
NSW Leagues' Club Limited

ABN 66 000 005 229

**Annual Financial Report
31 December 2020**

NSW Leagues' Club Limited

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NSW Leagues' Club Limited

Directors' Report

The directors present their report together with the financial statements of NSW Leagues' Club Limited (the company) for the year ended 31 December 2020.

Directors

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

	Date appointed
Christopher Garfield Charles Bowden Life Member, NSW Leagues' Club Secretary of Como Jannali JRLFC Inc	1 Jan 2020
David William Trodden Chief Executive NSW Rugby League Limited B.Comm LLB LLM	18 April 2019
Deborah Jane Healey Academic/Solicitor Director NSW Rugby League Limited	26 May 2015
Dr George Christopher Peponis OAM Medical Practitioner Chairman NSW Rugby League Limited Chairman Clubs NSW Director Club Keno	26 May 2015
Robert Millward OAM Retired Rugby League Administrator Director Illawarra Steelers Limited President of NSW Rugby League Limited	26 May 2015
Ronald George Lanesbury (Deceased 1/03/2021) Retired Trade Mechanical Engineer Mining Industry Life Member Muswellbrook Rugby League Life Member Hunter Valley Group 21 Rugby League Life Member Northern Division Rugby League Life Member N.S.W Country Rugby League Life Member N.S.W Rugby League Recipient of Australian Sports Medal Muswellbrook Golf Club Limited	28 February 2007
William Grant McNally Legal Practitioner Life Member, NSW Leagues' Club Resigned 10 July 2020	10 April 2001
William Johnstone Director NSW Rugby League Limited	10 July 2020
Dennis Spagarino Retired Teacher Life Member NSW Rugby League Limited Life Member NSW Rugby League Referees Association Life Member of the Australian Rugby League Referees Association (ARLRA) Life Member of the Western Suburbs Rugby League Referees Association	25 March 2021

NSW Leagues' Club Limited

Directors' Report

Directors (continued)

Directors' meetings

The number of meetings of the company's Board of Directors (the Board) held during the year ended 31 December 2020, and the number of meetings attended by each director were:

Director	Number of meetings attended	Number of meetings held *
Mr C G C Bowden	12	12
Mr D W Trodden	12	12
Mrs D J Healey	10	12
Dr G C Peponis OAM	12	12
Mr R Millward OAM	11	12
Mr R G Lanesbury (Deceased 1/03/2021)	12	12
Mr W G McNally (Resigned 10/07/2020)	6	12
Mr W Johnstone (Appointed 10/07/2020)	5	6
Mr D Spagarino (Appointed 25/3/2021)	-	-

* Number of meetings held during the time the director held office during the year.

Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 31 December 2020 and the comparison with last year is as follows:

	2020	2019
Ordinary	431	437
Life	19	19
B Class	47	55
	<hr/>	<hr/>
	497	511
	<hr/>	<hr/>

Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$4 per member in the event of the winding up of the company during the time that he is a member or within one year thereafter. The liability at 31 December 2020 was \$1,988 (2019: \$2,044).

Operating result

The comprehensive income for the year was \$925,857, compared to \$1,069,254 in the prior year. This result came after charging \$696 (2019: \$1,115) for depreciation and included \$1,521,489 fair value gains (2019: \$901,814 fair value profit) on equity investments.

Events Subsequent to Reporting Date

Subsequent to the yearend the Company entered into a memorandum of understanding for a proposed amalgamation. The terms and conditions of the proposed amalgamation are still yet to be finalised at the time of signing these financial statements.

There are no other matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

NSW Leagues' Club Limited

Directors' Report

Objectives

The objective of the Club is to maintain its identity well into the future, and preserve the members' assets which have been accumulated over many years.

Strategy for achieving the objectives

The Club will implement a number of strategies, in order to achieve these objectives that include:

- Investigate the possible re-location of the Club to another site within the greater Sydney area.
- Consider an amalgamation with another like-minded Club.
- Ensure that the Clubs investment portfolio is yielding the highest possible return on members' funds that is in accordance with best practice principles.
- Maintain the original goals of the Club, in its promotion of the game of rugby league in the State of New South Wales.
- The continual monitoring of changing trends in the industry.
- Keeping all other costs to a minimum, whilst these proposals are being evaluated.

Principal activity

The principal activity of the company during the year continued to be that of a licensed social club.

Performance measurement and key performance indicator

A number of KPIs are employed by the Directors in order to measure and improve performance; these include monitoring the returns on a percentage basis of the funds managed by Boag Financial Pty Limited on the Club's behalf, as well as the rise and fall of these investments in terms of their market value.

The Club also uses the EBITDA percentage to measure its financial performance so as to ensure that the assets are being used to their optimum level of return.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 5.

Signed in accordance with a resolution of the directors.

Dated at Sydney this 1st day of April 2021.

George Peponis
Chairman

DECLARATION OF INDEPENDENCE BY CLAYTON EVELEIGH TO THE DIRECTORS OF NSW LEAGUES' CLUB LIMITED

As lead auditor of NSW Leagues' Club Limited for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Clayton Eveleigh
Director

BDO Audit Pty Ltd
Sydney, 1 April 2021

INDEPENDENT AUDITOR'S REPORT

To the members of NSW Leagues' Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of NSW Leagues' Club Limited (the Company), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in members' funds and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of NSW Leagues' Club Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2020 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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



Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors Report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

Clayton Eveleigh
Director

Sydney, 1 April 2021

NSW Leagues' Club Limited

Directors' Declaration

The directors of NSW Leagues' Club Limited declare that:

- (a) In the Directors' opinion the financial statements and notes set out on pages 9 to 20, are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the company's financial position as at 31 December 2020 and of its performance, for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

Dated at Sydney this 1st day of April 2021.

George Peponis
Chairman

NSW Leagues' Club Limited

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
Revenue and other income			
Rendering of services		1,822	1,278
Other revenue		107,398	412,891
		<hr/>	<hr/>
Total revenue	1	109,220	414,169
		<hr/>	<hr/>
Expenses			
Contractor expense		(29,656)	(33,248)
Occupancy expenses		(19,336)	(28,793)
Depreciation expenses	2	(696)	(1,115)
Legal and consulting fees		(22,327)	(4,047)
Travel expenses		-	(64)
Director's Honorariums		(60,000)	(57,000)
Administration expenses		(18,100)	(19,075)
Investment expenses		(107,579)	(90,971)
Net realised capital loss on investments		(444,039)	-
Other expenses		(3,119)	(12,416)
		<hr/>	<hr/>
Total expenses		(704,852)	(246,729)
		<hr/>	<hr/>
(Loss)/profit before income tax		(595,632)	167,440
Income tax expense	3	-	-
		<hr/>	<hr/>
Net (loss)/profit after income tax expense attributable to members		(595,632)	167,440
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Unrealised gain on equity investments, net of tax		1,521,489	901,814
		<hr/>	<hr/>
Total comprehensive income for the year, attributable to members		925,857	1,069,254
		<hr/> <hr/>	<hr/> <hr/>

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 13 to 20.

NSW Leagues' Club Limited
Statement of Financial Position
As at 31 December 2020

	Note	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents		815,338	655,977
Financial assets	4	61,851	44,590
Other current assets		8,370	523
Total Current Assets		885,559	701,090
Non-Current Assets			
Financial assets	4	8,040,046	7,286,402
Property, plant and equipment	5	499	1,195
Total Non-Current Assets		8,040,545	7,287,597
Total Assets		8,926,104	7,988,687
LIABILITIES			
Current Liabilities			
Trade and other payables	6	46,055	34,191
Income received in advance		-	304
Total Current Liabilities		46,055	34,495
Net Assets		8,880,049	7,954,192
Members' Funds			
Revaluation reserve	7	2,456,816	935,326
Retained profits		6,423,233	7,018,865
Total Members' Funds		8,880,049	7,954,192

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 13 to 20.

NSW Leagues' Club Limited
Statement of Changes in Members' Funds
For the Year Ended 31 December 2020

	Retained Earnings \$	Revaluation Reserve	Total Members' Funds \$
Balance at 1 January 2019 (reported)	7,581,076	(696,138)	6,884,938
Adjustment on adoption of AASB 9	(729,651)	729,651	-
Balance at 1 January 2019 (restated)	6,851,425	33,513	6,884,938
Net profit after income tax expense for the year	167,440	-	167,440
Other comprehensive income for the year, net of tax	-	901,814	901,814
Total comprehensive income for the year	167,440	901,814	1,069,254
Balance at 31 December 2019	7,018,865	935,326	7,954,192
Net loss after income tax expense for the year	(595,632)	-	(595,632)
Other comprehensive income for the year, net of tax	-	1,521,489	1,521,489
Total comprehensive income for the year	(595,632)	1,521,489	925,857
Balance at 31 December 2020	6,423,233	2,456,816	8,880,049

The Statement of Changes in Members' Funds should be read in conjunction with the accompanying notes set out on pages 13 to 20.

NSW Leagues' Club Limited
Statement of Cash Flows
For the Year Ended 31 December 2020

	2020 \$	2019 \$
Cash Flows From Operating Activities		
Receipts from customers / members	14,379	1,409
Payments to suppliers and employees	(257,434)	(228,028)
Interest received	9,347	17,551
	<hr/>	<hr/>
Net cash used in operating activities	(233,708)	(209,883)
	<hr/>	<hr/>
Cash Flows From Investing Activities		
Dividends received	84,581	163,102
Other investment revenue	1,944	232,238
Net proceeds from purchase of other financial assets	293,806	(310,058)
Loan received from Windsor Leagues Club	12,738	11,797
	<hr/>	<hr/>
Net cash provided by investing activities	393,069	97,079
	<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents	159,361	(112,804)
Cash and cash equivalents at the beginning of the financial year	655,977	768,781
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	815,338	655,977
	<hr/> <hr/>	<hr/> <hr/>

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 13 to 20.

NSW Leagues' Club Limited

Notes to the Financial Statements

For the Year Ended 31 December 2020

About This Report

NSW Leagues' Club Limited is a company limited by guarantee, incorporated and domiciled in Australia and is a non-for-profit entity for the purposes of preparing the financial statements. The financial statements are for NSW Leagues' Club Limited as a standalone legal entity.

The financial statements were approved for issue by the Directors on 1 April 2021.

The financial statements are general purposes financial statements which:

- Have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australia Accounting Standards - Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB);
- Have been prepared under the historical cost convention;
- Are presented in Australian dollars;
- Where necessary comparative information has been restated to conform with changes in presentation in the current year;
- Have been prepared on a going concern basis.

Critical Accounting Judgments, Estimates and Assumptions

In the process of applying the company's accounting policies, management has made a number of judgments and applied estimates of future events. Judgments and estimates that are material to the financial statements include:

Fair value of financial assets - Note 4

NSW Leagues' Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2020

	2020 \$	2019 \$
1 Revenue and Other Income		
Rendering of Services Revenue		
Members' subscriptions	1,822	1,278
	<hr/>	<hr/>
Total rendering of services revenue	1,822	1,278
	<hr/>	<hr/>
Other Revenues		
Interest revenue	9,347	17,552
Dividend income	84,581	163,102
Other investment revenue	1,944	6,377
Net realised gains on investments	-	225,860
Sundry income	11,526	-
	<hr/>	<hr/>
Total other revenue	107,398	412,891
	<hr/>	<hr/>
Total revenue	109,220	414,169
	<hr/>	<hr/>

Recognition and Measurement

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the taxation authority. Transfer of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Dividend income is recognised at a point in time when declared and received.

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

The gain or loss on disposal of property, plant and equipment is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs) and is recognised as other income at the date control of the asset passes to the buyer.

NSW Leagues' Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2020

	2020 \$	2019 \$
2 Expenses		
Profit before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	696	1,115
	<hr/>	<hr/>
Total depreciation	696	1,115
	<hr/>	<hr/>

3 Income Tax

Income Tax Expense

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.

Deferred Tax Asset Not Taken to Account

Deferred tax asset attributable to tax losses carried forward and timing differences has not been recognised as an asset because recovery is not probable.

Tax losses carried forward	554,641	442,322
Capital losses carried forward	130,959	112,319
(Over)/ under provision in prior years	(212,524)	-
	<hr/>	<hr/>
	473,076	554,641
	<hr/>	<hr/>

These benefits will only be obtained if:

- i) The company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised.
- ii) The company continues to comply with the conditions for deductibility imposed by law, and
- iii) No changes in tax legislation adversely affect the company in realising the benefit.

NSW Leagues' Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2020

3 Income Tax (Cont.)

Recognition and Measurement

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates that are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle the claim simultaneously.

	2020 \$	2019 \$
4 Financial Assets		
Current		
Loan to Windsor Leagues Club	61,851	44,590
Total current	61,851	44,590
Non-Current		
Investments in other entities, at fair value	8,040,046	7,256,402
Loan to Windsor Leagues Club	-	30,000
Total non-current	8,040,046	7,286,402
	8,101,897	7,330,992

Recognition and Measurement

Financial assets are recognised at fair value through other comprehensive income, which includes equity investments which the entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

NSW Leagues' Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2020

4 Financial Assets (continued)

Financial assets are initially recognised at cost. These assets are subsequently measured at fair value with any incremental gains or losses being recognised through other comprehensive income. This classification is determined based on the business model within which such assets are held.

Key Estimates and Judgments

The fair value of financial assets must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial assets traded in active markets such as equity based on quoted market prices at the balance date. The quoted market price used for financial assets held by the company is the current bid price.

	2020 \$	2019 \$
5 Plant and Equipment		
Plant and Equipment		
<i>At cost</i>	34,069	34,069
<i>Accumulated depreciation</i>	(33,570)	(32,874)
	<hr/>	<hr/>
Total plant and equipment net book value	499	1,195
	<hr/>	<hr/>
Movements in Carrying Amounts		
Plant and Equipment		
Carrying amount at beginning of year	1,195	2,310
Depreciation expense	(696)	(1,115)
	<hr/>	<hr/>
Carrying amount at end of year	499	1,195
	<hr/> <hr/>	<hr/> <hr/>

Recognition and Measurement

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The depreciable amount of all fixed assets including is depreciated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Plant and equipment 5 - 10 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

NSW Leagues' Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2020

5 Plant and Equipment (Continued)

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss. When revalued assets are sold the amounts included in the revaluation reserve relating to those assets are transferred to retained earnings.

	2020 \$	2019 \$
6 Trade and Other Payables		
Current		
Trade payables	24,044	21,075
Other payables and accruals	22,011	13,116
	46,055	34,191
	46,055	34,191

Recognition and Measurement

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

	2020 \$	2019 \$
7 Reserves		
Revaluation reserve		
Balance at beginning of year	935,326	33,513
Net movement in fair value gain on equity investments	1,521,489	901,814
	2,456,816	935,326
	2,456,816	935,326

Nature and Purpose of Reserves

Revaluation reserve

The revaluation reserve includes the changes in the fair value of equity investments, arising from the revaluation of these assets in accordance with AASB 9 *Financial Instruments*. Fair value of financial assets is based on quoted market prices for listed shares and investment units.

NSW Leagues' Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2020

8 Key Management Personnel Details

(a) Directors

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

Mr C G C Bowden
Mr D W Trodden
Mrs D J Healey
Dr G C Peponis OAM
Mr R Millward OAM
Mr R G Lanesbury (Deceased 1/03/2021)
Mr W G McNally (Resigned 10/07/2020)
Mr W Johnstone (Appointed 10/07/20)

(b) Key Management Personnel (KMP)

Mr S. Clark
Mr C.G.C Bowden (Secretary)

(c) Payments to Directors and Key Management Personnel (KMP)

	2020 \$	2019 \$
Benefits and Payments made to Directors	60,000	57,000
Benefits and Payments made to KMP	29,000	33,248
	<hr/>	<hr/>
Total Benefits and Payments	89,000	90,248
	<hr/> <hr/>	<hr/> <hr/>

9 Related Parties

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 8.

Directors' Transactions with the Company

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers and are trivial or domestic in nature.

No director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

10 Company Details

The Club is incorporated and domiciled in Australia as a company limited by guarantee. In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$4 per member in the event of the winding up of the company during the time that he is a member or within one year thereafter. At 31 December 2020 there were 497 members (2019: 511 members). The liability as at 31 December 2020 was \$1988 (2019: \$2,044). The registered office of the company is 12-14 Dawn Fraser Ave Sydney Olympic Park NSW 2127.

NSW Leagues' Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2020

11 Events Subsequent to Reporting Date

Subsequent to the yearend the Company entered into a memorandum of understanding for a proposed amalgamation. The terms and conditions of the proposed amalgamation are still yet to be finalised at the time of signing these financial statements.

There are no other matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

12 Summary of Other Significant Accounting Policies

(a) Impairment of Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(b) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value of trade receivables and payables are assumed to approximate their fair value due to their short term nature.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar liabilities.

(c) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.