



Annual Report 2014

Year ending 31st December 2014



Canley Heights RSL & Sporting Club Limited

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Canley Heights RSL & Sporting Club Limited

(A Company Limited by Guarantee ABN 44 001 783 124)

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President's Report



This is my 4th report as club President and I am proud to announce a profit of \$1,104,816 an improvement of \$55,353 from the previous year. I am pleased to say that in my 4 years as your President the profits have increased each year, which is something we all work hard to achieve.

These results come from a great team effort. Firstly, I must give thanks to Mark Baxter the club CEO and his management team, also to the supervisors and staff a very big thank you for all of your enthusiasm, loyalty and hard work; you all play a big part in achieving this magnificent result. I must also thank my fellow Board members who were prepared to make those hard decisions for the good of the club and were prepared to back management decisions fully to help achieve these results.

We have achieved a great deal this year, particularly in our catering, promotion/entertainment and gaming departments. They are setting a standard that other clubs wish they could meet. Thank you to our department heads and their teams for their efforts.

To the most important people: you the members. If it was not for your loyalty and support we would not have this great club and we would not have achieved this profit, so on behalf of management and the directors - thank you.

I am also pleased to say we are continuing our ongoing support of our sub-clubs and I would like to wish all of our sporting groups another successful year, and look forward to watching our partnerships continue to grow and welcome new generations of members to the club. I would like to wish our Sub-Branch all the best for the 100th Anniversary of Anzac celebrations on the 25th of April. I'm sure this will be a big day and a time for all our members to come along and pay their respects to those that have sacrificed for our country.

To the future: The club is hoping to present Stage 1 of our extensions in the near future for our members to view and comment on. The extension will now be solely on our current land as we had little luck with our friends from Fairfield City Council.

This report was written prior to our election, and in the event that I am not re-elected as your President, I would like to thank everyone for their support over the last four years. To Mark and your staff, to my fellow Directors and to you, the members, we have come a very long way and I can say we are now heading towards a bright future, one which we should all be proud of.

Ennio Facchetti

President



Canley Heights RSL & Sporting Club Limited

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Treasurer's Report



Fellow Members,

Well it's that time of the year again when last year's efforts come to the fore, and our results have been very pleasing, in that our trading profit has increased by \$55,353 to a record \$1,104,816.

As usual, the gaming machines proved the main provider as far as income improvement, increasing by \$809K on the previous year. As always, Andrew keeps an uncanny overlook on our machines and the market, ensuring we always have the latest and best machines in the market place.

Bar trading suffered marginally, with costs increasing by 3.26% - TAB loss increasing by 1.25% but whilst numerous clubs are closing their TABs, we regard it as a facility for our members and guests – while they are here, they aren't going elsewhere.

Keno results are disappointing with a drop of \$48K in commissions – maybe the result of a lack of new games to play. Delight's Bistro and Escape Pizzeria sales fell \$2,000 - this cost centre is limited by capacity – hopefully our future plans will give us more room and ease waiting times.

Due to the club's inability to advertise poker machines and alcohol (frowned on by police), the kitchens have borne the lion's share of our advertising budgets.

Our sporting groups' allocations of \$125,000 are up 2.5% on the previous year, so if you are in the club on a Saturday evening in the summer, those people in the white are not Chefs they are cricketers from Fairfield/Liverpool C.C. who are now completing their second year of our sponsorship.

In closing, I have to give our workers a big wrap – our staffing levels are now stabilised at 89 – and I defy you to find a more friendly group of people. I sometimes wonder where they get their "people pills" – they have to put up with crazy people at times and their forbearance at times is a wonder to perceive.

Finally a thank you to the Management Team and Board of Directors, who are always on hand for advice and wisdom.

Thank you for putting up with me this last twelve months.

Yours sincerely

George Collett

Hon. Treasurer

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CEO's Report



Another year has passed and another sizeable profit has ensured the club continues to grow. Further into this book you will find a number of reports from the various department heads responsible for their portfolio's success. I am proud to have such a dedicated team working in the same direction.

Despite difficult financial uncertainty your club is looking at expanding in 2016. The Board are currently considering options that will address some of our existing problems as well as set us up for future growth and expansion.

We have had a masterplan drawn and the architects have taken our layout and revamped it in such a manner that we could enjoy additional dining facilities, a redesigned auditorium, an enlarged kitchen, the relocation of administration offices, a salon, a children's play area, and other improvements and that's just Stage 1.

The past year has been pleasing on so many fronts. Some of the highlights included being one of only 15 finalists in the 2014 Clubs NSW Chefs Table Awards. We also managed to send 2 teams of 2 to Vietnam and Cambodia assisting with the construction of a school, and supporting locals with food and clothing. It was great to see our Rolling Chefs food truck out and about all over the district. Our membership hit 9,000 for the first time and we are on track to bring up 10,000 some time in 2015. The club broke records every month in 2014 and has continued in the same vein in 2015.

The past few years have been extremely profitable for the club and this is due mainly to the Board of Directors setting aside their own agendas and performing as one united Board. There has been a real emphasis on spending money to increase member services and entertainment. This has been reflected in the previously mentioned membership growth. I would like to take this opportunity to thank Mr Ennio Facchetti for his leadership and the Board for their support.

I would also like to thank my management team, the staff (best in the district) and you, our loyal members for your continued patronage.

And remember we are the place to be seen in twenty fifteen.

A handwritten signature in black ink, appearing to read 'M Baxter'.

Mark Baxter

CEO

Canley Heights RSL & Sporting Club Limited

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Financial Controller's Report



Dear Members,

I am providing my report to you for the year ended 31st December 2014.

We are extremely happy to announce and report to our members another profit result of \$1,104,816.00 for the year ended 31st December 2014. Not only is this outcome of a \$1 million plus profit the first in the club's history, but it is also the first time we have hit the \$1.1 million target mark.

The Net profit for 2014 increased by \$55,353 over the 2013 year Net profit. In early 2014, my forecast and projected profit and loss for the year ended 2014 was \$980,000. My projected figures took into consideration certain factors like controlling the leave provisions to an acceptable level, which saw increases in payroll. Other increases on my projected numbers also included advertising costs, member promotions and gaming taxes.

Due to the continued improvement in the generation of revenue seen through 2014, total revenue increased by \$1,053,910 to \$14,423,098 of which over 90% was derived from our poker machine gaming facilities.

2014 was the 2nd year into the implementation of the Club's Strategic Plan and we have again met most of the goals and targets set out. Please find below the achieved goals and targets for the year ended 31 December 2014:-

1. Net Profit at \$1,104,816, the best result in our club's history;
2. Cash Flow increased by \$303,130 to \$1,160,179;
3. Beverage revenue increased by \$40,722 to \$1,305,822 compared to \$1,265,100 from the previous year;
4. Food revenue hit the \$1.5 million mark;
5. We have given away in excess of \$325,000 in bar and bistro promotions;
6. Poker machine gaming Net profit (profitability) increased by more than 12% (\$808,443);
7. Advertising and Promotions costs have increased to promote your club and this positive and proactive approach saw a record increase in membership numbers for 2014;

Our EBITARD percentage in 2014 has improved over the 2013 year, however did not achieve the expected target of 20%. The management team will always do its utmost best to achieve an acceptable and improved EBITARD through careful planning and execution of the strategic plan for the club moving forward in 2015.

2014 saw the capital commitment purchases being paid out of cash flow and this exercise eliminated any use of lease and/or hire purchase finance for the first time in 5 years. Creditors and Borrowings level has been managed carefully and this reduced our debt levels by more than \$775,000 in the 2014 year.

Historically, the leave provision increases on a yearly basis as they are accrued, however, our leave provisions dropped by around 7.5% to \$646,950. Despite seeing an increase in payroll, the decision to drop the leave provisions was effective and provided a more controlled organisational leave structure.

Again, our poker machine gaming financial performance provided yet another fantastic result. More improved figures were achieved in 2014, which again took over the 2013 record streak. According to the gaming report derived from Astute Business Intelligence, the average turnover and profit per machine per day (in 2014) for our venue puts our club within the top 25% of venues in NSW by performance. There was an increase of 4.14% in direct gaming activities expenses (including Poker Machine Gaming Tax) which is, in my opinion, reasonable and fair.

I would like to take this opportunity to congratulate Ivy Dinh who recently became Finance Manager. Thank you for your efforts and dedication to the Finance team and the club. I would like to also extend my sincere thanks and appreciation to all of our dedicated staff, management team, Board of Directors and CEO for the support and assistance you have provided.

To our members, thank you for your continued support and patronage in 2014 and beyond.

Yours faithfully,

Gilbert Wong CPA, CA(M), BBUS (Acc), Ad Dip (Hosp)

Financial Controller

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Operations Report



Catering had a very busy and exciting year in 2014. We have managed to keep our positive sales growth, compared to 2013. We have had fabulous feedback from our themed menus throughout the year, and our German Specials month of October has been the most popular.

We will continue to have great food promotions this year from our creative team of multicultural and passionate chefs. Their feedback and support on for these special themed menus has been greatly appreciated and embraced by our members.

Harry and I would also like to welcome Chef Nounou and Chef Anup to the team. We look forward to expanding on our catering department to better serve our members and guests throughout the year, with plans to add more seating and limit our meal waiting time in peak periods.

In 2014 our Rolling Chef's Food Truck was busy out on the streets catering for functions that were unable to be held at the club. The food truck was most popular at local community events like the youth "Bring it On Festival", the "Cabramatta Moon Festival", and the Fairfield Council organized "Canley Heights Kids Christmas Party"

2014 saw our club as a first-time finalist in the ClubsNSW Chefs Table Competition. I would like to congratulate both Mikey and Raj for their achievements in 2014, and wish them well on their NYC and Chicago food study trip. We also look forward to the new ideas they will bring back from their travels.

This year I will continue to introduce new beers and ciders and change our wines to match the season. Be sure to look out for new beverage promotions supported from our business partner Carlton & United Breweries.

On HR; our biggest achievement has been our staff retention and keeping the ongoing training programmes in place for our staff. Maintaining our friendly customer service is our number one priority.

I would like to thank Barbara for all her efforts, devotion and support with HR throughout the year and congratulate Barbara on her new position as our Human Resources Manager. Thank you and well done.

I would like to thank all of our staff for their ongoing commitment and dedication to Canley Heights RSL and Sporting Club throughout 2014, without them, our club would not be as friendly as it is today.

Lastly I would like to take this opportunity to thank Bob Di Pede for his time here and wish Bob a happy retirement.

I look forward to 2015 and seeing you soon.

Regards,

Mark Gavinel

Operations Manager



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Gaming Report



Dear Members,

2014 has finished off rewarding and profitable for the club, (Overall Net Profit \$1,104,816).

The largest proportion of the profit has come from poker machine trading, contributing a Net profit of \$7,493,744, which is an increase of 12.1% from last year. This is after some of the major expenses have been paid, such as Poker Machine Tax \$2,532,162 (\$303,765 more than last year) and the Community Development Levy \$94,684 (\$43,685 more than last year). This has been achieved by the gaming floor being kept up to date offering much variety and the latest products available for your entertainment, whether by game conversions or new purchases of machines as needed. Throughout the year, there were 46 game changes/conversions and 12 new purchases.

In September 2014 the new "Megabucks – Statewide Linked Jackpot" was installed. With a Maxi Jackpot amount starting at \$250,000, this would definitely be a win that would be classed as "life changing" for anybody.

Our Member Loyalty Program has continued to prove a great success for all our members, offering discounts and rewards throughout the club.

We will continue to make changes throughout 2015 to ensure our patrons are fully satisfied from the entire club facilities.

I would like to thank the duty managers, supervisors and our staff for their continued efforts and hard work throughout the year. As a combined team under the direction of the CEO and directors, we will continue working to offer you the best customer service to ensure you have an enjoyable experience each time.

Lastly, to our loyal members and to our visitors for their continued patronage. The combined efforts will continue to contribute to the growth and success of our club.

Andrew Mazurkiewicz

Gaming Manager

Canley Heights RSL & Sporting Club Limited

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Marketing & Promotions Report

How the year flew by, I am sure the older I get the faster they seem to go.....

The beginning of 2014 went off with a bang with our 2013 Membership Drive promo drawn in early January – congratulations to Lina Davis who was the winner of the Suzuki Swift, and to our runner-up prize winners on the night. We hope to give another car away come January 2016 with our 2015 end of year membership drive.

As you would have noticed there was an increase in budget towards Members Promotions / Entertainment in 2014, hopefully providing a wide variety of options for all our members to enjoy. I have also taken on feedback received and changed a few of our raffles (with increased budgets) as well as introducing a few changes to the weekly trivia and the introduction of the new Last Friday of the Month Bingo in 2015.

In 2014 we trialed entertainment (duo's on a Friday and Saturday night) throughout the football season. In years gone by the surveys conducted always showed a 50/50 response to those that wanted entertainment as opposed to those that wanted to watch the football and due to the attendance numbers not being as high as we would like to support the expense of having entertainment on both nights, we are now reverting back to the Saturday night entertainment only during this football season, as well as retaining our Thursday end-of-month raffle entertainment. Hopefully those that enjoy the live music can come along on a Saturday and support it.

We will also have a new State of Origin viewing package available for a limited number of footy enthusiasts come May/June/July this year. There will be dedicated coverage on the big screen in the Joe Kiernan room with pizza, salad and a couple of comp. drink tickets thrown in – keep a look out for the flyer promoting this one, as you will need to secure your tickets early to get a seat (numbers are limited to 35).

Our Mid-Year Dinner & Show featuring Audio Vixen was a good night from all reports and was well supported by our many sporting groups. This year's show is bound to be another good one with The Legends show, backed up by Akinga who are quite popular on the circuit.

August 2014 saw the introduction of our Vegas Lunch events which have been well-received by our members and guests. This event is held on the 3rd Friday of the month and is great value at only \$15 per person for a 2-course lunch and show. Stay tuned for more throughout 2015.

The annual Art Show and Car Show were two great events once again – the quality of the paintings coming from the Art Group seems to get better each year, and it was nice to see the group had a few new members join in 2014. I know it is getting harder and harder for our judges to come up with their selections – congratulations to not only our prize winners, but to all members of the Art Group for your lovely works of art. The 2014 Car Show was the biggest we have held in the shows 14 year history. I think the coverage we received across all local papers had people coming from far and wide, well done to Frank for his organization of this event, and also the introduction of the quarterly Charity Markets and the Breakfast with the Cars event held monthly in the car park. These events are all great fundraisers for the community, with Westfield's Sports High and the Cancer Council two of the main benefactors of the donations.

Our Mother's Day, Father's Day and Melbourne Cup luncheon/raffles were also massive days at the club, and as always Mark, Harry and the Delight's Team should be congratulated for putting out such a lovely feast on each occasion. This year we will introduce a Mother's Day Eve buffet dinner event, for those families trying to fit in celebrations for both mothers and mothers-in-law. I must also pass on my congratulations to both Raj and Mikey in the catering department. Making finalist in the 2014 Chef's Table awards on our first attempt into the competition was a great achievement and brought great publicity to the club along the way, with more people hearing about what we already know, our dedicated catering team can dish up top-notch restaurant standard meals at great prices. Well done team – keep up the good work!

As always, we supported a number of charity and community events throughout 2014, including the Moon Festival and Bring it On festival, not to mention sponsorship of a couple of the Fairfield Harness racing events at the Showground. We also supported many great local charities and non-for-profit organizations through the Clubs Grant program (formerly known as CDSE) with over \$90K Category A funding. It didn't stop there with monthly support by way of catering donations and in-kind donations (free room hire etc;) to Hammondcare (Braeside) and other organizations.

We were back on the airwaves on 2GB throughout 2014 and I hope a lot of our members have also heard us back again at the start of this year. We've also included WFSM (101.7) into the mix in 2015 – so we are now being heard on two of the top ranked radio stations on both AM/FM, which is great coverage for us, and I am pleased to say I believe both campaigns are working well with our 2015 Valentine's Day event selling out, some of those that purchased tickets mentioning they heard our ad on the radio.

In 2014 the Board decided to reintroduce the Christmas Carols event, holding it in the auditorium as opposed to the grounds out the back, meaning any bad weather was not going to be an issue. For our first run back the turn-out was pretty good, and I trust everyone enjoyed the different performers on show on the night including the voices of the Sydney Male Choir. Stay tuned for another performance from them in May with their 'The Sydney Male Choir Salutes the Anzac Legacy Show'.



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I am pleased to say we finished the year with our highest ever membership numbers at 9579. We always seem to lose a few members come expiry/renewal periods but we are definitely keeping more than ever before and getting more and more new members each month. The beginning of the renewal period in October saw the introduction of the new Club Calendars containing 12 vouchers, one to be used each month, showcasing the various events and multicultural menus available during the annual calendar.

2014 wasn't all great though, with the sad passing of our much-loved security guard and friend Vincent. Vincent was one of the best and I miss seeing his smiling face and hearing his lovely singing voice each week. The way he interacted with all of our different members; from the guys in the TAB area to the elderly members that visit us from the local nursing homes, was a pleasure to see. I am sure he is missed by all.

I would like to thank our promotion host Chris and his team for their professionalism and efforts throughout the year. I would also like to thank my assistant Chheng for her dedication and support – I don't know what I would do without her. The work she does on the monthly What's On booklets is very well received. No sooner do you fill the What's On booklet basket in the foyer, you need to fill it again, they are so popular. That is just one element of her job. With social media now so popular, maintaining the different forms including Facebook, Instagram, Twitter and the like can be quite time-consuming. With Chheng's guidance we have also seen an increase in our social media interaction, with our Facebook likes now over 600. Please help us spread the word and remember to 'share' and 'like' us next time you log in.

I must also thank Grahame and our team of staff in the TAB. Grahame has a great rapport with our TAB customers and is always on the ball with new developments from the TAB and the running of our weekly TopTipster promotion.

Thank you also to Mark, Ennio and the Board for their continued support and allowing me the budget to introduce new events and promotions to our members and just as importantly letting me promote it to the wider community to attract more new members to our wonderful establishment.

Looking to 2015, we will continue with our Vegas Lunch events, and have various international trips up for grabs. Having just given away our trip to Ireland, stay tuned for our American Menu and what's on offer come July...

Finally I would like to thank you, the members, for your continued patronage and support throughout 2014 – here's hoping 2015 is bigger and better.

Hope to see you all soon....

Michelle Baxter

Marketing & Promotions Manager



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Annual General Meeting - Sunday 18th May 2014

58 Members in attendance

Main Table: Ennio Facchetti #160 (President)
Mark Baxter (CEO)
George Collett #25 (Treasurer)
Bruce Gotterson (Pigott Stinson)
Anthony Frawley – (Club Auditor – DM Walsh & Co)

Meeting Opened: 9:30am by Chairman E. Facchetti #160

E. Facchetti #160 welcomed all and introduced the main table and reminded all of the house rules – switching off of mobile phones during the meeting etc;

Apologies: Gilbert Wong (Financial Controller)
G. Dawson # 361
D. Nicolson #548
Z. Kiernan #901
T. Davies #953
K. Twaddell #2306

Confirmation and Acceptance of the 2013 Annual General Meeting Minutes.

Moved: R. Pritchard (OAM) #3

Seconded: A. Kiernan #1

Carried

Treasurer's Update

Discussed the \$1Million + profit and mentioned that we broke 38 records throughout the year. It's a good result, the best since the smoking and poker machine legislative changes. The report is a good read, 54.5% bar gross profit up on last year. Gaming Report is \$960K up on previous year which saw increases in taxes and gst etc; The club worked well together (Board and management), and we have really good staff; both existing and new staff (who we put through various training courses through Barringtons). We said goodbye to long-serving manager Bob Di Pede (after 28 years) Bob hasn't been well and has been fighting cancer; we wish him well and would like to thank him for his service.

Confirmation and Acceptance of the 2013 Annual Report

Moved: K. Dawson #362

Seconded: I. Davidson #1730

Carried

Club Solicitor Bruce Gotterson to explain to the Members about the Resolutions as outlined in the Annual Report

The Members are to Receive and Consider and if thought fit adopt the Annual Report issued to members for the year ending 31st December 2013 (including Resolutions 1- 6) & (Special Resolutions 1 – 3) including the necessary changes that must be made to the Clubs Constitution to reflect the outcome on the voting of the Resolutions, Special resolutions and Legislative Changes.

Resolutions

Resolution 1 – Directors' Expenses

Vote taken and accepted.

Carried

Resolution 2 – Directors' Honorariums

Vote taken and accepted.

Carried

R. Pritchard (OAM) #3 spoke on Director's Honorariums and suggested that should look at increasing the amount. He has done the calculations and this equates to \$2.96 per day for the Directors. He also mentioned that the honorarium could be issued based on performance. Suggested Directors should receive \$3k each (which is 2 1/2 schooners a day).

G. Lewsam #24 wanted to second R. Pritchard's suggestion.



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R. Pritchard (OAM) #3 said that it was brought up the previous year.

Bruce Gotterson explained that amendments cannot be made to the resolutions on the day. The Board will have the option of changing it next year, with a members vote at the next AGM if it is included in the Notice of AGM.

R. Pritchard (OAM) #3 suggested a vote be taken in the room today just to get an indication as to whether this is something the members want and will support next year. The members took a vote as to whether this is something they would like to see in place for consideration at next year's AGM. The vote being that the Directors' Honorarium amount increase by \$2,000 on the current figure, with the President / Treasurer amounts to remain as is, and without performance taken into consideration.

The Vote saw that 52 people would support this motion and 6 would be against the motion should it be put up for consideration at the next AGM.

Resolution 3 – Sub-Clubs, Sporting Groups, Charitable Organisations & other Intra Club Bodies
Vote taken and accepted. **Carried**

Resolution 4 – Members Service Badges
Vote taken and accepted. **Carried**

Resolution 5 – Life Members Refreshments
Vote taken and accepted. **Carried**

Special Resolution

That the Constitution of Canley Heights RSL and Sporting Club Limited be amended by:

Deleting Rule 53A and in lieu thereof **inserting** the following new Rules 53A:

"53A. (a) As soon as reasonably practicable after the completion of each Annual General Meeting, the Board of Directors shall appoint, from amongst their number, a maximum of two (2) directors to act as Welfare Officers of the Club.

(b) Subject to approval by members at each Annual General Meeting:

- (i) the Welfare Officers shall receive an honorarium each year for carrying out their role as Welfare Officer; and
- (ii) the value of the honorarium for the Welfare Officers referred to in Rule 53A(b)(i) shall be as follows:

- (1) if one (1) Welfare Officer is appointed, the Welfare Officer shall be entitled to an honorarium for a maximum amount of \$4,800 per year.
- (2) if two (2) Welfare Officers are appointed, each Welfare Officer shall be entitled to an honorarium for a maximum amount of \$2,400 per year."

S. Hadfield #2161 asked if the Welfare amount goes on top of the Director's Honorarium. **E. Facchetti #160** advised that Welfare was different to the Honorarium.

R. Pritchard (OAM) #3 asked if the amount stated was 'to a maximum of' **E. Facchetti #160** advised that it was.

L. Davis #5228 asked if someone is in hospital, should we let the club know. **E. Facchetti #160** advised yes, if the member wants the club notified.

R. Pritchard (OAM) #3 spoke for this motion, and congratulated Kath Dawson on the job she has done

A vote was taken, and the Resolution was accepted. **Carried**

General Business

S. Hadfield #2161 – spoke on the toilet doors and how people don't wash their hands and it's disgusting, other venues have the toilet entries with no doors.

E. Facchetti #160 explained that we are in a holding phase at the moment in regards to doing too many renovations until we hear back from Council.

S. Hadfield #2161 suggested sanitary wipes might be the solution in the meantime.



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E. Facchetti #160 advised that management will consider the suggestion.

L. Davis #5228 – feels it wouldn't be too much of a renovation to take the doors off and put a partition, it could be done.

M. Deane #1945 – said the Men's toilets near the Bistro need paper towel, it's a hygiene issue.

E. Facchetti #160 advised that we have had issues in the past with people blocking the toilets and drains with the paper towel, which then causes odour issues. The reintroduction of paper towel may be trialled.

P. Collett #1184 – suggested a bit of signage (Wash Your Hands) might assist.

J. Crosarial #1781 – suggested we could perhaps get the spiral hand towel roll.

M. Deane #1945 – said if we were to modify the toilets in the Wakeley Room then the partitions would need to come outside.

L. Davis #5228 – wanted to compliment the Managers and Staff, they do good work.

S. Hadfield #2161 – asked if the club is looking at installing sound-proofing in the outdoor terrace, as the people out there are missing out on badge draws/promo's, they are being disadvantaged.

E. Facchetti #160 explained about the DA conditions, and the complaints from neighbours.

M. Baxter advised that the DA doesn't allow it.

Chairman E. Facchetti #160 thanked all for coming and advised those in attendance should have received their complimentary breakfast and drinks tickets.

Meeting Closed: 10:10am



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Notice Of Annual General Meeting

COMMENCES AT 9:30AM SHARP ON SUNDAY 17th MAY 2015 IN THE WAKELEY ROOM AT CANLEY HEIGHTS RSL & SPORTING CLUB 26 HUMPHRIES RD, WAKELEY.

ORDER OF BUSINESS

Welcome & Apologies

1) Apologies

Confirmation of Minutes of Last General meeting

2) To confirm the minutes of the Annual General Meeting held on Sunday, 18th May 2014.

Club Update

Annual Report

3) To receive, consider and if thought fit adopt the Annual report to members for the year ended 31st December 2014 including:

- Directors Report & Declaration
- Auditors Report
- Income Statement
- Balance Sheet
- Cash Flow Statement
- Statement of Changes in Equity
- Notes to the Accounts

Declaration of the results of the Ballot for the election of Directors

4) The Chairman will read out the results of the ballot for the election of the Board of Directors of the Club.

Directors Expenses, Honorariums, Sub-Clubs and Members Badges

5) To consider and if thought fit pass the following resolutions:

Resolution 1: Directors Expenses

In accordance with Section 10 (6) and (6A) of the Registered Clubs Act the following resolution is submitted for consideration and approval:

- i) Directors be supplied with Club Directors Uniforms to be worn at Board Meetings and when representing the Club in an official capacity.
- ii) The payment of reasonable expenses in relation to the attendance of Directors at the ClubsNSW's AGM, conferences, industry updates and other educational industry meetings or business related conferences/club related activities in order to be conversant with:
 - Directors responsibilities
 - Best Club Management Practice
 - Latest development in the Club Industry.
- iii) A reasonable amount be allocated to the President (or his delegate) for the provision of refreshments "to persons in circumstances which relate to the President's duties and his role as the President of the club".
- iv) A reasonable amount be allocated for provision of food and refreshments to Directors after Board Meetings.
- v) Attendance of Directors at functions, with spouses where appropriate, when required to represent the Club.
- vi) Directors be provided with reserved parking.
- vii) Directors be provided with reserved seating, free entry to various shows, concerts, seminars, etc;
- viii) Directors be provided with a ham and a carton of beer at Christmas Time.

Canley Heights RSL & Sporting Club Limited

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Resolution 2 – Directors’ Honorariums

In accordance with Section 10(6) (b) of the Registered Clubs Act, the following resolutions are submitted for consideration:

- a) “Subject to (b) below Members hereby approve the Directors of the Club receiving the following honorariums for the following twelve (12) months:
- President \$7,500.00
 - Vice President \$5,000.00
 - Treasurer \$5,000.00
 - Directors \$3,000.00
- b) The honorariums shall be paid in quarterly instalments in arrears with payments to be made once a profit has been determined by the Directors at a monthly Board Meeting. The quarterly instalment would then be paid the following Monday after the Board Meeting. A quarterly payment would not be paid if the club incurred a loss in the accounts for the previous quarter.

Notes to Members in Relation To the Resolution

The resolution approves the payment of honorariums to the directors of the Club in the amounts specified in the resolution. Pursuant to the Registered Clubs Act honorariums can only be given to directors if they have been approved by members at a general meeting including an Annual General Meeting of the Club.

The amounts in the resolution have increased from last year which is in line with the sentiment of members expressed at last year’s Annual General Meeting. For the President the honorarium will increase from \$5,000 to \$7,500. For the Vice President and the Treasurer the honorarium will increase from \$3,000 to \$5,000 and for other directors the increase will be from \$1,000 to \$3,000. As was the case in previous years the amount will be paid in quarterly instalments (on the first Monday after the monthly Board Meeting at which the Board accepts the Financial Reports for the Quarter as having shown a profit for the previous quarter). However a quarterly instalment will not be paid if the Club has recorded a loss in the previous quarter’s accounts. Therefore if a loss for the quarter prior to the date an instalment is payable is shown then there will be no quarterly payment.

The members acknowledge that the benefits in Resolutions 1 and 2 above are not available to members generally but only for those who are Directors of the Club and are in keeping with their role of Directors.

Resolution 3 – Sub-Clubs, Sporting Groups, Charitable Organisations and other Intra Club Bodies

“That the Board of Directors be authorised to make grants to support Sub-Clubs, Sporting Groups, Charitable Organisations and other Intra Club Bodies where appropriate.”

Resolution 4 – Members Badges

“That the Club provide to members in recognition of their length of membership at the Club (at the Club’s cost) a members badge upon ten years continuous membership, fifteen years continuous membership and twenty years continuous membership of the Club.”

Resolution 5 – Life Members-complimentary beverage

That, as and from 17 May 2015 and in accordance with section 10(6A) of the Registered Clubs Act, each Life member of the Club will be eligible, to a maximum of, one complimentary beverage (alcoholic or non-alcoholic) on each day they attend the Club.

The members acknowledge that the benefits in Resolution 5 above are not available to members generally, but only for those who are Life members of the Club.”

Resolution 6– Life Members-designated car spaces

That, as and from 17 May 2015 and in accordance with section 10(6A) of the Registered Clubs Act, the Club will set aside within the Club’s car park a designated car space for each Life member of the Club except during any period when a Life Member is entitled to a designated space because he or she is also a Director of the Club or a member of the Sub-Branch committee.

Notes to Members in Relation To the Resolution

This resolution if it is approved by members will authorise the Board of the Club to set aside a designated car parking space within the Club’s car park for each Life member of the Club. A Life member that is also a Director or a member of the Sub Branch committee (who are entitled to a car space) shall only be entitled to the one car park space.

This resolution is new. The Board would like Life members to be assured of a car park space which is not too far from the Club’s main entrance when they visit the Club.



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The members acknowledge that the benefits in Resolution 6 above are not available to members generally, but only for those who are Life members of the Club."

Special Resolutions – proposed amendments to the Constitution

6) To consider and, if thought fit, pass the Special Resolutions proposed to amend the Club's Constitution which follows on from this Notice of Annual General Meeting.

General Business

7) To transact any business that may be brought before the meeting in conformity with the constitution of the Club.

By order of the Board of Directors

Mark Baxter

Chief Executive Officer

Notes to Members

1. **The Doors to the Meeting will be closed at 9:30am** and no Members will be permitted entry to the meeting after this time
2. Members are reminded only financial questions on notice will be dealt with at the AGM. Any questions relating to the Annual Report must be in writing addressed to the Chief Executive Officer and received prior to the 26 April 2015 to enable the appropriate research to be undertaken on the question by the Board. Any questions received after this date will not be addressed at the AGM.

NOTICE TO MEMBERS ABOUT THE ANNUAL FINANCIAL REPORTS

Members are advised that the Corporations Act was amended in 2011 to include a new section 316A which provides that if members want copies of the Financial report, the Directors' report and the Auditors report for the financial year to be sent to them they need to notify the Club in writing. The Club will not be posting out these reports to every member but only to those members who have given written notice to the Club that they require copies to be sent to them either by post or by email at the email address they give to the Club.

NOTICE OF SPECIAL RESOLUTIONS FOR ANNUAL GENERAL MEETING

Members will be asked at the AGM to be held on Sunday 17th May 2015 to consider and if thought fit pass the Special Resolutions set out below:

PROCEDURAL MATTERS FOR SPECIAL RESOLUTIONS

1. To be passed, each Special Resolution must receive votes in favour from not less than three quarters (75%) of those members who, being eligible to do so, vote in person on the Special Resolution at the meeting.
2. The Special Resolutions should be read in conjunction with the notes to members which follow each Special Resolution.
3. Only Life members, Financial Service members and Financial Ordinary members (who have been Financial Ordinary members for a continuous period of at least twelve (12) months) may vote on the Special Resolution.



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4. Under the Registered Clubs Act:
 - (a) members who are employees of the Club are not entitled to vote.
 - (b) proxy voting is prohibited.
5. Amendments to the Special Resolutions (other than minor typographical corrections which do not change the substance or effect of the Special Resolution) will not be permitted from the floor of the meeting.
6. The Board of the Club recommends the Special Resolutions to members.

FIRST SPECIAL RESOLUTION

[The First Special Resolution is to be read in conjunction with the notes to members set out below.]

That the Constitution of **Canley Heights RSL & Sporting Club Limited** be amended by deleting the word and number "fifty (50)" from Rule 76 (b) and in lieu thereof inserting the word and number "thirty-five (35) so that rule 76 (b) would appear as follows:

"76 (b) At any General Meeting of the Club, thirty-five (35) eligible members present in person shall be a quorum."

Notes to Members on the First Special Resolution

1. The First Special Resolution proposes to amend the number of members required to form a quorum at a general meeting (including an Annual General Meeting) of the Club from 50 to 35.
2. A quorum of members-that is a minimum number of members- must be present at the start of a general meeting of the club for it to be able to commence and for there to be a valid meeting.
3. At present, under rule 76 (b) a quorum for a general meeting of the Club is 50. The Board is of the view that this too high and should be reduced to 35.
4. If the First Special Resolution is passed the quorum for a general meeting of the Club including an Annual General Meeting will decrease from 50 to 35.

SECOND SPECIAL RESOLUTION

[The Second Special Resolution is to be read in conjunction with the notes to members set out below.]

That the Constitution of **Canley Heights RSL & Sporting Club Limited** be amended by:

- (a) inserting the following new Rule 48A:

"48A. Any person who is elected to the Board, unless exempted, must complete the training for directors which is specified by By Law which includes such mandatory training requirements for directors as required by the Regulations made under the Registered Clubs Act."

- (b) inserting the following new Rule 66(i):

"(i) fails to complete the training requirements for directors referred to in Rule 48A within the prescribed period (unless exempted)."

Notes to Members on Second Special Resolution

1. The Second Special Resolution proposes to insert new provisions which relate to mandatory training requirements for directors. The new provisions clarify that:
 - (a) persons who are elected to the Board must (unless exempted) undertake training for directors as specified by By Law which includes the mandatory training requirements for directors as prescribed by the Registered Clubs Act; and
 - (b) if a person who is elected to the Board does not complete the required training, they automatically cease to hold office on the Club's Board.



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THIRD SPECIAL RESOLUTION

[The Third Special Resolution is to be read in conjunction with the notes to members set out below.]

That the Constitution of Canley Heights RSL & Sporting Club Limited be amended by deleting the words, "Certificate of Registration under the Registered Clubs Act 1976" and replacing them with the following words, "Club Licence under the Liquor Act".

Notes to Members on Third Special Resolution

1. This amendment simply reflects the change in the law whereby a club now holds a Club Licence under the Liquor Act replacing the Certificate of Registration previously issued under the Registered Clubs Act.

Dated: 5th March 2015

By direction of the Board

Mark Baxter

Chief Executive Officer

Canley Heights RSL & Sporting Club Limited

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Notice of Core Property

Pursuant to Section 41 J(2) of the Registered Clubs Act for the financial year ended 31 December 2014:

- (a) the following properties are core property of the Club:
 - (i) the land upon which the Club's licensed premises are located;
 - (ii) the land upon which the Club's car park is located.
- (b) the following properties are non-core property of the Club:
 - (i) Nil

Notes to Members

1. Section 41 J(2) of the Registered Clubs Act requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.
2. Core property is any real property owned or occupied by the Club that comprises:
 - (a) the defined premises of the Club; or
 - (b) any facility provided by the Club for use of its members and their guests; or
 - (c) any other property declared by a resolution passed by a majority of the members present at a general meeting of Ordinary members of the Club to be core property of the Club.
3. Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.
4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
 - (a) the property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and
 - (b) the disposal has been approved at a general meeting of the ordinary members of the Club at which the majority of the votes cast support the approval; and
 - (c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.
5. These disposal provisions and what constitutes a disposal for the purposes of section 41 J are to some extent modified by regulations made under the Registered Clubs Act and by Section 41 J itself. For example, the requirements in paragraph 4 above do not apply to:
 - Core property that is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation by a registered valuer;
 - Core property that is leased or licensed to a telecommunications provider for the purposes of a telecommunication tower.



Canley Heights RSL & Sporting Club Limited

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Directors' Report

Your Directors have pleasure in presenting to members their report on Canley Heights RSL & Sporting Club (the Club) covering year ended 31st December 2014.

OPERATIONS

The principal activity of the Club is the conduct and promotion of a licensed club for members of the Club, and that the income of the Club is directed towards the improvement and maintenance of the Club's facilities and the promotion of the social welfare of members including sub-clubs.

There were no significant changes to this activity during the financial year.

RESULT OF OPERATIONS

The net profit of the economic entity for the year after income tax expense was \$1,104,816.

Net Profit 2013: \$1,049,462

The short-term objectives of the Club are to strive to achieve excellence in serving our Community by providing exceptional customer service and facilities. There are strategic plans implemented to produce set budgets on capital purchases to ensure that our Club's activities are current and up-to-date to meet competition surrounding us.

The long-term objectives of the Club are to support the Canley Heights RSL Sub-Branch and maintain the Anzac tradition, support our Sub-Clubs, Charities and Community Organizations and continually improve the Clubs facilities in order to remain relevant to our Community.

The Club's strategy for achieving these objectives is to remain financially viable by adopting prudent financial management and best practice corporate standards.

The Club measures its financial performance by benchmarking its key performance indicators (KPI's) against those of other similar clubs. The KPI's include but are not limited to:

- EBITD (Earnings Before Interest, Tax and Depreciation) to Revenue
- Wages to Revenue
- Gross Profit
- Entertainment Costs

DIRECTORS

Facchetti, Ennio	President	Director 15 years
Johnson, Neil	Vice President	Director 6 years
Collett, George	Treasurer	Director 19 years
Simmons, Christine	Director	Director 4 years
Todd, Kevin	Director	Director 6 years
Dawson, Kathryn	Director	Director 15 years
Tedesco, Frank	Director	Director 12 years
Neesam, Robert	Director	Director 4 years



Canley Heights RSL & Sporting Club Limited

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Attendance At Meetings

During the financial year the Board held 12 meetings. The following attendance records are reported.

	Meetings Called	Meetings Attended
E. Facchetti	12	11
N. Johnson	12	11
G. Collett	12	12
K. Dawson	12	11
F. Tedesco	12	7
K. Todd	12	11
R. Neesam	12	11
C. Simmons	12	11

INSURANCE OF OFFICERS

During the year Canley Heights RSL & Sporting Club Limited paid a premium to insure certain officers of the Company. The liabilities insured include costs and expenses that may be incurred defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company. The premium paid was \$2,719.45.

Signed in accordance with a Resolution of the Directors.

E. Facchetti
President

G. Collett
Treasurer

5th March 2015



Canley Heights RSL & Sporting Club Limited

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Directors' Declaration

**WITH RESPECT TO THE ACCOUNTS OF CANLEY HEIGHTS RSL & SPORTING CLUB FOR
THE FINANCIAL YEAR ENDED AND AS AT DECEMBER 31st, 2014.**

In the opinion of the Directors:

- (a) The accompanying Profit and Loss Account is drawn up so as to give a true and fair view of the result of the Company for the financial year; and
- (b) The accompanying Balance Sheet is drawn up so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year; and
- (c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due; and
- (d) The accounts of the Company have been made out in accordance with applicable accounting standards.

Signed in accordance with a Resolution of the Directors

E. Facchetti
President

G. Collett
Treasurer

5th March 2015



Canley Heights RSL & Sporting Club Limited

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Auditors Independence Declaration

AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF THE CANLEY HEIGHTS RSL & SPORTING CLUB LIMITED

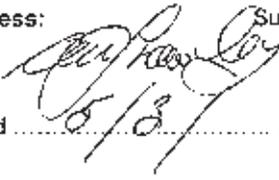
I declare that to the best of my knowledge and belief, during the year ended 31st December, 2014 there have been:

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

Name of Firm: D M Walsh & Co.

Name of Principal: Anthony M. Frawley

Address: Suite 4, 1st Floor 100 Pacific H'way, Waitara NSW 2077

Dated  15/3/15 2015



Canley Heights RSL & Sporting Club Limited

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BALANCE SHEET AS AT 31ST DECEMBER 2014

	Note	2014	2013
CURRENT ASSETS		\$	\$
Cash Assets	4	1,160,179	857,049
Receivables		60,283	19,889
Inventories	5	165,885	134,764
Prepayments		44,543	39,716
TOTAL CURRENT ASSETS		1,430,890	1,051,418
NON-CURRENT ASSETS			
Property, plant & equipment	6	12,854,058	12,917,293
Intangible assets	7	283,390	283,390
Other assets	8	10,184	47,195
TOTAL NON-CURRENT ASSETS		13,147,632	13,247,878
TOTAL ASSETS		14,578,522	14,299,296
CURRENT LIABILITIES			
Creditors & Borrowings	9	1,410,449	1,770,686
Provisions	10	646,956	696,723
TOTAL CURRENT LIABILITIES		2,057,405	2,467,409
NON-CURRENT LIABILITIES			
Creditors & Borrowings	9	570,975	986,561
Deferred tax liabilities	14	119,346	64,643
TOTAL NON-CURRENT LIABILITIES		690,321	1,051,204
TOTAL LIABILITIES		2,747,726	3,518,613
NET ASSETS		11,830,796	10,780,683
EQUITY			
Retained earnings		11,830,796	10,780,683
TOTAL EQUITY		11,830,796	10,780,683

Canley Heights RSL & Sporting Club Limited

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INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2014

	Note	2014	2013
		\$	\$
Revenue from ordinary activities	2	14,423,098	13,369,188
Expenses from ordinary activities			
Cost of sales and direct expenses:			
Bar		622,916	603,246
Bistro		658,304	623,110
Gaming activities		3,781,535	3,631,202
Entertainment and TV sport		145,016	100,109
Sporting group allocations		124,598	94,394
Depreciation & amortisation expenses		648,772	706,649
Employment expenses		3,990,325	3,550,621
Borrowing Costs		210	6,836
Other expenses from ordinary activities		3,346,606	3,003,558
		<u>13,318,282</u>	<u>12,319,725</u>
(Loss)/ Profit from ordinary activities after income tax		<u>1,104,816</u>	<u>1,049,463</u>



Canley Heights RSL & Sporting Club Limited

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2014

	2014	2013
	\$	\$
Retained Earnings at 1 January 2014	10,780,683	9,831,133
Operating (loss)/ profit after current year income tax	1,104,816	1,049,463
	<hr/>	<hr/>
	11,885,499	10,880,596
Add/(Less): Provision for Deferred tax	(54,703)	(99,913)
	<hr/>	<hr/>
	11,830,796	10,780,683
	<hr/> <hr/>	<hr/> <hr/>



Canley Heights RSL & Sporting Club Limited

(A Company Limited by Guarantee ABN 44 001 783 124)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014

Note 1: Statement of Significant Accounting Policies

The financial statements are a general purpose financial report and have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

In preparing the financial report the company has taken the exemptions available to non-profit entity.

The Financial statements of the Canley Heights RSL & Sporting Club comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB)

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated

Reporting Basis and Conventions

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

Inventories:

Inventories are valued at the lower of the cost or net realisable value.

Property, Plant and Equipment

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

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

The cost of fixed assets constructed within the economic entity includes the cost of material, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

Depreciation

The depreciation amount of all fixed assets including building and capitalised lease assets, but excluding freehold land and Gaming machines, is depreciated on straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Buildings	2.50%
Plant and Equipment	5-33.33%
Gaming room equipment	10-33.33%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.



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As 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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

Leases and Hire Purchases

Leases of fixed assets, where substantially all the risk and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Lease assets are depreciated on straight line basis over their estimated useful lives, where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases. Where substantially all the risk and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that the higher of the asset's fair value less cost to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the economic entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

As a result of uncertainties regarding the valuation of various items of Plant, it is anticipated that impairment might arise in future accounting periods.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

Income Tax

The charge of current income tax expenses is based on the profit for the year adjusted for the year adjusted for any non- assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is calculated for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that future is based on the assumption that no adverse change will occur in come taxation legislation and the anticipation that the economic entity will derive future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.



Canley Heights RSL & Sporting Club Limited

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Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the assets or as part of an item of the expenses. Receivable and payables in the statement of financial position are shown inclusive of GST.

Employee Benefits

Provision is made for the company's liability for employee benefit arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Provisions

Provisions are recognised when the entity has legal or constructive obligation, as result of past events, for which it is probable that an outflow can be reliably measured.

Comparative Figures

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

Critical Accounting estimates and judgements

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

Going Concern

The financial report has been prepared on a going concern basis, as the directors believe that this is appropriate. The directors believe that the company has sufficient funds to pay its' current liabilities and that the company does not have any going concern issues as at 31st December 2014.



Canley Heights RSL & Sporting Club Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014

	2014	2013
Note 2: Revenue	\$	\$
Sale of Goods	2,760,150	2,682,210
Services Revenue	11,448,927	10,478,774
Members subscription	43,460	38,120
Interest Received	16,089	9,622
Other Income	154,472	160,462
	<u>14,423,098</u>	<u>13,369,188</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014

	2014	2013
Note 3: Profit from Ordinary Activities	\$	\$
Profit from ordinary activities before income tax		
Expense has been determined after:		
(a) Expenses		
Cost of sales	1,281,220	1,226,356
Borrowing costs- unrelated entities		
Bank Bills- fees	210	6,836
Total borrowing cost	<u>210</u>	<u>6,836</u>
Depreciation of property, plant & equipment		
Buildings	270,365	289,684
Furniture, Plant & equipment & PM	378,407	416,785
Total depreciation	<u>648,772</u>	<u>706,469</u>
Remuneration of auditor		
Audit – 2014	19,064	17,550
	<u>19,064</u>	<u>17,550</u>
Rental expenses		
Minimum payments	30,048	35,159
Total rental expenses	<u>30,048</u>	<u>35,159</u>
(b) (Loss)/Profit on disposal of plant & equipment, PM	<u>40,621</u>	-
	<u>40,621</u>	-



Canley Heights RSL & Sporting Club Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014

	2014	2013
Note 4: Cash Assets	\$	\$
Cash on hand	305,810	286,020
Cash at bank	854,369	571,029
	<u>1,160,179</u>	<u>857,049</u>
Note 5: Inventories		
Linen & Uniforms	21,080	19,605
Club Merchandise Stock/ Prize on Hand	32,755	31,496
Bar Stock	82,270	64,843
Bistro Stock	27,591	15,855
Showcase Stock	2,189	2,965
	<u>165,885</u>	<u>134,764</u>
Note 6: Property Plant & Equipment		
Land & Buildings	11,835,346	11,799,307
Less: Accumulated Depreciation	(3,314,258)	(3,043,893)
	<u>8,521,088</u>	<u>8,755,414</u>
Furniture, Plant & Equipment at cost & fair value	6,181,778	5,944,042
Less: Accumulated Depreciation	(5,093,030)	(4,784,442)
	<u>1,088,748</u>	<u>1,159,600</u>
Poker Machines at fair value	4,369,624	4,208,515
Less: Accumulated Depreciation	(1,125,402)	(1,206,236)
	<u>3,244,222</u>	<u>3,002,279</u>
Total		
Property, Plant & Equipment at cost & fair value	22,386,748	21,951,864
Less: Accumulated Depreciation	(9,532,690)	(9,034,571)
	<u>12,854,058</u>	<u>12,917,293</u>



Canley Heights RSL & Sporting Club Limited

(A Company Limited by Guarantee ABN 44 001 783 124)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014

	2014	2013
	\$	\$
Note 8: Other Assets		
Non-current		
Finance Charges	19,878	52,057
Unlisted share investment at cost	750	750
Showcase clearings	(10,444)	(5,612)
	<u>10,184</u>	<u>47,195</u>
	<u><u>10,184</u></u>	<u><u>47,195</u></u>
Note 9: Creditors & Borrowings		
Current		
Trade Creditors & Accruals	625,093	836,515
Other Creditors	140,073	139,199
Sundry Creditors	(148)	(148)
Subscriptions in Advance	48,548	46,725
Sub-branch Loan(Unsecured)	150,000	150,000
Bank Bills – Current(Secured)	-	-
Bank Loan – (Secured)	240,000	240,000
Hire Purchase – Liability	206,883	358,395
	<u>1,410,449</u>	<u>1,770,686</u>
	<u><u>1,410,449</u></u>	<u><u>1,770,686</u></u>
Non-current		
Hire Purchases – Liability	8,975	184,561
Bank Loan – (Secured)	562,000	802,000
	<u>570,975</u>	<u>986,561</u>
	<u><u>570,975</u></u>	<u><u>986,561</u></u>

Canley Heights RSL & Sporting Club Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014

	2014	2013
	\$	\$
Note 10: Provision		
Current		
Employee Entitlements		
Annual Leave	299,521	374,958
Long Service Leave	347,434	321,765
	<u>646,956</u>	<u>696,723</u>
	<u><u>646,956</u></u>	<u><u>696,723</u></u>
Note 10(a)- Provision for employee entitlements		
Aggregate employee entitlement liability	<u>646,956</u>	<u>696,723</u>
	<u><u>646,956</u></u>	<u><u>696,723</u></u>

The provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 1.

	No.	No.
Number of employee at the year end (full time equivalent)		
Permanent	38	37
Casual	45	40
	<u>83</u>	<u>77</u>
Total	<u><u>83</u></u>	<u><u>77</u></u>



Canley Heights RSL & Sporting Club Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014

	2014	2013
	\$	\$
Note 11: Remuneration and Retirement Benefits		
(a) Directors' Remuneration		
A number of directors are paid an honorarium in accordance with the amount approved at the Annual General Meeting.		
Income Band	No. of directors	
\$0-\$10,000	8	16,000
		16,000
(b) Key Management Personnel		
Mr M Baxter	CEO	
Mr G Wong	CFO	
Mr A Mazurkiewicz	Gaming Manager	
Mr M Gavinel	Operations Managers	
Mrs M Baxter	Marketing Manager	
(c) Key Management Personnel Compensation		
Benefits and payments to the Key Management		
Personnel named above	652,883	\$623,604
Note 12: Auditors Remuneration		
Remuneration of the auditor for: Audit 2014	19,064	17,550
	<u>19,064</u>	<u>17,550</u>

Note 13: Financing Facilities

The financial bill facilities are secured by a registered first mortgage over 26 Humphries Road, Wakeley NSW 2176 and a registered mortgage debenture over the whole of the assets and undertaking of the company.

Canley Heights RSL & Sporting Club Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014

	2014	2013
	\$	\$
Note 14: Deferred Tax Reconciliation		
(a) Liabilities		
Current		
Income Tax	-	-
Non-Current		
Deferred Tax Liability:		
Tax liabilities relating to property, plant & equipment	147,680	129,566
Tax asset relating to current year taxable income	19,979	(14,143)
Tax assets relating to provisions and accruals	(48,313)	(50,780)
	<u>119,347</u>	<u>64,643</u>
(b) Reconciliation		
The overall movement in the deferred tax account is as follows:		
Opening balance	64,643	(35,270)
Charge/(credit) to Equity statement	54,703	99,913
	<u>119,346</u>	<u>64,643</u>



Canley Heights RSL & Sporting Club Limited

(A Company Limited by Guarantee ABN 44 001 783 124)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014

Note 15: Financial Instruments

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

The main purpose of non-derivative financial instruments is to raise finance for club operations.

The Club does not have any derivative instruments as at 31st December 2014.

(a) Net Fair Value

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the Notes to and forming part of the financial statements.

The carrying amounts are equivalent to fair value.

(b) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provision for doubtful debts, as disclosed in the Statement of Financial Position and Notes to and forming part of the Financial statements.

(c) Interest Rate Risk

All financial assets and liabilities are non-interest bearing with the exception of cash at bank and bank bills.

The weighted average rate for cash during the year was 2.25% (2013: 2.35%)

The weighted average rate for bank bills during the year was 6.86% (2013: 6.86%)

The Club's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

Canley Heights RSL & Sporting Club Limited

(A Company Limited by Guarantee ABN 44 001 783 124)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014

Fixed Interest Maturing

Note 15: Financial Instruments (Cont'd)

	Weighted Average Effective Interest Rate		Floating Interest Rate		Within one year		1 to 5 Years		Non-interest Bearing		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:												
Cash and cash equivalents	2.35	3.00	1,160,179	857,049	-	-	-	-	-	-	1,160,179	857,049
Receivables	-	-	-	-	-	-	-	-	-	3,400	-	3,400
Investments	-	-	-	-	-	-	-	-	-	-	-	-
			1,160,179	857,049	-	-	-	-	-	3,400	1,160,179	860,449
Financial Liabilities:												
National Australia Banking Credit Cards	15.50	15.75	-	-	3,761	5,616	-	-	-	-	3,761	5,616
NAB Loan	6.86	7.08	-	-	240,000	240,000	562,000	802,000	-	-	802,000	1,042,000
Trade and other payables	-	-	-	-	-	-	-	-	621,332	830,899	621,332	830,899
HP Liabilities	6.90	7.17	-	-	206,883	358,395	8,975	184,561	-	-	215,858	542,956
Other Borrowings	-	-	-	-	-	-	188,474	185,776	-	-	188,474	185,776
Unsecured Loan	5.00	5.00	-	-	-	-	150,000	150,000	-	-	150,000	150,000
			-	-	450,644	604,011	909,449	1,322,337	621,332	830,899	1,981,425	2,757,247



Canley Heights RSL & Sporting Club Limited

(A Company Limited by Guarantee ABN 44 001 783 124)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014

Note 16: Related Party Transactions

There were no related party transactions in 2014.

Note 17: Events subsequent to reporting date

There is no event subsequent to the reporting date.

Note 18: Contingent Liabilities and Contingent Assets

The club is incorporated as a company limited by guarantee. In accordance with the Memorandum of Articles every member undertakes to contribute an amount equal to \$2.00 per member in the event of winding up.

Note 19: Guarantee

The National Australia Bank has given an undertaking of \$5,000 to the TAB on behalf of the Club.

Note 20: Sporting Club Bank balances

The combined bank balances of the various sporting clubs were \$19,178 as at 31st December 2014. These accounts are not shown elsewhere in the Financial Statements. The balance would be due and payable to the Club if it was wound up.

Note 21: Company Details

The registered office of the company is:

Canley Heights RSL & Sporting Club Limited
26 Humphries Road
Wakeley NSW 2176

Note 22: Financial Reporting by Segments

Canley Heights RSL & Sporting Club Limited operates predominantly in one industry conducting the business of a licensed club registered under the Registered Clubs Act 1976 (as amended). The Club operates in one geographical area, being Wakeley NSW.

Canley Heights RSL & Sporting Club Limited

(A Company Limited by Guarantee ABN 44 001 783 124)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2014

	Note	2014 \$	2013 \$
<i>Cash Flows from Operating Activities</i>			
Receipts from customers		14,407,009	13,359,566
Payments to suppliers and employees		(12,879,123)	(11,525,610)
Interest received		16,089	9,622
Interest paid		(74,698)	(79,048)
Borrowing costs(bill fees)		(210)	(6,836)
<i>Net cash provided by (used in) operating activities</i>	2	1,469,067	1,757,694
<i>Cash Flows from Investing Activities</i>			
Sale of property, plant & equipment		41,500	-
Payment for property, plant & equipment		(640,338)	(785,856)
<i>Net cash provided by (used in) investing activities</i>		(598,838)	(785,856)
<i>Cash Flows from Financing Activities</i>			
Addition/(Reduction) in bank bills and Loan		-	(1,075,000)
Addition/(Reduction) in bank loans		(240,000)	1,042,000
Addition/(Reduction) in HP liability		(327,099)	(437,023)
Addition/(Reduction) in HP liability - TITO		-	(447,618)
<i>Net cash provided by (used in) financing activities</i>		(567,099)	(917,641)
Net increase (decrease) in cash held		303,130	54,197
Cash at the beginning of financial year		857,049	802,852
Cash at the end of reporting period (Cashflow Note 1)	4	1,160,179	857,049



Canley Heights RSL & Sporting Club Limited

(A Company Limited by Guarantee ABN 44 001 783 124)

Notes to the Statement of Cash Flows

Note 1: Reconciliation of Cash

	2014	2013
	\$	\$
Cash in all statements of Cash flow includes cash on hand, in bank and Investment in money markets and is net of any bank overdrafts.		
Cash at the end of the reporting period as outlined in the Statement of Cash Flows is reconciled to the respective items in the statement, if financial position is as follows:		
Cash on hand	305,810	286,020
Cash at bank	854,369	571,029
	<u>1,160,179</u>	<u>857,049</u>

Note 2: Reconciliation of Net Cash Provided by Operating Activities

Operating Profit / (Loss)	1,104,816	1,049,462
Depreciation & amortisation	648,772	706,649
(Gain)/Loss on Sale of Assets	(41,399)	-
Increase/ (Decrease) in Accounts payable/ Accruals	(210,549)	(131,336)
Increase/ (Decrease) in Subscriptions in advance	1,823	9,941
Increase/ (Decrease) in Provisions and Deferred tax	4,936	99,913
Increase/ (Decrease) in Borrowings	-	(163,384)
(Increase)/ Decrease in Prepaid expenses	(4,827)	79,046
(Increase)/ Decrease in Debtors	(35,562)	28,900
(Increase)/ Decrease in Inventory	(31,121)	2,122
(Increase)/ Decrease in Finance charges	32,178	76,381
Net Cash provided by Operating Activities	<u>1,469,067</u>	<u>1,757,694</u>

Canley Heights RSL & Sporting Club Limited

(A Company Limited by Guarantee ABN 44 001 783 124)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CANLEY HEIGHTS RSL & SPORTING CLUB LIMITED
ABN 44 001 783 124

SCOPE

Report on the Financial Statements

We have audited the accompanying financial report of Canley Heights RSL & Sporting Club Limited, which comprises the Statement of Financial Position as at 31st December, 2014 and the Statements of Comprehensive Income, Statement of Changes to Equity, Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Director's Declaration.

Directors Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the Financial Report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and for such internal controls as the Directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These auditing standards require that we comply with the relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

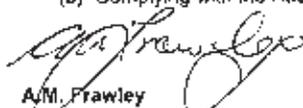
INDEPENDENCE

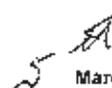
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

AUDITOR'S OPINION

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

- (a) Giving a true and fair view of the Company's financial position as at 31st December, 2014 and of its performance for the year ended on that date; and
- (b) Complying with the Australian Accounting Standards and the Corporations Act 2001


A.M. Frawley
D.M. Walsh & Co
Chartered Accountant

Dated  March 2015

Board of Directors 2014



Ennio Facchetti
PRESIDENT



Neil Johnson
VICE-PRESIDENT



George Collett
TREASURER



Kathryn Dawson
DIRECTOR



Frank Tedesco
DIRECTOR



Kevin Todd
DIRECTOR



Christine Simmons
DIRECTOR



Robert Neesam
DIRECTOR



Canley Heights RSL & Sporting Club Limited

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