



**Canley Heights RSL
& Sporting Club**

Annual Report 2018

Year ending 31st December 2018

Board of Directors 2018



Ennio Facchetti
PRESIDENT



Frank Tedesco
VICE-PRESIDENT



Kathryn Dawson
DIRECTOR



Neil Johnson
DIRECTOR



Robert Neesam
DIRECTOR



Christine Simmons
DIRECTOR



Kevin Todd
DIRECTOR

Canley Heights RSL & Sporting Club Limited

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

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President's Report



It is with great disappointment that I report a loss of \$143,739 for the year ending 2018. I will leave the financial details with Gilbert the Club Accountant to explain, but it's not all doom and gloom. Over the past 12 months we have renovated the outdoor gaming terrace, increased the Bistro seating as well as adding a new children's play area. We have also continued to provide the best promotions and value for money dining.

I would like to thank Richard (Taffy) Pritchard and his Sub-Branch for their continued support and respect. I would like to welcome back our Sporting Groups: Football, Rugby League, Netball, Golf, Euchre, Cricket and our new members the Ballroom Dancing and Jazz Ballet. I wish every group the very best for the coming year.

I would like to thank Management and Staff for your effort during the past year. Whilst it has been difficult, the majority of you stayed positive and loyal and we are now seeing an improvement in our trading as management and the Board continue to work together for the benefit of the Members and Staff. To the Board of Directors, thank you for your input and loyalty in supporting Management. As a team we all know the importance of supporting each other and thank you for putting the Club and Members interests first.

To the Members - again THANK YOU for your continuous support. Like I have said in my 7 previous reports, without your loyalty and support there is no Canley Heights RSL and Sporting Club, so on behalf of the Management, Staff and the Board of Directors again Thank you.

As this is an election year this may be my last report, so I would like say that in the past 8 years as Club President it has been a pleasure to have served this great club. I have overseen 7 years of Profits and have seen the Assets of the Club increase.

With the continuing support of Management and the Board I know that Members and Staff can come to this Club and know that if they are bullied, abused, threatened or picked on because of their colour, size or religious background that the Management and the Board will act to provide a SAFE work and social environment. I have been fortunate to work with many Directors and apart from a couple the rest have always put the CLUB before self-interest.

I would like to thank everyone that has supported me. Finally, I must say THANK YOU to Mark Baxter the Club CEO for all your support and advice and loyalty over the past 8 years, you have made my job a lot easier.

All the Best

Ennio Facchetti
President

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CEO's Report



Another year has passed and whilst there are numerous positives to report on, the fact that we are posting a loss of \$143,739 is not lost upon the Board or myself.

The past 2 years of profit and loss have neutralised one another and that is probably a fair reflection of where the club has been over that period.

2 years ago we upgraded the car park to accommodate an extra 40 cars, which was overdue but well received. Last year we completed our Gaming Terrace, Rollers Room and Children's Outdoor areas. I'm sure you would agree that they are all great additions to the Club.

There are further plans to improve the foyer and bistro areas after we have put a dent in the \$2M worth of debt.

Once again the Club has stayed true to the members with subsidized meals, drinks and entertainment. Monday Madness is well patronised. I believe this is due to the great standard of food and service provided by head chef Raj and his team.

The 2-course meal and show known as Vegas Lunch housed 1,334 patrons in 2018. Taking the overall total to 6,359 since its inception in August 2014. In the next 3 months we have Stephen Fisher King, followed by a Daniel O'Donnell and Gospel Show. Then in June "A Star is Born" show. Vegas Days are the 3rd Friday of the Month and for \$15 you get a very enjoyable 3 hours of food and entertainment at great value.

This year the Club will be giving away 4 cars. The first of which was claimed on 31st March. They are all displayed in the club foyer and are spend-based driven. The more you spend the more automated tickets you have in the barrel. This replaces the old Badge Draw.

The Club has been trading exceptionally well since the end of October and has made a profit each month since then. We are currently experimenting and measuring changes to catering, gaming, bar and entertainment, and I would encourage all members to utilise the suggestion box located in the foyer with good or bad feedback to assist us with those changes as they occur.

The Club wouldn't be what it is today with our loyal members and our dedicated staff and management. We have a lot of conscientious employees with high levels of care factor and outstanding customer service skills for which I am extremely grateful.

Finally, I would like to take this opportunity to thank Mr Ennio Facchetti and his Board of Directors for their continued support. They often have to make hard decisions and they make them with the best interest of the club their priority.

Regards

Mark Baxter
CEO

Canley Heights RSL & Sporting Club Limited

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Financial Controller's Report

Dear Members,

I present my report and Financial Statements for Canley Heights RSL & Sporting Club Limited for the year ended 31 December 2018.

2018 saw a loss of \$143,739 as compared to a profit of \$147,687 seen back in 2017. Total revenue earned for the year ended 31 December 2018 from all activities of the Club was \$15,844,179 compared to \$14,963,133 from the 2017 year. Despite seeing a loss for the 2018 year, our Club's revenue increased by \$881,046 during the year, of which \$601,304 of this amount was derived from the Poker Machine revenue.

During the first half of 2018, our Club underwent some renovations to improve and provide a better experience and atmosphere to the Alfresco Gaming Area, outdoor dining area and even have a new Kid's play area. Capital additions incurred in 2018 was \$2,563,634, compared to \$1,812,576 from the previous year, which saw an increase of \$751,058 due to the additional renovations performed in that year.

Poker gaming activities, including Poker machine tax saw an increase of \$239,058 (6.86%) in the 2018 from the previous year which is evident with the increase of the Poker Machine revenue seen during the year. The Gaming department saw some positive changes in 2018 with the new tier system and staff experience programs. We can only hope to see this improve further moving forward in 2019.

The total Club Grants provided in 2018 was \$290,888 compared to \$247,973.00 (2017). This amount shows an increase of 51,830 which was provided to various Charity Organisations and Bodies from our Club for the periods 1 September 2017 to 31 August 2018. Of these totals, we provided \$119,388.00 to various charitable organisations under Category A in the Fairfield Council and surrounding areas and in Category B, we gave grants amounting to \$171,500.00 to our in-house sporting groups and local community groups. This is such a fantastic indication of what we do for the charities and local communities and hope that we can continue this legacy in the long term.

Direct expenses and cost of sales for Bar and Bistro increased in the year. Cost of sales increased by 4.97% (\$28,820) and 9.71% (\$82,577) respectively. Marketing and Promotion expenses increased by \$337,876 in 2018 (\$1.901 million) over 2017. A total of \$699,035 was spent on the Bar and Bistro promotions where our valued members get to enjoy. Employment expenses (including superannuation expenses) also increased by \$423,342 (9.06%) compared to 2017. All other Administration expenses increased by 9.02% (\$414,576) in 2018 compared to 2017.

Club Cash flow saw another decrease in 2018, being \$247,386, giving our Club a Cash on Hand Balance at year-end of \$1,396,659, compared to \$1,644,045 from 2017. Net cash provided by operating activities increased by \$22,565 in 2018 compared to 2017. Bank Loans (Net) increased by \$956,557 and HP Liability also increased by \$347,044. In my opinion, the Club's Cash flow requires monitoring with reasonable care to ensure that the Club is able to meet its obligations and commitments.

Net Assets decreased by \$50,078 during the financial year which was resulted from the Club's operations and Deferred Tax Adjustments. This also saw the equity decreased to \$14,235,688 as compared to \$14,286,266 from the previous year. As a measure of financial performance, the return on equity is -1.01% (2017: 1.06%).

I end my report with thanks to Mark Baxter and the Board of Directors for their support during the year. To our dedicated staff and Management Team, thank you for the support and assistance in 2018.

To all our valued Members and their guests, thank you for your support and patronage and we hope to see you again at our Club.

Yours faithfully,

Gilbert Wong CPA, CA(M), B BUS (ACCOUNTING), AD DIP (HOSPITALITY)
Financial Controller

Canley Heights RSL & Sporting Club Limited

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Annual General Meeting - Sunday 20th May 2018

58 Members in attendance

Main Table: E. Facchetti #160 (President)
M. Baxter (CEO)
G. Wong (Financial Controller)
A. Frawley (Auditor)
B. Gotterson (Pigott Stinson)

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: R. Pritchard #3, G. Lewsam #24, R. Baker #57, R. Press #98, V. Press #2254, P. Press #6205,
T. Bray #1104, G. Dawson #361, R. O'Keefe #60

Confirmation and Acceptance of the 2017 Annual General Meeting Minutes.

Moved: A. Kiernan #1

Seconded: W. Lottey #18

Carried

Club Update

E. Facchetti #160 advised the Members of the various club upgrades including the car park, terrace, brasserie, increased seating and improved facilities. We currently have approx 8000 members with 150 machines, we are punching above our weight. We cant compete with the bigger clubs like Mounties and Smithfield, but we can do things as we can afford to do them, the coming year may be a year of consolidation, not as many building projects, but we will continue to do minor things as we can afford to do them.

E. Facchetti #160 thanked his fellow Board Members and the Management team for the past 12 months

There were no Financial questions received from the Members in relation to the Financial Report so it was moved for: **Confirmation and Acceptance of the 2017 Annual Report**

Moved: P. Barber #5722

Seconded: K. Dawson #362

Carried

The Members are to Receive and Consider and if thought fit adopt the Annual Report issued to members for the year ending 31st December 2016 (including Resolutions 1- 7) & (Special Resolutions 1 – 2) 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.
- **Resolution 2 – Directors' Honorariums**
Vote taken and accepted.
- **Resolution 3 – Sub-Clubs, Sporting Groups, Charitable Organizations & Other Intra-Club Bodies**
Vote taken and accepted.
- **Resolution 4 – Members Service Badges**
Vote taken and accepted.
- **Resolution 5 – Life Members – Complimentary Beverage**
Vote taken and accepted.
- **Resolution 6 – Life Members - Designated Car Spaces**
Vote taken and accepted.
- **Resolution 7 – Welfare Officers**
Vote taken and accepted.



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Special Resolutions *(which will result in amendments to the Constitution)*

First Special Resolution

Amendments to the Clubs Constitution to keep in line with the Corporations Act including:

That the Constitution of Canley Heights RSL & Sporting Club limited be amended by **deleting** Rule 69(b) and in its place **inserting** the following new Rule 69(b):

"The Board must call and arrange to hold a general meeting of the Club on the request of members with at least five per cent (5%) of the votes that may be cast at the general meeting. In this Rule 69, the term "the request" shall mean the request referred to in this Rule 69(b)."

Notes to Members on First Special Resolution were outlined and explained to the members

A vote was taken, and the First Special Resolution was accepted.

Second Special Resolution

The Second Special Resolution will amend paragraph (a) in the Club's Objects (Rule 10) to more properly reflect the sporting activities which are promoted and encouraged by the Club.

The Second Special Resolution will also delete rules 10 (f) and (g) which would have been included in the Club's Constitution for historical reasons but which are now no longer relevant to the Club

A vote was taken, and the Second Special Resolution was accepted.

General Business

J. Dhu #9481 – Thankyou to the Board, Mark, Michelle, the Staff and the members for their assistance with her fundraising for the Cancer Council. \$18,000 was raised last year thanks to the amazing kitchen staff, Raj & Shameran and the staff in there.

K. Bury #1860 – On behalf of the Board and the Team at Disability South West – congratulations and thanks to Club and Staff for the help and support they've given this organization.

M. Derewianka #6753 – Representing the Car Club – Thankyou to the Club for providing a meeting venue for our group and thanks to the Breakfast staff.

Meeting Closed: 9:54am

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Notice Of Annual General Meeting

**COMMENCES AT 9:30AM SHARP ON SUNDAY 19 MAY 2019 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

To confirm the minutes of the Annual General Meeting held on Sunday, 20th May 2018.

Club Update

Annual Report

- 2) To receive and consider the Annual report to members for the year ended 31st December 2018 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

- 3) 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

- 4) 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."*

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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:

<i>President</i>	<i>\$7,500.00</i>
<i>Vice President</i>	<i>\$5,000.00</i>
<i>Directors</i>	<i>\$3,000.00</i>

(b) The honorariums shall be paid in quarterly instalments in arrears."

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 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, twenty years continuous membership and each five (5) years' continuous membership of the Club thereafter."

Resolution 5: Life Members - Complimentary Beverage

"That, as and from 19 May 2019 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 19 May 2019 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.

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.

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.

Resolution 7: Welfare Officers

"That members hereby approve the Welfare Officer(s) receiving an honorarium pursuant to section 53A of the Club's Constitution, being:

(a) If one (1) Welfare Officer is appointed by the Board, a maximum of \$4,800.00; or

(b) If two (2) Welfare Officers are appointed by the Board a maximum of \$2,400.00 each."

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Special Resolutions – Proposed Amendments to the Constitution

- 5) 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

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

Dated: 25 March 2019

By order of the Board of Directors

A handwritten signature in black ink, appearing to read 'M Baxter', is positioned above a horizontal line.

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 2019 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.

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Notice Of Special Resolution For Annual General Meeting

NOTICE is hereby given that during the Annual General Meeting of the CANLEY HEIGHTS R.S.L. AND SPORTING CLUB LIMITED to be held on Sunday 19th May 2019 commencing at the hour of 9:30am at the premises of the Club, 26 Humphries Road, Wakeley, New South Wales, members will be asked to consider, and if thought fit pass, the following Special Resolution.

PROCEDURAL MATTERS FOR SPECIAL RESOLUTIONS

1. To be passed, a Special Resolution must receive votes in favour from 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 Resolution is to be read in conjunction with the notes to members.
3. **Only Life members, financial Service members and financial Ordinary members who have been financial members for a period of at least 12 months are entitled to vote on the Special Resolution.**
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 a Special Resolution (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 Resolution to members.

SPECIAL RESOLUTION

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

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

- (a) **deleting** from Rule 9(d) the words, "*subsection 2(b)*" and in lieu thereof **inserting** the words, "*subsection 2*" and by deleting, "2002".
- (b) **deleting** "2002" from Rule 9(e).
- (c) **inserting** into Rules 27(c) (i) and 29(f) (i) after the words, "*the name in full*" the words, "*or surname and initials*".
- (d) **inserting** in the following new Rule 43 (a) (viii):

"(viii) The Board shall have the power to adjourn, for such period as it considers fit, a meeting pursuant to this Rule 43."
- (e) **deleting** Rule 46 and **replacing** it with the following new Rule 46:

"46. (a) The business and affairs of the Club and the custody and control of its funds and property shall be managed by a Board of Directors consisting of seven (7) Directors comprising of a President, a Vice President and five (5) other Directors.

(b) The Board may appoint up to two (2) Board Appointed Directors provided any proposed appointment under this Rule does not cause the number of directors on the Board to exceed nine (9) at any time.

(c) The provisions of the Registered Clubs Act and Registered Clubs Regulations shall apply in respect of Board Appointed Directors.

(d) Board Appointed Directors only have to satisfy the requirements of the Registered Clubs Act and Registered Clubs Regulations to be appointed and do not have to satisfy any requirement in this Constitution including without limitation belonging to a particular category of membership."

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(f) **deleting** Rules 63, 64 64C through to 66G and replacing them with the following new Rules 63 and 64:

"63. MATERIAL PERSONAL INTERESTS OF DIRECTORS

- 63 (a) *Any director who has a material personal interest in a matter that relates to the affairs of the Club must, as soon as practicable after the relevant facts have come to the director's knowledge declare the nature of the interest at a meeting of the Board and comply with Rule 63.*
- (b) *Subject to Section 195 of the Act, a director who has a material personal interest in a matter that is being considered at a meeting of the Board, or of the Directors of the Club:*
- (i) *must not vote on the matter; and*
 - (ii) *must not be present while the matter is being considered at the meeting.*

64. Registered Clubs Accountability Code

- 64.1. *The Club must comply with the requirements of the Registered Clubs Accountability Code (as amended from time to time) and the provisions of this Rule 64.*
- 64.2 *For the purposes of this Rule 64, the terms "close relative", "controlling interest", "manager", "pecuniary interest" and "top executive" shall have the meanings assigned to them by the Registered Clubs Act and Registered Clubs Regulations.*

Contracts With Top Executives

- 64.3 *The Club must ensure that each top executive has entered into a written employment contract with the Club dealing with:*
- (a) *the top executive's terms of employment; and*
 - (b) *the roles and responsibilities of the top executive;*
 - (c) *the remuneration (including fees for service) of the top executive;*
 - (d) *the termination of the top executive's employment.*
- 64.4 *Contracts of employment with top executives will not have any effect until they approved by the Board and they must be reviewed by an independent and qualified adviser before they can be approved by the Board.*

Contracts With Directors Or Top Executives

- 64.5 *The Club must not enter into a commercial arrangement or a contract with a director or top executive or with a company or other body in which a director or top executive has a pecuniary interest, unless the proposed commercial arrangement or contract is first approved by the Board.*
- 64.6 *A "pecuniary interest" in a company for the purposes of Rule 64.5 does not include any interest exempted by the Registered Clubs Act.*

Contracts With Secretary And Managers

- 64.7 *Unless otherwise permitted by the Registered Clubs Act, the Club must not enter into a commercial arrangement or contract with:*
- (a) *the Secretary or a manager; or*
 - (b) *any close relative of the Secretary or a manager;*
 - (c) *any company or other body in which the Secretary or a manager or a close relative of the Secretary or a manager has a controlling interest.*

Loans To Directors And Employees

- 64.8 *The Club must not:*
- (a) *lend money to a director of the Club; and*
 - (b) *unless otherwise permitted by the Registered Clubs Act and Regulations, the Club must not lend money to an employee of the Club unless the amount of the proposed loan is ten thousand dollars (\$10,000) or less and the proposed loan has first been approved by the Board.*

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Restrictions On The Employment Of Close Relatives Of Directors And Top Executives

- 64.9 A person who is a close relative of a director or top executive must not be employed by the Club unless their employment is approved by the Board.
- 64.10 If a person who is being considered for employment by the Club is a close relative of a director of the Club, the director must not take part in any decision relating to the person's employment.

Disclosures By Directors And Employees Of The Club

- 64.11 A director, top executive or employee of the Club must disclose any of the following matters to the Club to the extent that they relate to the director, top executive or employee:
- (a) any material personal interest that the director has in a matter relating to the affairs of the Club; and
 - (b) any personal or financial interest of the director or top executive in a contract relating to the procurement of goods or services or any major capital works of the Club;
 - (c) any financial interest of the director or top executive in a hotel situated within forty (40) kilometres of the Club's premises;
 - (d) any gift (which includes money, hospitality and discounts) valued at one thousand dollars (\$1,000) or more, or any remuneration (including any fees for service) of an amount of one thousand dollars (\$1,000) or more, received by the director, top executive or employee from an affiliated body of the club or from a person or body that has entered into a contract with the Club.
- 64.12 The Club must keep a register in an approved form containing details of the disclosures made to the Club in accordance with Rule 64.11.

Provision of Information To Members

- 64.13 The Club must:
- (a) make the information required by the Registered Clubs Regulations available to the members of the club within four (4) months after the end of each reporting period to which the information relate; and
 - (b) indicate, by displaying a notice on the Club's premises and on the Club's website (if any), how the members of the club can access the information."

- (g) **deleting** Rule 66 (c) and **inserting** the following new Rule 66 (c):

"if the person holding that office is absent without special leave from 3 consecutive meetings of the Board and the Board has not, within 14 days of having been given a notice by the secretary giving details of the absence, resolved that special leave be granted."

- (h) **inserting** into Rule 78 (b) after the words, "A poll may be demanded by" the words, "the chairperson or".

- (i) **deleting** Rules 90 and 91 and **replacing** them with the following new Rules 90, 91, 91A, 91B and 91C.

"90 A notice may be given by the Club to any member either:

- (a) personally; or
- (b) by sending it by post to the address of the member recorded for that member in the Register of Members kept pursuant to this Constitution;
- (c) by sending it to the electronic address (if any) nominated by the member.
- (d) by notifying the member in accordance with Rule 91 (in the case of notices of general meetings (including Annual General Meetings) only)

91 If the member nominates:

- (a) an electronic means (the nominated notification means) by which the member may be notified that notices of meeting are available; and
 - (b) an electronic means (the nominated access means) the member may use to access notices of meeting;
- the Club may give the member notice of the meeting by notifying the member (using the nominated notification means):
- (c) that the notice of meeting is available; and
 - (d) how the member may use the nominated access means to access the notice of meeting.

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91A Where a notice is sent by post to a member in accordance with Rule 90 (b) the notice shall be deemed to have been received by the members:

- (a) in the case of a notice convening a meeting, on the day following that on which the notice was posted; and
- (b) in any other case, at the time at which the notice would have been delivered in the ordinary course of post.

91B Where a notice is sent by electronic means, the notice is taken to have been given on the day following that on which it was sent."

91C Where a notice of general meeting (including Annual General Meeting) is sent to a member in accordance with Rule 91 the notice is taken to be given on the day following that on which the member is notified that the notice of meeting is available."

Notes to Members on Special Resolution

1. The Special Resolution proposes a number of amendments to the Constitution to ensure the Constitution:
 - (a) reflects and is consistent with current legislation; and
 - (b) is up to date and in good working order.
2. **Paragraphs (a) and (b)** insert correct references within the *Gaming Machines Act*.
3. **Paragraph (c)** amends existing provisions relating to the registers of Honorary members and Temporary members to bring those provisions into line with the *Registered Clubs Act*.
4. **Paragraph (d)** inserts a new provision relating to disciplinary proceedings to allow the Board of Directors to adjourn the hearing of any disciplinary hearing if thought necessary.
5. **Paragraph (e)** proposes to provide the Board with the power to appoint up to two (2) directors to the Board (who are not elected by members or appointed by the Board to fill casual vacancies).
6. The *Registered Clubs Act* and *Registered Clubs Regulations* enable boards of registered clubs to appoint up to two (2) directors (who are not elected by members or appointed by the Board to fill casual vacancies) to the Board.
7. If the Special Resolution is passed, the Board **may** appoint up to two (2) directors to the Board.
8. For the avoidance of doubt:
 - (a) the directors appointed to the Board are **in addition** to the seven (7) directors elected by members or appointed by the Board to fill casual vacancies so the Board could consist of 9 directors; and
 - (b) the Board is not required to appoint persons to the Board but it may do so if it wishes;
 - (c) any person appointed by the Board to be a director only has to satisfy the requirements of the *Registered Clubs Act* and *Registered Clubs Regulations* to be appointed and does not have to satisfy any requirement in this Constitution such as belonging to a particular category of membership or being a member for a specific period of time before standing for or being elected or appointed to the Board;
 - (d) if a person is appointed to the Board, the Club must, within twenty one (21) days of the appointment, display a notice on the Club's noticeboard and website stating:
 - (i) the reasons for the person's appointment, and
 - (ii) the person's relevant skills and qualifications, and
 - (iii) any payments to be made to the person in connection with his or her appointment.
9. This amendment allows the Board to identify persons with particular skills, expertise and experience which may be beneficial to the Club and allow the Board to appoint those persons to the Board.
10. **Paragraph (f)** amends existing provisions relating to corporate governance and accountability to bring the Constitution into line with the recent and significant amendments to the corporate governance and accountability provisions of the *Registered Clubs Act* and *Registered Clubs Regulation*.

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11. **Paragraph (g)** amends the existing provision relating to vacancies on the Board to clarify that if a Director is absent from 3 consecutive Board meetings without leave of absence a casual vacancy in his or her office will arise. Currently the absence has to be from Board meetings over 3 consecutive months.
12. **Paragraph (h)** amends existing provisions relating to proceedings at general meetings to allow the chairperson of the meeting to demand a poll in respect of every question submitted to a meeting (other than a Special Resolution). This is a common clause in club constitutions.
13. **Paragraph (i)** proposes to introduce an additional way in which the Club may give notices of general meetings (including Annual General Meetings) to members.
14. It proposes that:
 - (a) A member may nominate an electronic means (the nominated notification means) by which the member may be notified that notices of meeting are available and an electronic means (the nominated access means) the member may use to access notices of meeting; and
 - (b) If a member has made the nomination referred to in paragraph (a), the Club may give the member notice of the meeting by notifying the member using the nominated notification means that the notice of meeting is available and how the member may use the nominated access means to access the notice of meeting.
15. The above procedure is permitted by the *Corporations Act*.
16. By way of example, the above procedure could involve:
 - (a) a member making a written nomination to the Club that he or she wishes to be notified that notices of meeting are available by text message and that he or wishes to access notices by clicking the link in the text message; and
 - (b) after receiving that written nomination, the Club sends a text message to the member notifying him or her that the notice of meeting is available and it can be accessed by clicking the link in the message.
17. Members will only receive notices of meeting in the above manner if they nominate to do so.

Dated: 25 March 2019

By direction of the Board of Directors

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

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 2018:

- (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 2018.

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 loss of the economic entity for the year after income tax expense was: **-\$143,739**

Net Profit 2017: \$147,687

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 19 years
Tedesco, Frank	Vice President	Director 16 years
Johnson, Neil	Vice President	Director 9 years
Simmons, Christine	Director	Director 8 years
Todd, Kevin	Director	Director 10 years
Dawson, Kathryn	Director	Director 19 years
Neesam, Robert	Director	Director 8 years

AUDITOR INDEPENDENCE

Two directors received a declaration of independence from the auditors. The declaration is included within this annual report

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	12
F. Tedesco	12	10
K. Dawson	12	12
N. Johnson	12	0
K. Todd	12	12
R. Neesam	12	11
C. Simmons	12	12

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 \$4,217.48.

Signed in accordance with a Resolution of the Directors.

A handwritten signature in black ink, appearing to read 'E. Facchetti', is positioned above the name and title.

E. Facchetti
President

25th March 2019



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, 2018.**

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 within a 12 month period; 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

A handwritten signature in black ink, appearing to read 'E. Facchetti', written over a horizontal line.

E. Facchetti
President

25th March 2019

Canley Heights RSL & Sporting Club Limited

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

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, 2018, 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.

D M Walsh & Co.
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Anthony M. Frawley', is written over a horizontal line.

Anthony M. Frawley
Registered Company Auditor

Suite 4, 1st Floor 100 Pacific Highway,
Waitara NSW 2077

Dated 18th March, 2019

Canley Heights RSL & Sporting Club Limited

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BALANCE SHEET AS AT 31ST DECEMBER 2018

	Note	2018	2017
CURRENT ASSETS		\$	\$
Cash Assets	4	1,396,659	1,644,045
Receivables		550	4,658
Inventories	5	149,814	169,776
Prepayments		37,460	44,338
TOTAL CURRENT ASSETS		1,584,483	1,862,817
NON-CURRENT ASSETS			
Property, plant & equipment	6	16,978,504	15,169,141
Intangible assets	7	283,390	283,390
Deferred tax assets	14	385,418	292,257
Other assets	8	92,698	21,522
TOTAL NON- CURRENT ASSETS		17,740,010	15,766,310
TOTAL ASSETS		19,324,493	17,629,127
CURRENT LIABILITIES			
Creditors & Borrowings	9	2,410,302	1,482,208
Provisions	10	793,061	728,317
TOTAL CURRENT LIABILITIES		3,203,363	2,210,525
NON-CURRENT LIABILITIES			
Creditors & Borrowings	9	1,885,442	1,132,336
TOTAL NON-CURRENT LIABILITIES		1,885,442	1,132,336
TOTAL LIABILITIES		5,088,805	3,342,861
NET ASSETS		14,235,688	14,286,266
EQUITY			
Retained earnings		14,235,688	14,286,266
TOTAL EQUITY		14,235,688	14,286,266

Canley Heights RSL & Sporting Club Limited

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INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2018

	Note	2018 \$	2017 \$
Revenue from ordinary activities	2	15,844,179	14,963,133
Expenses from ordinary activities			
Cost of sales and direct expenses:			
Bar		608,617	579,797
Bistro		933,010	850,433
Gaming activities		3,413,795	3,194,572
Entertainment and TV Sport		36,849	33,816
Sporting group allocations		126,664	120,468
Depreciation & amortisation expenses		750,247	749,156
Employment Expenses		5,097,037	4,673,695
Borrowing Costs		96,497	67,224
Other expenses from ordinary activities		4,925,202	4,546,285
		15,987,918	14,815,446
(Loss)/ Profit from ordinary activities before income tax		(143,739)	147,687



Canley Heights RSL & Sporting Club Limited

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2018

	2018	2017
	\$	\$
Retained Earnings at the beginning of the year	14,286,266	13,911,261
Operating (loss)/profit after current year income tax	(143,739)	147,687
	<u>14,142,527</u>	<u>14,058,948</u>
Add/(Less): Provision for Deferred tax	93,161	227,318
Retained Earnings at the end of the year	<u><u>14,235,688</u></u>	<u><u>14,286,266</u></u>

Canley Heights RSL & Sporting Club Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018

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.

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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 with in 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 2018.



Canley Heights RSL & Sporting Club Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018

	2018	2017
	\$	\$
Note 2: Revenue		
Sale of Goods	3,322,149	3,086,156
Services Revenue	12,168,632	11,611,006
Members Subscription	28,790	43,265
Interest Received	1,468	4,791
Other Income	323,140	217,915
	<u>15,844,179</u>	<u>14,963,133</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018

	2018	2017
	\$	\$
Note 3: Profit from Ordinary Activities		
Profit from ordinary activities before income tax		
Expense has been determined after:		
(a) Expenses		
Cost of sales	1,541,627	1,430,230
Total borrowing cost	96,497	67,224
Depreciation of property, plant & equipment		
Buildings	295,788	284,455
Furniture, Plant & equipment & PM	454,459	464,701
Total depreciation	750,247	749,156
Remuneration of auditor		
Audit	24,000	22,000
	24,000	22,000

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018

	2018	2017
	\$	\$
Note 4: Cash Assets		
Bank	1,001,199	1,288,585
Cash on hand	395,460	355,460
	1,396,659	1,644,045
Note 5: Inventories		
Club Merchandise Stock/ Prize on Hand	29,928	31,109
Bar Stock	106,242	116,596
Bistro Stock	13,644	19,960
Showcase Stock	-	2,111
	149,814	169,776
Note 6: Property Plant & Equipment		
Land	1,014,636	1,014,636
Buildings	14,179,246	12,478,757
Less: Accumulated Depreciation	(4,442,149)	(4,138,757)
	10,751,733	9,354,636
Furniture, Plant & Equipment at cost & fair value	8,892,938	8,562,631
Less: Accumulated Depreciation	(6,630,014)	(6,176,497)
	2,262,924	2,386,134
Poker Machines at fair value	4,953,363	4,444,256
Less: Accumulated Depreciation	(989,516)	(1,015,885)
	3,963,847	3,428,371
Total		
Property, Plant & Equipment at cost & fair value	29,040,183	26,500,280
Less: Accumulated Depreciation	(12,061,679)	(11,331,139)
	16,978,504	15,169,141

Canley Heights RSL & Sporting Club Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018

Note 6: Property, plant and Equipment (cont'd) \$ \$ \$

Movements in Carrying Amounts

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

	Land & Buildings	Poker Machines, Furniture, Plant & Equipment	Total
Carrying amount at the beginning of the year 2017	8,451,742	5,653,979	14,105,721
Additions	1,187,349	625,227	1,812,576
Disposals	-	(95,878)	(95,878)
Transfer between asset classes/adjustments	-	95,878	95,878
Depreciation	(284,455)	(464,701)	(749,156)
Carrying amount at the end of the year 2017	9,354,636	5,814,515	15,169,141
Additions	1,692,885	870,749	2,563,634
Disposals	-	(178,003)	(178,003)
Transfer between asset classes/adjustments	-	173,979	173,979
Depreciation	(295,788)	(454,459)	(750,247)
Carrying amount at the end of the year 2018	10,751,733	6,226,781	16,978,504

The basis of the valuation is fair value in accordance with Australian Accounting Standard AASB 116.

The total valuation amount is:

(Based on Independent external valuation performed in December 2017)

Land	4,300,000
Building & Site Improvements	9,500,000
Plant & Equipment	3,440,000
	<u>17,240,000</u>

Note 7: Intangible	2018 \$	2017 \$
PM Entitlements	286,371	286,371
Less: Accumulated Depreciations	(2,981)	(2,981)
	<u>283,390</u>	<u>283,390</u>

Canley Heights RSL & Sporting Club Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018

	2018	2017
	\$	\$
Note 8: Other Assets		
Non-current		
Finance charges	91,948	20,772
Unlisted share investment at cost	750	750
	<u>92,698</u>	<u>21,522</u>
Note 9: Creditors & Borrowings		
Current		
Trade Creditors & Accruals	1,246,755	686,526
Other Creditors	216,421	411,135
Subscriptions in advance	47,266	35,181
Bank Loan(Secured)	420,000	55,000
Sub-branch Loan – (Unsecured)	150,000	150,000
Hire Purchase – Liability	329,860	144,366
	<u>2,410,302</u>	<u>1,482,208</u>
Non-Current		
Hire Purchases – Liability	293,885	132,336
Bank Line of Credit – (Secured)	-	1,000,000
Bank loan – (Secured)	1,591,557	-
	<u>1,885,442</u>	<u>1,132,336</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018

	2018	2017
	\$	\$
Note 10: Provision		
Current		
Employee Entitlements		
Annual Leave	393,052	380,506
Long Service Leave	400,009	347,811
	<u>793,061</u>	<u>728,317</u>
Note 10(a)- Provision for employee entitlements		
Aggregate employee entitlement liability	<u>793,061</u>	<u>728,317</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.

Number of employee at the year-end (full time equivalent)	No.	No.
Permanent	44	38
Casual	50	66
Total	<u>94</u>	<u>104</u>

Canley Heights RSL & Sporting Club Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018

	2018	2017
	\$	\$
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	7	24,625
		32,500
(b) Key Management Personnel		
Total Compensation	689,530	710,376
Note 12: Auditors Remuneration		
Remuneration of the auditor for: Audit 2018	24,000	22,000
	<u>24,000</u>	<u>22,000</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 2018

	2018	2017
	\$	\$
Note 14: Deferred Tax Reconciliation		
(a) Deferred Tax Assets		
Current		
Income Tax	-	-
Non-Current		
Deferred Tax Asset:		
Tax liabilities relating to property, plant & equipment	(192,321)	(153,199)
Tax asset relating to tax losses	522,359	399,841
Tax assets relating to provisions and accruals	55,380	45,615
	385,418	292,257
(b) Reconciliation		
The overall movement in the deferred tax account is as follows:		
Opening balance	292,257	64,939
Charge/(credit) to Equity statement	93,161	227,318
	385,418	292,257

Canley Heights RSL & Sporting Club Limited

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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 2018.

(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 0.50% (2017: 0.50%)

The weighted average rate for bank bills during the year was 3.35% (2017: 3.30%)

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018

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
		2018	2017	2018	2017	2018	2017	2018	2017	
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:										
Cash and cash equivalents	0.40	1,001,199	1,288,585	-	-	-	-	395,460	355,460	1,396,659
Receivables	-	-	-	-	-	-	-	-	-	1,644,045
Investments	-	-	-	-	-	-	-	-	-	-
		1,001,199	1,288,585	-	-	-	-	395,460	355,460	1,396,659
										1,644,045
Financial Liabilities:										
Bank Credit Cards	15.50	-	-	6,458	4,258	-	-	-	-	6,458
Bank Loans	3.30	-	-	420,000	55,000	1,591,557	1,000,000	-	-	2,011,557
Trade and other payables	-	-	-	-	-	-	-	1,240,297	682,268	1,240,297
HP Liabilities (Bank)	5.20	-	-	132,336	144,366	-	132,336	-	-	132,336
HP Liabilities (Non-Bank)	14.56	-	-	197,524	-	293,885	-	-	-	491,409
Other Borrowings	-	-	-	-	-	263,687	446,316	-	-	263,687
Unsecured Loan	5.00	-	-	-	-	150,000	150,000	-	-	150,000
		-	-	756,318	203,624	2,299,129	1,728,652	1,240,297	682,268	4,295,744
										2,614,543

Canley Heights RSL & Sporting Club Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018

Note 16: Related Party Transactions

There were no related party transactions in 2018.

Note 17: Events subsequent to reporting date

No subsequent events have occurred that would require recognition or disclosure in the financial statements for the year ended 31 December 2018.

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 \$20,513.70 as at 31st December 2018. 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: Capital Commitments

There are no capital commitments as at the balance sheet date.

Note 22: Company Details

The registered office of the company is:

Canley Heights RSL & Sporting Club Limited

26 Humphries Road

Wakeley NSW 2176

Note 23: 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

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2018

		Note	2018		2017
			\$		\$
<i>Cash Flows from Operating Activities</i>					
Receipts from customers			15,846,819		15,666,440
Payments to suppliers and employees			(14,743,167)		(14,617,949)
Interest received			1,468		4,791
Interest paid			(50,933)		(52,111)
Borrowing costs (Including Term Charges)			(45,564)		(15,113)
<i>Net cash provided by (used in) operating activities</i>	24		1,008,623		986,058
<i>Cash Flows from Investing Activities</i>					
(Increase)/ Decrease in Asset Class			4,024		-
Payment for property, plant & equipment			(2,563,634)		(1,812,576)
<i>Net cash provided by (used in) investing activities</i>			(2,559,610)		(1,812,576)
<i>Cash Flows from Financing Activities</i>					
Addition/(Reduction) in bank loans			1,221,557		1,000,000
Addition/(Reduction) in bank loans			(265,000)		(392,247)
Addition/(Reduction) in HP liability			592,574		-
Addition/(Reduction) in HP liability			(245,530)		(144,366)
<i>Net cash provided by (used in) financing activities</i>			1,303,601		463,387
Net increase (decrease) in cash held			(247,386)		(363,131)
Cash at the beginning of financial year			1,644,045		2,007,176
Cash at the end of reporting period	4		1,396,659		1,644,045

Canley Heights RSL & Sporting Club Limited

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Notes to the Statement of Cash Flows Note 24: Reconciliation of Cash

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:

	2018	2017
	\$	\$
Bank	1,001,199	1,288,585
Cash on hand	395,460	355,460
	<u>1,396,659</u>	<u>1,644,045</u>

Reconciliation of Net Cash Provided by Operating Activities

Operating Profit / (Loss)	(143,739)	147,687
Depreciation & amortisation	750,247	749,156
Increase/ (Decrease) in Accounts payable/ Accruals	560,229	(210,964)
Increase/ (Decrease) in Subscriptions in advance	12,085	340
Increase/ (Decrease) in Other Creditors	(194,713)	74,390
Increase/ (Decrease) in Provisions	64,744	(2,465)
(Increase)/ Decrease in Prepaid expenses	6,878	1,262
(Increase)/ Decrease in Debtors	4,108	236,994
(Increase)/ Decrease in Inventory	19,961	(19,863)
(Increase)/ Decrease in Finance charges	(71,177)	9,521
Net cash provided by (used in) operating activities	<u>1,008,623</u>	<u>986,058</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, 2018 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.

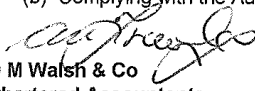
INDEPENDENCE

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, 2018 and of its performance for the year ended on that date; and
- (b) Complying with the Australian Accounting Standards and the Corporations Act 2001.


D M Walsh & Co
 Chartered Accountants
 A.M. Frawley
 Registered Company Auditor

Dated 18th March, 2019



**Canley Heights RSL
& Sporting Club**

Annual Report 2018

Canley Heights RSL & Sporting Club Limited

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