



**Canley Heights RSL
& Sporting Club**

Annual Report 2017

Year ending 31st December 2017

Board of Directors 2017



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



This is my 7th Report as Club President and I am happy to report a profit of \$147,687

I would like to thank the Club C.E.O Mr Mark Baxter and his Executive Management team of Gilbert, Mark, Michelle and Andrew, the Board of Directors Frank, Neil, Kath, Robert, Christine and Kevin for their input over the past 12 months.

The past 12 months has seen continued improvements being made to the Club which include moving the outdoor gaming terrace and creating a new alfresco outdoor gaming room which will allow the Club to increase our bistro dining by creating a new alfresco dining area with a children's play area.

I would like to welcome back all of our Sporting Groups and wish them all the very best for the coming year, like I have said before these are important partnerships. To Mr Richard Pritchard (Taffy) and the Sub Branch Committee thank you for your continued support and again having the best Anzac Day service.

To the BEST STAFF a Club President could ask for Thank you for the past 12 months and for your continued support of Management and the Board and for making sure that our members feel welcome and comfortable.

The Board of Directors and Management would like to thank you the Members for your continued support of the club and your loyalty.

Thank you again.

Ennio Facchetti

President

Canley Heights RSL & Sporting Club Limited

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CEO's Report



Once again it gives me great pleasure delivering the 2017 Annual Report.

In what was a challenging year, we were still able to be very productive.

April saw the completion of the car park improvements with an additional 40 spaces as well as landscaping. The Board also saw fit to plan ahead and lay drainage for future works.

The second half of the year was spent planning and tendering the most recent upgrades of the alfresco terraces. The Board have a long-term vision for the Club that includes indoor/outdoor dining with improvements to the bistro and kitchen. Shortly you will notice we have designated areas for promotions, platforms for performers in specifically-built alcoves and minor upgrades and layout changes to various lounges.

It is an exciting time for the Club, with more growth expected in the coming years. As a result of the forecast growth, we are installing new air handling units and putting things in place that have a significant cost, even though you won't see the immediate benefit.

This has had an effect on the smaller-than-normal profits of the past few years. But in keeping with our charter, we are a not-for-profit organization. It is our responsibility to improve the facilities for all members and we will continue to do so over the coming years.

As you may have noticed, the Board and management are trying different strategies in 2018. You will see we are booking big name acts and attracting good numbers to shows. We are also utilising a radio campaign on both AM and FM dials. Our marketing team has gone all out to bring us The Radiators, Mental as Anything and Diesel. There are bigger names coming - check the website for details.

I would like to take this opportunity to thank a few people. I will start with Ennio and the Board and the at times difficult decisions they are faced with. They have, to their credit, been able to evolve with the times and change the way they do things in order to measure the success or failures of various strategies. Without their support we would not be here.

Next up, the staff and management. It gives me great pleasure to lead such a talented group of people. Our staff are second to none. We run rings around our rather large rivals and I am very proud knowing that our staff go the extra mile without being asked.

Finally, to you, the loyal member - a big thank you. You keep us in jobs and feed our families - for that I am grateful and privileged.

Mark Baxter

CEO



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Financial Controller's Report



Dear Members,

It is time again where I present my report and Financial Statements for Canley Heights RSL & Sporting Club Limited for the year ended 31 December 2017.

Profit for the year ended 31 December 2017 was \$147,687.00, a decrease of \$459,633.00 from the 2016 profit. Gross revenues earned from all activities at the Club was \$14,963,133.00 in 2017 compared to \$15,675,339.00 from the year before that. Revenues decreased by \$712,205.00, of which \$678,415 came from the Poker Machine Gaming Department.

The first quarter of 2018 will see our Club undergo a transformation to the Gaming section of the Club. The Board of Directors and CEO teamed up to provide our members with a new Gaming Terrace. With the new construction, we would like to see improved patronage to our Club by our members. The construction of this facility was contracted to be \$1.2 Million plus additional expenses which relates to the construction. Our Banker, Westpac will provide us with the \$1.2 Million facility. Gaming activities, including Poker machine tax saw a 6.96% (\$239,058) drop in 2017 from the previous year. The Gaming department will see a few changes and tweaks in 2017 and continue through to the rest of 2018. The Club want to see that these changes will give the gaming department a boost and lift their performance in 2018.

Club Grants totaled \$247,973.00, which was provided to various Charity Organisations and Bodies from our Club for the period 1 September 2016 to 31 August 2017. Of these totals, we provided \$110,473.00 to various charitable organisations under Category A in the Fairfield Council and surrounding areas and in Category B, we gave grants amounting to \$137,500.00 to our in-house sporting groups and local community groups.

Direct expenses and cost of sales for Bar and Bistro decreased in the year. Cost of sales dropped by 7.12% (\$44,452) and 9.84% (\$92,828) respectively. Marketing and Promotion expenses decreased by \$27,771 in 2017 (\$1,540 million) over 2016 (\$1.568 million). A total of \$499,056 was spent on the Bar and Bistro promotions. Our Club offers a wide variety of entertainment to suit different groups of members and their families to enjoy and utilise during the year.

Capital additions in 2017 totaled \$1,812,576.00 compared to \$1,789,348.00 in 2016. The increase in capital addition included the construction of the Club's car park which was completed just before Anzac Day in 2017. Our bank will also fund the construction of the new Outdoor Gaming terrace which is due to complete in April 2018. I would like to note that with the approval of the Board, the construction this year will exceed its contract value due to additional expenses needed to allocate for purchases related to the Gaming terrace. In December 2017, we engaged the services of an external independent Valuer to provide us with a valuation of our Clubs Property (including land), plant & equipment assets. In my professional opinion, the report received from Andrew Noch Valuers was seen to be favourable and satisfactory.

In 2017, our cash flow decreased by \$363,131, giving our Club a Cash on Hand Balance at year-end of \$1,644,045.00, compared to \$2,007,176.00 from 2016. Net cash provided by operating activities decreased by \$454,348 in 2017 compared to 2016. Bank Loans (Net) increased by \$607,753 while HP Liability decreased by \$144,366. In my opinion, the Club's Cash flow is still at an acceptable and reasonable level.

Net Assets increased by \$375,005 during the financial year which was resulted from the Club's operations and Deferred Tax Adjustment. The equity increased to \$14,286,266 as compared to \$13,911,261 from the previous year. As a measure of financial performance, the return on equity is 1.06% (2016: 3.87%).

I take this opportunity to thank Mark Baxter and the Board of Directors for their support throughout the year. To our dedicated staff and Management Team, thank you for the support and assistance in 2017. A special mention to Ivy Dinh our Finance Manager, thank you for your continued dedication, efforts and support during the year.

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



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Annual General Meeting - Sunday 21st May 2017

65 Members in attendance

Main Table: E. Facchetti #160 (President)
G. Collett #25 (Treasurer)
M. Baxter (CEO)
A. Frawley (Auditor)
M. Goodwin (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: V. Press #2254, P. Press #6205

Confirmation and Acceptance of the 2016 Annual General Meeting Minutes.

Moved: F. Tedesco #129 **Seconded:** K. Dawson #362 **Carried**

Club Update

E. Facchetti #160 advised the Members of the various club upgrades including the car park, bathrooms and other minor maintenance. We have invested a lot in our future and we are building up our assets. We are hoping in 12 – 24 months to have good news to the secure the club for the future, depending on Fairfield Council.

A. Randall #3233 – asked how much we would be looking at spending.

E. Facchetti #160 responded that he is unsure at this stage, as it will depend on what Fairfield Council can offer us, we will work within our limits and what's good for the Club.

E. Facchetti #160 thanked the members for the past 12 months.

Confirmation and Acceptance of the 2016 Annual Report

Moved: G. Scott #6351 **Seconded:** A. Kiernan #12 **Carried**

M. Baxter thanked the Board for their efforts and all positions on the Board were declared vacant, with special mention to retiring club Treasurer G. Collett #25 for his 22yrs service on the Board.

Election Results

President:	Ennio Facchetti	(elected unopposed)
Vice-President:	Frank Tedesco	231 Votes (elected)
	Neil Johnson	193 Votes
	Robert Neesam	73 Votes
Board Members:	Frank Tedesco	298 Votes (elected to a higher position)
	Neil Johnson	256 Votes (elected)
	Christine Simmons	235 Votes (elected)
	Kevin Todd	224 Votes (elected)
	Robert Neesam	200 Votes (elected)
	Kathryn Dawson	199 Votes (elected)
	John Dickinson	167 Votes
	Donald Henry	158 Votes
	Alan Randall	113 Votes
Rod Press	90 Votes	

Congratulations to all that ran for a position on the Board and to those that were elected.



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E. Facchetti #160 handed over to Club Solicitor M. Goodwin to give a brief explanation to the Members about the Resolutions & Special 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 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.

Moved: R. Pritchard #3 **Seconded:** A. Kiernan #1 **Carried**

- **Resolution 2 – Directors' Honorariums**

With the change noted, that the club no longer needs to show a profit in each quarter for the Directors to receive their Honorarium, this was introduced when the club was experiencing financial difficulties

Vote taken and accepted.

Moved: C. O'Keefe #5527 **Seconded:** P. Collett #1184 **Carried**

- **Resolution 3 – Sub-Clubs, Sporting Groups, Charitable Organizations & Other Intra-Club Bodies**

Vote taken and accepted.

Moved: D. Henry #1182 **Seconded:** G. Lewsam #24 **Carried**

- **Resolution 4 – Members Service Badges**

Vote taken and accepted.

Moved: C. O'Keefe #5527 **Seconded:** K. Dawson #362 **Carried**

- **Resolution 5 – Life Members – Complimentary Beverage**

Vote taken and accepted.

Moved: C. Simmons #7602 **Seconded:** A. Kiernan #1 **Carried**

- **Resolution 6 – Life Members - Designated Car Spaces**

Vote taken and accepted.

Moved: K. Todd #1032 **Seconded:** C. O'Keefe #5527 **Carried**

- **Resolution 7 – Welfare Officers**

Vote taken and accepted.

Moved: T. Bray #1091 **Seconded:** A. Hyde #19 **Carried**

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

First Special Resolution

Amendments to the Constitution including:

- Deleting Rule 19 and replacing it with 'Rule 19 deleted'
- Deleting Rule 24 and replacing it with new Rule 24

Notes to Members on First Special Resolution

1. **Paragraph (a)** deletes Rule 19 which is only of historical relevance applying when the current Constitution was adopted and can now be deleted.
2. **Paragraph (b)** simply sets out the rights of members in a clearer manner without making any change to those rights and also clarifies the rights of Ordinary members with less than 12 months membership. These members have no voting rights other than those provided by the *Registered Clubs Act* including such things as voting on any core property resolution or any amalgamation proposal.



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3. **Paragraph (c)** simply deletes a reference to the Treasurer from Rule 47 (a) as the position of Treasurer will be removed from the Annual General Meeting 2017.

M. Goodwin (Pigott Stinson Solicitors) advised that on page 14 of the Annual Report (First Special Resolution):

Item 24 (c) (ii) Vote in the election of the Board should be struck out as this is a typo. This amendment can be approved today due to it be a procedural matter.

Moved: A. Randall #3233 **Seconded:** K. Todd #1032 **Carried**

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

Moved: A. Hyde #19 **Seconded:** A. Kiernan #1 **Carried**

M. Goodwin (Pigott Stinson Solicitors) spoke on the Second Special Resolution

Second Special Resolution

That with effect from the Annual General Meeting of the Club to be held in 2017 the Constitution of Canley Heights RSL & Sporting Club limited be amended by **deleting** Rule 49 (d) which provides as follows

"If no nominations or insufficient nominations are received for the number required to be elected, the candidate or candidates, if any, nominated will be declared elected at the Biennial General Meeting and nominations may, with the consent of the nominee, be made orally at the meeting for the vacancies then remaining. If more than one (1) candidate is nominated for such vacancies, an election by ballot for such vacancies remaining will be held in accordance with procedures prescribed by the Board."

and **replacing** it with the following new Rule 49 (d)

"If no nominations or insufficient nominations are received for the number required to be elected, the candidate or candidates, if any, nominated will be declared elected at the Biennial General Meeting and the position or positions remaining vacant shall be deemed to be casual vacancies and filled by the Board in accordance with Rule 67."

Notes to Members on the Second Special Resolution

1. The Second Special Resolution will amend the current provision in rule 49 (d) where there are not enough nominations by the closing date additional nominations are called from the floor of the AGM to a situation where the vacancies can be filled by the Board of Directors as casual vacancies. In the unlikely situation that not enough nominations are received at any Biennial election of the Board this change will allow the Board time to consider and appoint appropriate members to the Board without the issue having to be decided at the AGM

A.Randall #3233 said the Board could fill it? This was confirmed by M. Goodwin.

R. Pritchard #3 would like to speak against it, because it's working, why change it?

M. Baxter spoke about looking to the future and that it might not necessarily be a good thing to take someone from the floor, we've never had this issue before.

R. Pritchard #3 feels that if a member takes the time to attend the meeting they are a better candidate than someone that doesn't bother coming.

E. Facchetti #160 said that it is a business now, you are risking a lot being on the Board. In the past we have had no extra candidates run for the Board, we are looking to the future.

R. Neesam #162 asked whether this allowed for government changes, where professionals can be nominated for the Board.

M. Baxter said Yes, it was brought up a couple of years ago, you want the best candidates.

M. Goodwin (Solicitor) advised that 2 extras can sit as well as the Board of 7, so you could have 9 with the 2 professionals. This would only be if we had less than 7 candidates run for the Board, where if approved it can be decided by a room of no less than 35 people at an AGM.

Moved: A. Randall #3233 **Seconded:** A. Kiernan #1 **Carried**



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General Business

P. Zorbas #5015 – Thanked the club for the new car park and suggested we introduce new 360° Surveillance of the car park. Also questioned the bistro's ability to cook a steak and that the customer liaison officer was aware of a recent issue of an undercooked steak. P. Zorbas is also not pleased that Hahn Light has been taken off tap, he knows we have bottled but feels that it is not good enough.

E. Facchetti #160 – responded to P. Zorbas advising that we will look into the security surveillance suggestion, he will ask M. Baxter to speak with the catering team re: the steak issue. Regarding the Hahn light, sometimes there are decisions made to benefit all members, we will look at it but can't make promises.

A. Randall #3233 – enquired about membership numbers.

M. Baxter – responded advising we ended the year with approx. 9700. And at the end of February after the renewal period (including month's grace period) we ended up with approx. 6300 which is common over the years. Then we have the Sporting Groups do their registrations and we gain members back (approx. 300 per month). Generally we normally end up with approx.10,000 members. Back on the 31st May 2000 we had 2,200 members. Membership has grown, we peaked at 10,300. Car Draws assist with growing memberships.

T. Galic #4389 – Time never stops, looking at the Board, Management, and Staff have we considered term limits for Directors to allow for generational change. This may stop party politics? 502 people voted and about 100 people are here today, so all these people that voted don't care.

M. Baxter advised that being a Director these days requires mandatory training and legislation. M. Baxter has worked here 22 years. The experience is good. There is an argument for and against it. Some of the Directors have been through the dark days, M. Baxter feels it is about balance.

J. Dhu #9481 – Thankyou to the Board, Mark, the Staff and the members for their assistance with her fundraising for the Cancer Council. J. Dhu hosts all functions here at the club and raised \$10,975 recently. \$5,500 raised at the Biggest Morning Tea with more money still coming in. J. Dhu appreciates it.

R. Pritchard #3 - on behalf of the Sub-Branch would like to thank the Board, Management, Mark & Michelle, the new car park and cenotaph looks great. R. Pritchard also thanked all of the sub-branch members for a great Anzac Day, he missed it after 32 years. Thankyou for attending the nursing homes and schools.

E. Facchetti #160 – Thanked the Members for their support over the last 2 years and for putting your faith in the Board for the next 2 years, he appreciates it. E. Facchetti also wishes to acknowledge G. Collett #25 who is leaving us after 22 years he has been a treasure. Peggy probably deserves a life membership. E. Facchetti #160 advised G. Collett and the room that the Board Room will be named: The George Collett Board Room. (Unveiling of the new 'George Collett' Board Room sign took place).

E. Facchetti #160 – Thanked all for their attendance.

Meeting Closed: 10:24am



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Notice Of Annual General Meeting

**COMMENCES AT 9:30AM SHARP ON SUNDAY 20th MAY 2018 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, 21st May 2017.

Club Update

Annual Report

- 3) To receive and consider the Annual report to members for the year ended 31st December 2017 including:
 - Directors Report & Declaration
 - Auditors Report
 - Income Statement
 - Balance Sheet
 - Cash Flow Statement
 - Statement of Changes in Equity
 - Notes to the Accounts

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:

- Directors be supplied with Club Directors Uniforms to be worn at Board Meetings and when representing the Club in an official capacity.*
- 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.*
- 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".*
- A reasonable amount be allocated for provision of food and refreshments to Directors after Board Meetings.*
- Attendance of Directors at functions, with spouses where appropriate, when required to represent the Club.*
- Directors be provided with reserved parking.*
- Directors be provided with reserved seating, free entry to various shows, concerts, seminars, etc;*
- 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 20 May 2018 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 20 May 2018 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.

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



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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 2018 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 20th May 2018 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.
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** 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 the First Special Resolution

The First Special Resolution amends an existing provision relating to the calling of general meetings on the request of members to bring the Constitution into line with the *Corporations Act*. In this regard:

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- (a) Rule 69(b) provides that 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 or one hundred (100) members. This reflects the previous requirements contained in the Corporations Act.
- (b) The Corporations Act was amended in 2015 and now provides that Directors are only required to 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 (and not on the request of one hundred (100) members).
- (c) This paragraph proposes to amend Rule 69(b) so that it reflects the current requirements of the Corporations Act.

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

deleting Rule 10 (a) which provides as follows

- (a) "To establish a club for the encouragement and promotion of Returned Services League affairs and activities, and for the playing of lawn bowls, net-ball, tennis, basketball, squash, and other athletic sports, and for swimming and diving and aquatic sports in the township of Canley Heights and neighbouring districts"

and **replacing** it with the following new Rule 10 (a)

- (b) "To establish a club for the encouragement and promotion of Returned Services League affairs and activities, and for the encouragement, promotion and playing of sport including but without limitation, Junior Rugby League, Soccer, Netball, Golf and other athletic sports in the Canley Heights area and the surrounding districts"

deleting rules 10 (f) and (g) (both of which are listed as Objects of the Club) and which provide as follows

- (f) To acquire establish form erect construct furnish equip alter maintain and conduct greens, courts, arenas, pools and gymnasia, halls, libraries recreation writing billiard refreshment reading or meeting rooms canteens and other amenities and all buildings offices stores fixtures fittings furniture equipment gear articles materials and things which may be required for such purposes and to sell demise let mortgage or dispose of the same.
- (g) To present produce manage conduct and represent at any theatre hall or place such plays dramas comedies films operas burlesques pantomime revues and other concerts musical and other pieces ballets shows exhibitions variety and other entertainment as may be desirable or expedient and in connection therewith to maintain an orchestra.

Notes to Members on the 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.

Dated:

By direction of the Board of Directors

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

Mark Baxter

Chief Executive Officer



Canley Heights RSL & Sporting Club Limited

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

Notice of Core Property

Pursuant to Section 41 J(2) of the Registered Clubs Act for the financial year ended 31 December 2017:

- (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

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

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 2017.

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: \$147,687

Net Profit 2016: \$607,320

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 18 years
Johnson, Neil	Vice President	Director 9 years
Collett, George	Treasurer	Director 22 years (*Position retired May 2017)
Simmons, Christine	Director	Director 7 years
Todd, Kevin	Director	Director 9 years
Dawson, Kathryn	Director	Director 18 years
Tedesco, Frank	Director	Director 15 years
Neesam, Robert	Director	Director 7 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

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

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	10
N. Johnson	12	12
G. Collett	4	3
K. Dawson	12	10
F. Tedesco	12	9
K. Todd	12	11
R. Neesam	12	11
C. Simmons	12	10

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 \$4,396.38.

Signed in accordance with a Resolution of the Directors.

A handwritten signature in black ink, appearing to read 'E. Facchetti', is written over a light grey rectangular background.

E. Facchetti
President

26th March 2018



Canley Heights RSL & Sporting Club Limited

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

Directors' Declaration

WITH RESPECT TO THE ACCOUNTS OF CANLEY HEIGHTS RSL & SPORTING CLUB FOR THE FINANCIAL YEAR ENDED AND AS AT DECEMBER 31st, 2017.

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

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

E. Facchetti
President

26th March 2018



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, 2017, 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'.

**Anthony M. Frawley
Registered Company Auditor**

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

Dated 26th March, 2018

Canley Heights RSL & Sporting Club Limited

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

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2017

	Note	2017	2016
CURRENT ASSETS		\$	\$
Cash Assets	4	1,644,045	2,007,176
Receivables		4,658	241,652
Inventories	5	169,776	149,912
Prepayments		44,338	45,600
TOTAL CURRENT ASSETS		1,862,817	2,444,340
NON-CURRENT ASSETS			
Property, plant & equipment – At cost	6	15,169,141	14,105,721
Intangible assets	7	283,390	283,390
Deferred tax assets	14	292,257	64,939
Other assets	8	21,522	31,043
TOTAL NON- CURRENT ASSETS		15,766,310	14,485,093
TOTAL ASSETS		17,629,127	16,929,433
CURRENT LIABILITIES			
Creditors & Borrowings	9	1,482,208	1,803,440
Provisions	10	728,317	730,782
TOTAL CURRENT LIABILITIES		2,210,525	2,534,223
NON-CURRENT LIABILITIES			
Creditors & Borrowings	9	1,132,336	483,949
TOTAL NON-CURRENT LIABILITIES		1,132,336	483,949
TOTAL LIABILITIES		3,342,861	3,018,171
NET ASSETS		14,286,266	13,911,261
EQUITY			
Retained earnings		14,286,266	13,911,261
TOTAL EQUITY		14,286,266	13,911,261



Canley Heights RSL & Sporting Club Limited

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STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2017

	Note	2017	2016
		\$	\$
Revenue from ordinary activities	2	14,963,133	15,675,339
Expenses from ordinary activities			
Cost of sales and direct expenses:			
Bar		579,797	624,249
Bistro		850,433	943,261
Gaming activities		3,194,572	3,433,631
Entertainment and TV Sport		33,816	97,635
Sporting group allocations		120,468	167,964
Depreciation & amortisation expenses		749,156	641,568
Employment Expenses		4,673,695	4,517,658
Borrowing Costs		67,224	59,550
Other expenses from ordinary activities		4,546,285	4,582,503
		<u>14,815,446</u>	<u>15,068,019</u>
Income Tax Expense		-	-
(Loss)/ Profit from ordinary activities after income tax		<u>147,687</u>	<u>607,320</u>



Canley Heights RSL & Sporting Club Limited

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2017

	2017	2016
	\$	\$
Retained Earnings at the beginning of the year	13,911,261	13,057,744
Operating (loss)/profit after current year income tax	147,687	607,319
	<u>14,058,948</u>	<u>13,665,063</u>
Add/(Less): Provision for Deferred tax	227,318	246,198
Retained Earnings at the end of the year	<u><u>14,286,266</u></u>	<u><u>13,911,261</u></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 2017

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.

Canley Heights RSL & Sporting Club Limited

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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 2017.



Canley Heights RSL & Sporting Club Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

	2017	2016
	\$	\$
Note 2: Revenue		
Sale of Goods	3,086,156	3,160,813
Services Revenue	11,611,006	12,265,477
Members Subscription	43,265	60,019
Interest Received	4,791	14,460
Other Income	217,915	174,570
	<u>14,963,133</u>	<u>15,675,339</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

	2017	2016
Note 3: Profit from Ordinary Activities	\$	\$
Profit from ordinary activities before income tax		
Expense has been determined after:		
(a) Expenses		
Cost of sales	1,430,230	1,567,509
Total borrowing cost	67,224	59,550
Depreciation of property, plant & equipment		
Buildings	284,455	280,137
Furniture, Plant & equipment & PM	464,701	361,431
Total depreciation	749,156	641,568
Remuneration of auditor		
Audit – 2017	22,000	25,000
	22,000	25,000

Canley Heights RSL & Sporting Club Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

	2017	2016
	\$	\$
Note 4: Cash Assets		
Bank	1,288,585	1,651,716
Cash on hand	355,460	355,460
	<u>1,644,045</u>	<u>2,007,176</u>
Note 5: Inventories		
Club Merchandise Stock/ Prize on Hand	31,109	31,796
Bar Stock	116,596	88,931
Bistro Stock	19,960	26,432
Showcase Stock	2,111	2,753
	<u>169,776</u>	<u>149,912</u>
Note 6: Property Plant & Equipment		
Land & Buildings at cost	13,493,393	12,306,034
Less: Accumulated Depreciation	(4,138,757)	(3,854,302)
	<u>9,354,636</u>	<u>8,451,732</u>
Furniture, Plant & Equipment at cost & fair value	8,562,631	7,210,874
Less: Accumulated Depreciation	(6,176,497)	(5,733,674)
	<u>2,386,134</u>	<u>1,477,200</u>
Poker Machines at fair value	4,444,256	5,266,664
Less: Accumulated Depreciation	(1,015,885)	(1,089,875)
	<u>3,428,371</u>	<u>4,176,789</u>
Total		
Property, Plant & Equipment at cost & fair value	26,500,280	24,783,572
Less: Accumulated Depreciation	(11,331,139)	(10,677,851)
	<u>15,169,141</u>	<u>14,105,721</u>



Canley Heights RSL & Sporting Club Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

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 2015	8,306,901	4,702,310	13,009,211
Additions	424,968	1,364,380	1,789,348
Disposals	-	-	-
Transfer between asset classes/adjustments	-	(51,270)	(51,270)
Depreciation	(280,137)	(361,431)	(641,568)
Carrying amount at the end of the year 2016	8,451,732	5,653,989	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	9,354,626	5,814,515	15,169,141

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	2017 \$	2016 \$
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 2017

	2017	2016
	\$	\$
Note 8: Other Assets		
Non-current		
Finance charges	20,772	30,293
Unlisted share investment at cost	750	750
	<u>21,522</u>	<u>31,043</u>
Note 9: Creditors & Borrowings		
Current		
Trade Creditors & Accruals	686,526	897,489
Other Creditors	411,135	336,743
Subscriptions in advance	35,181	34,842
Bank Loan – (Secured)	55,000	240,000
Sub-branch Loan(Unsecured)	150,000	150,000
Hire Purchase – Liability	144,366	144,366
	<u>1,482,208</u>	<u>1,803,440</u>
Non-Current		
Hire Purchases – Liability	132,336	276,702
Bank Loan – (Secured)	-	85,000
Bank Line of Credit – (Secured)	1,000,000	122,247
	<u>1,132,336</u>	<u>483,949</u>



Canley Heights RSL & Sporting Club Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

	2017	2016
	\$	\$
Note 10: Provision		
Current		
Employee Entitlements		
Annual Leave	380,506	377,921
Long Service Leave	347,811	352,861
	<u>728,317</u>	<u>730,782</u>
	<u><u>728,317</u></u>	<u><u>730,782</u></u>
Note 10(a)- Provision for employee entitlements		
Aggregate employee entitlement liability	<u>728,317</u>	<u>730,782</u>
	<u><u>728,317</u></u>	<u><u>730,782</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	30
Casual	66	74
Total	<u>104</u>	<u>104</u>
	<u><u>104</u></u>	<u><u>104</u></u>

Canley Heights RSL & Sporting Club Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

	2017	2016
	\$	\$
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	28,750
		32,500
(b) Key Management Personnel		
Mr M Baxter	CEO	
Mr G Wong	CFO	
Mr A Mazurkiewicz	Gaming Manager	
Mr M Gavinel	Operations Manager	
Mrs M Baxter	Marketing & Promotions Manager	
(c) Key Management Personnel Compensation		
Benefits and payments to the Key Management		
Personnel named above	710,376	625,827
Note 12: Auditors Remuneration		
Remuneration of the auditor for: Audit 2017	22,000	25,000
	<u>22,000</u>	<u>25,000</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 2017

	2017	2016
Note 14: Deferred Tax Reconciliation	\$	\$
Deferred Tax Assets		
Future Income Tax Benefit	<u>292,257</u>	<u>64,939</u>

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 2017.

(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 interest bearing with the exception of cash holdings.

The weighted average rate for cash during the year was 0.50% (2016: 1.20%)

The weighted average rate for bank bills during the year was 3.30% (2016: 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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:												
Cash and cash equivalents	0.50	1.20	1,288,585	1,651,716	-	-	-	-	355,460	355,460	1,644,045	2,007,176
Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
			1,288,585	1,651,716	-	-	-	-	355,460	355,460	1,644,045	2,007,176
Financial Liabilities:												
Bank Credit Cards	15.50	15.75	-	-	4,258	3,790	-	-	-	-	4,258	3,790
Bank Loans	3.30	3.30	-	-	55,000	240,000	1,000,000	207,247	-	-	1,055,000	447,247
Trade and other payables	-	-	-	-	-	-	-	-	682,268	893,699	682,268	893,699
HP Liabilities	5.20	5.20	-	-	144,366	144,366	132,336	276,702	-	-	276,702	421,068
Other Borrowings	-	-	-	-	-	-	446,316	371,586	-	-	446,316	371,586
Unsecured Loan	5.00	5.00	-	-	-	-	150,000	150,000	-	-	150,000	150,000
			-	-	203,624	388,156	1,728,652	1,005,535	682,268	893,699	2,614,543	2,287,390



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 2017

Note 16: Related Party Transactions

There were no related party transactions in 2017.

Note 17: Events subsequent to reporting date

The Club has initiated the construction of the Club's Outdoor Gaming Terrace in December 2017. Construction commenced in January 2018, with an expected completion date of April 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 \$19,565.41 as at 31st December 2017. These accounts are not shown elsewhere in the Financial Statements. The balance would be due and payable to the Club on winding up.

Note 21: Capital Commitments

There are capital commitments for an amount of approximately \$1,200,000.00 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

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2017

	Note	2017 \$	2016 \$
<i>Cash Flows from Operating Activities</i>			
Receipts from customers (Net)		15,666,440	15,825,791
Payments to suppliers and employees		(14,617,949)	(14,340,295)
Interest received		4,791	14,460
Borrowing costs		(67,224)	(59,550)
<i>Net cash provided by (used in) operating activities</i>	24	986,058	1,440,406
<i>Cash Flows from Investing Activities</i>			
Payment for property, plant & equipment		(1,812,576)	(1,738,078)
<i>Net cash provided by (used in) investing activities</i>		(1,812,576)	(1,738,078)
<i>Cash Flows from Financing Activities</i>			
Addition/(Reduction) in bank loans		1,000,000	-
Addition/(Reduction) in bank loans		(392,247)	(114,753)
Addition/(Reduction) in HP liability		(144,366)	412,093
<i>Net cash provided by (used in) financing activities</i>		463,387	297,340
Net increase (decrease) in cash held		(363,131)	(332)
Cash at the beginning of financial year		2,007,176	2,007,508
Cash at the end of reporting period	4	1,644,045	2,007,176



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:

	2017	2016
	\$	\$
Bank	1,288,585	1,651,716
Cash on hand	355,460	355,460
	<u>1,644,045</u>	<u>2,007,176</u>

Reconciliation of Net Cash Provided by Operating Activities

Operating Profit / (Loss)	147,687	607,320
Depreciation & amortisation	749,156	641,568
Increase/ (Decrease) in Accounts payable/ Accruals	(210,964)	23,335
Increase/ (Decrease) in Subscriptions in advance	340	(11,245)
Increase/ (Decrease) in Other Creditors	74,390	172,095
Increase/ (Decrease) in Provisions	(2,465)	51,784
(Increase)/ Decrease in Prepaid expenses	1,262	2,535
(Increase)/ Decrease in Debtors	236,994	(13,028)
(Increase)/ Decrease in Inventory	(19,863)	(4,501)
(Increase)/ Decrease in Finance charges	9,521	(29,457)
Net cash provided by (used in) operating activities	<u>986,058</u>	<u>1,440,406</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, 2017 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, 2017 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

A handwritten signature in black ink, appearing to read 'A.M. Frawley', is positioned to the right of the printed name and title.

Dated 26th March, 2018



Annual Report 2017

Canley Heights RSL & Sporting Club Limited

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