105,267)
Operating profit before changes in working capital and provisions	3,141,402	3,179,531
Change in trade and other receivables	(262,551)	80,665
Change in inventories	(102,358)	(63,937)
Change in prepayments	(63,954)	(203,169)
Change in trade and other payables	(866,996)	951,566
Change in employee benefits	(132,138)	(18,152)
Change in provisions	(130)	(126,562)
	1,713,274	3,799,942
Interest received	3,276	4,178
Interest paid	(123,509)	(208,916)
Net cash from operating activities	1,593,042	3,595,204

10 Trade and other receivables

In AUD	2019	2018
Current		
Trade and other receivables	445,041	182,490

The Club's exposure to credit risk and impairment losses related to trade and other receivables is disclosed in note 19.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019 (continued)

11 Inventories

In AUD	2019	2018
Finished goods	342,911	240,553

12 Property, plant and equipment

In AUD	Land and buildings	Plant and equipment	Leasehold improvements	Leased assets	Capital work in progress	Total
Cost or deemed cost						
Balance at 1 January 2018	140,000,000	16,528,823	2,376,597	1,481,478	5,534,110	165,921,008
Additions	111,286	1,939,883	-	561,221	2,374,783	4,987,173
Disposals	-	(2,397,565)	-	-	-	(2,397,565)
Transfers	1,181,117	1,519,019	138,343	(1,228,135)	(1,610,344)	-
Balance at 31 December 2018	141,292,403	17,590,160	2,514,940	814,564	6,298,549	168,510,616
Balance at 1 January 2019	141,292,403	17,590,160	2,514,940	814,564	6,298,549	168,510,616
Additions	-	617,642	-	1,099,441	2,434,185	4,151,268
Disposals	-	(755,729)	-	-	-	(755,729)
Transfers	1,261,721	299,164	127,868	-	(1,688,753)	-
Revaluation of land and	26,145,876	-	-	-	-	-
Recognition of right-of-use assets on initial application of AASB 16	-	-	-	239,600	-	239,600
Balance at 31 December 2019	168,700,000	17,751,237	2,642,808	2,153,605	7,043,981	172,145,755
Depreciation						
Balance at 1 January 2018	-	12,897,165	1,146,466	1,384,787	-	15,428,418
Depreciation for the year	552,692	1,588,700	30,668	135,809	-	2,307,869
Disposals	-	(2,381,050)	-	-	-	(2,381,050)
Transfers	-	1,241,625	-	(1,241,625)	-	-
Balance at 31 December 2019	552,692	13,346,440	1,177,134	278,971	-	15,355,237
Balance at 1 January 2019	552,692	13,346,440	1,177,134	278,971	-	15,355,237
Depreciation for the year	584,938	1,477,789	34,968	396,937	-	2,494,633
Disposals	-	(745,799)	-	-	-	(745,799)
Transfers	-	-	-	-	-	-
Depreciation on recognised right-of-use asset on initial application of AASB 16	-	-	-	25,221	-	25,221
Offset of accumulated depreciation on buildings	(1,137,630)	-	-	-	-	(1,137,630)
Balance at 31 December 2019	-	14,078,430	1,212,102	701,129	-	15,991,662

In AUD	Land and buildings	Plant and equipment	Leasehold improvements	Leased assets	Capital work in progress	Total
Carrying amounts						
At 31 December 2018	140,739,711	4,243,720	1,337,806	535,593	6,298,549	153,155,379
At 1 January 2019	140,739,711	4,243,720	1,337,806	535,593	6,298,549	153,155,379
At 31 December 2019	168,700,000	3,672,807	1,430,706	1,452,476	7,043,981	182,299,970

Leased assets

The Club leases gaming machines under a number of finance lease agreements. Refer to note 15 for details of security over leased assets.

Security

Refer to note 15 for details of security over property, plant and equipment.

Valuation

The latest independent valuation of the Club's freehold land and buildings at 194 - 204 Pitt Street carried out as at 31 December 2019 by Preston Rowe Paterson Property Consultants (Registered Valuer No. VAL2391) on the basis of open market value for existing use (i.e. in the current form of being a Club) resulted in a valuation of land and buildings of \$168,700,000. As a result, in 2019 financial year an amount of \$27,283,506 has been recognised in other comprehensive income, which is the difference between land and building carrying amount prior to accounting for the fair value uplift.

13 Core and non-core property

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

In AUD	2019	2018
Core property	182,299,970	153,155,379
Non-core property	-	-
	182,299,970	153,155,379

Core property includes the defined premises of the Club and any facilities provided for Club members. Accordingly, all property occupied by the Club is defined as core property.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019 (continued)

14 Trade and other payables

In AUD	2019	2018
Current		
Trade payables and accrued expenses	2,996,089	2,587,452
Daily Licence fees	693,702	1,200,134
Revenue received in advance	571,211	747,170
	4,261,003	4,534,756
Non-current		
Daily License fees	118,008	711,251
	118,008	711,251

The Club's exposure to liquidity risk related to trade and other payables is disclosed in note 19.

15 Loans and borrowings

This note provides information about the contractual terms of the Club's interest-bearing and non-interest bearing loans and borrowings which are measured at amortised cost. For more information about the Club's exposure to interest rate and liquidity risk, see note 19.

In AUD	2019	2018
Current liabilities		
Bank overdraft	415,885	-
Lease liability - Other	509,180	484,274
Lease liability - CBA	77,167	-
Lease liability - ANZ	-	56,700
	1,002,232	540,974
Non-current liabilities		
Developer refinancing loan	20,000,000	20,000,000
Secured bank loans	650,000	-
Lease liability - Other	554,038	1,766
Lease liability - CBA	123,201	-
	21,327,239	20,001,766

Financing facilities

In AUD	2019	2018
The Club has access to the following lines of credit:		
Facilities available		
Bank overdraft	800,000	-
Lease finance facility - ANZ*	-	119,628
	800,000	119,628
Facilities utilised at reporting date		
Bank overdraft	415,885	-
Lease finance facility - ANZ*	-	58,466
	415,885	58,466
Facilities not utilised at reporting date		
Bank overdraft	384,115	-
Lease finance facility - ANZ	-	61,162
	384,115	61,162

*The above does not include Daily licence fees which do not represent facilities and therefore are not included in the above

Security

First registered Mortgage over the property situated at 194 Pitt Street, Sydney.

First registered Mortgage over the property situated at 196-204 Pitt Street Sydney.

Specific Security over Liquor License and all related gambling machine entitlements and poker permits, including 302 gaming entitlements.

16 Employee benefits

In AUD	2019	2018
Current		
Liability for long service leave	214,709	316,569
Liability for annual leave	384,817	283,526
	599,525	600,095
Non-current		
Liability for long-service leave	122,770	254,338
	122,770	254,338

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019 (continued)

17 Provisions

In AUD	Restoration costs	Poker machine links	CT bonus points	Total
Balance at 1 January 2019	50,000	174,097	3,042	227,139
Provisions charge during the year	-	268	(398)	(130)
Balance at 31 December 2019	50,000	174,365	2,644	227,009
Current	-	174,365	2,644	177,009
Non-current	50,000	-	-	50,000
	50,000	174,365	2,644	227,009

Restoration costs

The provisions for restoration costs is in respect to the Club's obligation to restore Boonoona Ski Lodge at the end of the lease term in 2028. The provision is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. The provision is expected to be realised at the end of the lease term.

Poker machine links and CT bonus points

The provision for poker machine links and CT bonus points represent the Club's estimated present obligation to members and visitors in respect of poker machine link payouts and bonus points promotions. The provisions are expected to be realised within 12 months of reporting date.

18 General funds and reserves

General funds

General funds represents the funds of the Club that are not designated for particular purposes.

Asset revaluation reserve

The asset revaluation reserve relates to the revaluation of land and buildings.

Capital profit reserve

The amount represents the balance of the revaluation reserve at 1 January 2004 in respect of assets that were measured on the basis of deemed cost on transition to AIFRSs.

19 Financial risk management and financial instruments

Overview

The Club has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Club's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework and is also responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Club, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Club's activities. The Club, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with the Club's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Club.

Credit risk

Credit risk is the risk of financial loss to the Club if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Club's trade and other receivables and cash and cash equivalents.

Management of credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Club does not require collateral in respect of financial assets. The Club limits its exposure to credit risk on cash and cash equivalents by only investing in current and deposit accounts with independently credit-related Australian standardised financial institutions. These are generally held on short terms (less than three months) to ensure funds are immediately accessible for operating and investing needs.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

In AUD	Note	2019	2018
Cash and cash equivalents	9	605,740	1,390,762
Trade and other receivables	10	445,041	182,490
		1,050,781	1,573,252

As the Club only operates in Sydney, Australia and to retail customers the credit risk exposure by geographic and type of customer is limited to these groups respectively.

Based on historic default rates and the insignificant balance of trade receivables at the end of the year, the Club believes that no impairment allowance is necessary in respect of trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019 (continued)

19 Financial risk management and financial instruments (continued)

The aging of the Club's trade receivables at the reporting date was:

In AUD	Note	Gross 2019	Impairment 2019	Gross 2018	Impairment 2018
Not past due	10	445,041	-	182,490	-

Liquidity risk

Liquidity risk is the risk that the Club will not meet its financial obligations as they fall due.

Management of liquidity risk

The Club's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Club's reputation.

The Club monitors cash flow requirements on a daily basis and optimises its payments and receipts cycle accordingly. Typically the Club ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

In AUD	Note	Carrying amount	Contractual cash flows	12 mths or less	1-5 years	More than 5 years
31-Dec-19						
Bank overdrafts	15	415,885	-	415,885	-	-
Trade and other payables	14	3,567,301	3,567,301	3,567,301	-	-
Developer refinancing	15	20,000,000	20,000,000	-	-	20,000,000
Lease liabilities	15	1,263,587	1,263,587	586,348	677,239	-
		25,246,772	24,830,887	4,569,533	677,239	20,000,000
31-Dec-18						
Bank overdrafts	15	-	-	-	-	-
Trade and other payables	14	3,334,622	3,334,622	3,334,622	-	-
Secured bank loans	15	20,000,000	20,000,000	-	-	20,000,000
Lease liabilities	15	58,466	59,970	58,196	1,774	-
		23,393,088	23,394,592	3,392,818	1,774	20,000,000

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Club's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Management of market risk

The Club's exposure to interest rate risk is primarily attributable to cash and cash equivalents and finance lease liabilities. The Club does not use derivatives to minimise this risk and these will fluctuate in accordance with movements in the market interest rates.

At the reporting date the interest rate profile of the Club's interest-bearing financial instruments was:

In AUD	Carrying amount	
	2019	2018
Fixed rate instruments		
Secured bank loan	(650,000)	-
Bank overdraft	(415,885)	-
Financial liabilities	(200,368)	(58,466)
	(1,266,253)	(58,466)
Variable rate instruments		
Financial assets	605,740	1,390,762
Financial liabilities	(20,000,000)	(20,000,000)
	(19,394,260)	(18,609,238)

Fair value sensitivity analysis for fixed rate instruments

The Club does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Club does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2019.

Effect in AUD	Profit or loss	
	100 bp Increase	100 bp Decrease
31 December 2019		
Variable rate instruments	(193,943)	193,943
Cash flow sensitivity (net)	(193,943)	193,943
31 December 2018		
Variable rate instruments	(186,092)	186,092
Cash flow sensitivity (net)	(186,092)	186,092

Fair values

Fair values versus carrying amounts

As at the reporting date, the carrying value of financial assets and liabilities are considered to approximate their fair value.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019 (continued)

20 Contingencies

In AUD

Contingent liabilities remote

In AUD	2019	2018
Bank guarantee	10,000	10,000

21 Related parties

Key management personnel compensation

The key management personnel compensation comprised:

In AUD	2019	2018
Short-term employee benefits	591,761	630,818

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

Key management personnel transactions with the Club

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

Apart from the details disclosed in this note, there have been no material contract entered between the Directors and the Club since the end of the previous financial year and there were no material contracts involving the Directors' interests existing at year end.

22 Subsequent events

The coronavirus Covid-19 has had an impact on the Club's operations and activities subsequent to the end of the year, and is expected to increasingly effect the Club.

COVID-19 was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The Australian Government enacted its emergency plan which led to an increase in the level of restrictions on corporate Australia's ability to operate. On 23 March 2020, Australia moved to Stage 1 restrictions, which led to the closure of all non-essential services, including all the clubs nationally. As such, City Tattersall Club ceased operations and it remains closed until further notice by the Australia Government. It is not possible to accurately determine the nature or extent of the impacts to which the Club will be impacted, however it will be material to the Club as the effects and consequences are outside the Club's control and are far reaching in Australia and globally.

Based on the current available information, the Directors believe that the Club will remain a going concern.

The Club is developing strategies to ensure its members continue to receive services and amenities during the construction phase of the Club development. The Club is currently in advanced discussions with another Registered Club regarding an amalgamation of both entities. It is expected that members of both Clubs will be provided with details pertaining to the proposed amalgamation in May 2020 for consideration and subsequent approval at a Special General Meeting of members.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the

directors of the Club, to affect significantly the operations of the Club, the results of those operations, or the state of affairs of the Club, in future financial years.

23 Auditor's remuneration

In AUD	2019	2018
Auditor of the Club		
<i>KPMG Australia:</i>		
Audit of financial reports	82,500	65,000
Preparation of financial statements	8,000	8,000
Other assurance services	24,500	17,500
	115,000	90,500

24 Leases

See accounting policy in Note 3(k).

As lessee (AASB 16)

The Club leases a number of machines, poker machines and equipment along with a ski lodge (Boonoona), under operating leases. The leases typically run for a period of 3 years. These leases were classified as finance leases under AASB 117.

a) Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see Note 12).

In AUD	Land and buildings	Total
Balance at 1 January 2019	239,600	239,600
Additions to right-of-use assets	-	-
Depreciation charge for the year	(25,221)	(25,221)
Transfers	-	-
Balance at 31 December 2019	214,379	214,379

b) Lease liabilities included in the statement of financial position at 31 December 2019

In AUD	2019	2018
Current	23,405	-
Non-current	190,974	-
	214,379	-
ii) Amounts recognised in profit or loss		
Interest on lease liabilities	1,279	-
iii) Amounts recognised in statement of cash flows		
Total cash outflow for leases	25,221	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019 (continued)

24 Leases (continued)

As lessor

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

In AUD	2019	2018
Less than one year	530,264	410,264
Two to five years	798,915	1,199,178
	1,329,178	1,609,442

DIRECTORS' DECLARATION

for the year ended 31 December 2019

In the opinion of the Directors of City Tattersalls Club ('the Club'):

(a) the financial statements and notes that are set out on pages 39 to 64, are in accordance with the CityTattersalls Club Act 1912 as amended by CityTattersalls Club Act Amendment Act 1936, and the City Tattersalls Club Rules as Amended, including:

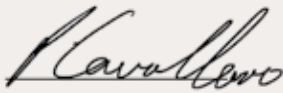
- (i) giving true and fair view of the Club's financial position as at 31 December 2019 and of its performance for the financial year ended on that date; and
- (ii) complying with Australian Accounting Standards; and

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

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



Patrick Champion
Chairman



Paul Cavallaro
Vice Chairman

30 April 2020

INDEPENDENT AUDITOR'S REPORT

for the year ended 31 December 2019



Independent Auditor's Report

To the Members of City Tattersalls Club

Opinion

We have audited the **Financial Statements** of *City Tattersalls Club (the Club)*.

In our opinion, the accompanying Financial Statements gives a true and fair view of, the financial position of *City Tattersalls Club* as at 31 December 2019, and of its financial performance and its cash flows for the year then ended, in accordance with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *City Tattersall's Club Act 1912* as amended by the *City Tattersall's Club Act Amendment 1936*, and the *City Tattersall's Club Rules* as amended.

The **Financial Statements** comprises:

- Statement of financial position as at 31 December 2019
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration

Basis for opinion

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

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

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

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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Emphasis of matter

Use of Auditor's Report

The Financial Statements have been prepared to assist the Members of City Tattersalls Club in complying with the financial reporting requirements of the City Tattersall's Club Act as amended by the City Tattersall's Club Act Amendment 1936, and the City Tattersall's Club Rules as amended.

As a result, the Financial Statements and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of these matters.

Our report is intended solely for the Members of City Tattersall's Club and should not be used by parties other than the Members of City Tattersall's Club. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Statements to which it relates, to any person other than the Members of City Tattersall's Club or for any other purpose than that for which it was prepared.

Impact of COVID-19

We draw attention to note 22 to the Financial Statements which describes events subsequent to year end, specifically as they relate to the impact and potential impact to the Club rising from COVID-19. These disclosures include potential associated impacts to the Club's future financial position and performance.

In our judgement, this issue is fundamental to the users' understanding of the Financial Statements. Our opinion is not modified in respect of these matters.

Responsibilities of Directors for the Financial Statements

The Directors are responsible for:

- the preparation of the Financial Statements is in accordance with *Australian Accounting Standards – Reduced Disclosure Requirements* and the City Tattersall's Club Act 1912 as amended by the City Tattersall's Club Act Amendment 1936, and the City Tattersall's Club Rules as amended.
- implementing necessary internal control to enable the preparation of a Financial Statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- assessing the Club's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

for the year ended 31 December 2019



Auditor's responsibilities for the audit of the Financial Statements

Our objective is:

- to obtain reasonable assurance about whether the Financial Statements as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements 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 Auditor's Report.

KPMG

KPMG



Niraj Singh
Partner

Sydney
30 April 2020

CITY TATTERSALLS CLUB – SUBSIDIARY CLUBS

for the year ended 31 December 2019

Cheetahs Swimming Club

Cheetahs Swimming Club is a sociable and competitive swimming club that meets every Thursday, usually at 6.00pm. It is a long-established club recently celebrating its 60th year and counts olympians among its former members.

Cheetahs members can attend as many Thursdays as they wish, however members must compete in at least 12 events to be eligible to swim in the end of year championships. All standards of swimming are catered for by the handicap system, so everyone has a chance to win and score points.

More recently the club has enjoyed visits from other swimming clubs. A major annual highlight is the Two Tatts Relays which have been contested since 1985 between our City Tatts Cheetahs and Tattersalls Club and are generally held on a biannual basis at respective pools in September or October. These relays are swum amongst different age groups culminating in the open age race in which the 'cream of the crop' compete.

Looking ahead, we have a number of social events, a golf weekend, a skiing competition with City Tatts Ski Club at Perisher Valley and some potential ocean swims.

Contact: Ian McLennan/ John Keevers

E-mail: ianmaccas@bigpond.com

Phone: 0418 228 455 (Ian), 0418 578 159 (John)

President: Steve Mathews



CITY TATTERSALLS CLUB – SUBSIDIARY CLUBS

for the year ended 31 December 2019 (continued)

Cycling Club

The Cycling Club is a social group for road cyclists. The members generally ride on the weekends. The cycling club typically participates in organised charity events, such as Ride4Ceylon, Bobbin Head Classic and Go For Broke. City Tatts has deepened the relationship with Go for Broke through an ongoing sponsorship. Go for Broke supports the Lifeline charity. Our vision is to promote cycling among Club Members – and to promote City Tatts outside of the Club. Since 2017 the Cycling Club has raised in excess of \$60,000 through its various charity rides. In 2020, we are aiming to double our membership, welcome more female members and increase awareness of our sub-club within the Club.

President: Chris Naylor

Phone: 0428 100 653



Early Birds Club

The Early Birds Club strives to develop friendship and mateship between individuals and morning training groups by welcoming and introducing new Fitness Centre members to their peers. Regular social functions are held throughout the year to allow members to mingle in a social environment. These include a St. Patrick's Day Breakfast, Chinese New Year in the City, the NRL Grand Final breakfast and the Combined Fitness Centres Christmas party.

President: Brian Paterson

Email: vonnida.patterson@bigpond.com

Phone: 0408 974 208





Harriers

The Harriers running group meets in Centennial Park at 8.00am every Sunday. We have four groups: walkers, slow, medium and fast runners. Everyone is welcome. Our club was established over 55 years ago, and many of our runners have been running with the Harriers for over 30 years. Our group runs over different routes and includes special events happening in Sydney on the day. On public holidays we run from different locations. We also meet socially once or twice a year. In 2020 we are looking forward to running around our beautiful city of Sydney, our beaches and harbourside running routes.

President: Charles Anscombe

Email: danscombe@yahoo.com.au

Phone: 0418209888

Dance Club

The City Tattersalls Club Dance Club provides members with dancing lessons and dance related activities. We provide a range of dance classes including ballroom dancing, Argentine tango, Latin American, Line Dancing, New Vogue, and Friday night 60s-90s dance parties. These Friday night events are always a highlight with members getting to know each other and dancing the night away.

President: Jacqueline Simpson

Email: jackiesk@optusnet.com.au

Phone: 0415 614 825



CITY TATTERSALLS CLUB – SUBSIDIARY CLUBS

for the year ended 31 December 2019 (continued)

Indoor Bowls Club

We meet every Saturday at 11:30am and commence playing at 11:45am. Everyone is welcome to join us. The highlights of 2019 were our get togethers for lunch at Zest Kitchen in the middle of year and at Christmas time. We are looking forward to increasing the number of participants and variety of people who attend – both men and women are invited to come along and join in the fun!

President: Sarita Lipman

Phone: 9518 9013

Mahjong Club

Every Tuesday at approximately 8.00am we like to set up the Western Style Mahjong sets to commence playing at 9.15am. We have a system whereby we mix with different people each week. We play until 11:50am, followed by lunch in Zest Kitchen until 12:30pm and then go back to playing until approximately 1:45pm. The most important thing about the sub club is getting together, meeting other people and enjoying the social interaction. The highlight of 2019 was our get togethers at Zest Kitchen for birthday lunches, and at Christmas time. We are looking forward to increasing our member numbers and including more men as well as women.

President: Diana Stevens

Phone: 9953 6655



Racquetball Club

The Racquetball Club has two courts in the men's gymnasium. Each year we conduct three competitions, a handicap singles competition, a doubles competition, and an open singles competition. The three competitions are spread throughout the year and social games are played any time the courts are not being used for gym classes. Most social games are played Mondays, Wednesdays and Fridays from around 3:30pm to 5:00pm. All gym users, including women's gym users, are welcome to participate.

Throughout 2019 the standard of racquetball was excellent. Congratulations go to the respective competition winners: Gary Clarke – handicap singles winner, Gary Clarke and Brett Elliott – doubles winners, and George Deubler – open singles winner. The runners up were, Neville Saville – handicap & open singles competition and Neville Saville & George Deubler – doubles competition.

The quality of racquetball continues to improve and all participants contributed to a highly competitive and successful year. In 2020 we will again conduct our three competitions and hope to attract a few new players to our ranks.

Racquetball is ideal for current or ex squash or tennis players. If you are interested in trying your hand at racquetball or are just curious to know more about the game please contact the Racquetball Club, or just turn up on one of our social days.

President: Neville Saville
Email: nevillesaville@gmail.com
Phone: 0402 913 446



CITY TATTERSALLS CLUB – SUBSIDIARY CLUBS

for the year ended 31 December 2019 (continued)

Ski Club

We are continuing the tradition of City Tattersalls Club offering all members and their guests a fantastic ski experience. We are the 'destination of choice' for skiing in Australia with a four-plus star rating for our accommodation/ Ski Lodge. We meet at least once a year to discuss what we can do to add value to your stay at Boonoona and what else is happening at Perisher Valley. We have approximately 120 members, and communicate the yearly activities and key improvements of the Lodge. City Tattersalls Club is extremely supportive of the Ski Club and its initiatives.

We are the major sponsor of the 'Boonoona Open' cross-country ski event in August, and 2019 marked the 36th year of this 5km race. In addition, every year in May the Cheetahs Swimming Club hosts the Ski Club in the pool at City Tatts, and then in September, we host all the swimmers at Boonoona. This ski race is usually held over the first weekend of September and the 2020 race will be the 46th running of this event. A racing course is booked through the Perisher Racing Department and for the past few years this has been held at the Upper Roller Coaster course at Blue Cow.

President: Michael Sterndale-Smith

Email: michael.sternsmith@bigpond.com



Toastmasters Club

Toastmasters Club aims to help its members improve their public speaking and leadership skills, resulting in greater confidence and personal growth. Toastmasters meetings are held at the Club on the second and fourth Tuesday of each month from 7pm-9pm. We usually have around 20-30 people at each meeting and guests are always welcome to come along.

Toastmasters is an international organisation with over 352,000 members in 141 countries throughout the world. City Tattersalls Toastmasters is a friendly and sociable Club, and we encourage people over the age of 18 years and from all walks of life to improve their public speaking skills while having fun! We have a strong pedigree, with one of the World Speaking finalists a member of our club.

We have also had Members participating in both the Humorous and International speech competitions. In 2018 and 2019 we organised ten-pin bowling, dinners and karaoke events in addition to our fun meetings. Please come along to a meeting and for drinks after in the Lime Bar where you can meet the Members.

President: Rachel Beaney

Email: info@cttm.org.au

Lawn Bowls Club

The Men's Lawn Bowls Club currently boasts around 100 Members – of that approximately 40-50 bowl weekly. We participate in several major events throughout the year, including the Australian Turf Bowls Carnival, where members from all Tattersalls Clubs in Australia participate, i.e. Victorian, Melbourne, Perth, Adelaide, Brisbane, Gold Coast, Canberra, Newcastle, City Tattersalls, Sydney Tattersalls, as well as Singapore.

President: Ralph Johns

Phone: 0418 469 666



CITY TATTERSALLS CLUB – SUBSIDIARY CLUBS

for the year ended 31 December 2019 (continued)

Snooker Club

We participate in external competitions with other clubs on Tuesday nights throughout the year. Internal competitions are arranged to fit into these schedules on the middle Wednesday of the month at 6.30pm, and on some weekends. The championship is held in August/September. It's both social and competitive, and men and women are all welcome. Some tournaments are run on a handicap basis, so everyone has a chance of winning!

President: Dennis Tritt

Phone: 0402 825 359



Men's Golf Club

Our function is to play golf every Thursday afternoon, and each year we play around 24 different golf courses. We currently have a membership of around 40 with about 20 regular players each week.

At the end of each playing day, many of us stay on at the club we have just played at for dinner, or we may go to a local restaurant. We welcome any keen golfer who wants to join us, and our members quite often bring visitors. We have a big year organised for 2020, beginning with the Evan Sperling Perpetual Autumn Cup, a 36-hole event that will be played over consecutive Thursdays. There will be a perpetual cup to be held by the club and a smaller replica cup to be held by the winner. The daily winners will receive an invitation to lunch at The Australian Golf Club and the overall winner will also have lunch and play a round at The Australian. In September we will also be participating in the Ralph Lucas Annual Spring Cup, followed by the President's Perpetual Trophy in October, that is played on an away game.

President: George Samios

Email: gjsamios@hotmail.com

Phone: 9630 5604 / 0438 131 934



CORPORATE DIRECTORY

for the year ended 31 December 2019

City Tattersalls Club

ABN: 44 004 054 353

Board of Directors

Patrick Champion
James Chen
Martyn Berry
Paul Cavallaro
Lawrence Coy
Roderick Faulkner
Annette Niven
Kumar Kalyanakumar
Michael Sterndale-Smith

Club Patron

John Healy - OAM

Chief Executive Officer/ Secretary

Marcelo A. Veloz

Key Management

Milorad Sekuljica - Finance Manager
Will Corbett - Head of Operations
Daniel Graham - Head of Gaming
Kevin Chiew - Head of Marketing and
Communications
Kamal Mudun - Head of Food and Beverage
Stephanie Lowe - Executive Assistant to CEO

Auditors

KPMG

Registered Office and Principal Place of Business

194-204 Pitt Street
Sydney NSW 2000 Australia
Phone: 02 9267 9421
Fax: 02 9261 3593

Website

www.citytatts.com.au

Email

Email: members@citytatts.com.au

