



**Canley Heights RSL
& Sporting Club**

Annual Report 2019

Year ending 31st December 2019

Board of Directors 2019



Ennio Facchetti
PRESIDENT



Frank Tedesco
VICE-PRESIDENT



Mark Wheatley
DIRECTOR



Robert Neesam
DIRECTOR



Christine Simmons
DIRECTOR



Donald Henry
DIRECTOR



Kathryn Dawson
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 again disappointing to report a loss of \$936,346 for the year ending 2019. We are surrounded by some of the biggest clubs in NSW and the Management and Board have tried to bring in new and exciting promotions but some have not been as successful as we would have liked and as a result the Board and Management will be going back to what we are good at. A club that provides Great Food, Great Promotions and Great Entertainment for our loyal members.

I would like to thank Mr Richard (Taffy) Prichard and the Sub-Branch for your continued support and also to the Management and Staff for all your effort and support during the past 12 months. I, again cannot THANK YOU enough.

To my fellow Directors, thank you for all your input, ideas and support.

Welcome back to all our Sporting groups. The Board and I wish you all a successful 2020.

I would also like to welcome Mr Don Henry and Mr Mark Wheatley to the Board of Directors and I would also like to thank Mr Kevin Todd for his service to Canley Heights RSL & Sporting Club and time spent on the Board.

The Board of Directors would like to welcome Mr Mark Gavinel to the position of acting CEO, Mark has shown that he has the ability to make a great CEO.

I would personally like to thank Mr Mark Baxter the clubs former CEO for the many years of loyal service to Canley Heights RSL and Sporting Club. Mark's vision for the Club was one of continued growth and improvement, and he has left a Club that will forever be grateful for his leadership and vision. On behalf of the Board of Directors, Management, Staff and the Members THANK YOU.

Finally, I would again personally like to thank you Our LOYAL Members for your continued support of Canley Heights RSL and Sporting Club.

Ennio Facchetti
President

Canley Heights RSL & Sporting Club Limited

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CEO's Report



On behalf of the Board of Directors, I wish to present the Annual Financial Report of the Canley Heights RSL & Sporting Club for the year ending 2019.

2019 was a challenging year for our Canley Heights RSL & Sporting Club.

Our local communities and businesses experienced a difficult economic period. There was increased uncertainty around living expenses driven by both the state and federal elections. This uncertainty leads to a drop in disposable spending.

Despite the difficulties our club traded well during 2019, we still managed to compete in the strong club environment of south-western Sydney and competing with our large neighbouring clubs will always have us challenged.

2019 saw us reach a record high in Membership applications of 10,815 members.

Our catering department Headed up by Head Chef Raj & Sous Chef Bojan has had a very busy year in 2019 with increased member discounts and promotions such as \$10 meals, 7 days a week and \$5 & \$9 pizzas.

2020 Delights catering will continue to put out great food, promotions themed menus and blackboard specials to keep you coming back.

Our Head Cellarman Glen will continue to maintain the freshest draft beer in the area, with a large range of beverages to meet all member's requests.

I personally would like to thank our departing CEO, Mr. Mark Baxter. Mark Baxter has left a long and lasting legacy of a fun, friendly and community-based club for all to enjoy. Mark Baxter supported this club, his managers, and staff and led the club to what it is today. We wish Mark Baxter all the best for his retirement and thank him for the 24 years of service, 18 years at the CEO level.

I thank our Club President Mr. Ennio Facchetti for his respected leadership of our board of Directors. Our Board of Directors continues to work together to secure the short, mid and long-term future of Canley Heights RSL & Sporting Club. Uniquely our board and senior management team continue to align to build a better asset for our members and the local community.

I would also like to personally thank Mr. Ennio Facchetti and Board of directors for giving myself this opportunity to take on the role of CEO, I appreciate the support as we work through 2020.

I also want to make a special mention to all my supportive and dedicated Management team of Gilbert, Michelle, Andrew, Barbara, Ivy, Michael and duty management team, Thank you.

Thank you also needs to go out to the Staff of Canley Heights RSL & Sporting Club, I look forward to working alongside every one of you in 2020.

To our Members, I offer my thanks for your continued support, encouragement, enthusiasm, and participation. We are truly lucky to have such active and appreciated members. We continuously look forward to welcoming you all to your Club of Canley Heights RSL & Sporting Club.

I look forward to a new and exciting 2020.

Mark Gavinel ACCM
CEO



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Financial Controller's Report



Dear Members,

It is that time of the year where I provide my report for the Club's 2019 financial results.

Unfortunately, 2019 saw another loss of \$936,346 as compared to a loss of \$143,739 for 2018.

During the year to 31 December 2019, our Club saw \$17,009,008 in total revenues, an increase by \$1,164,829, which is 7.35% over 2018. Despite the increased revenues, we also saw an increased in total expenses of 12.24% (\$1,957,436) over the previous year.

Direct expenses and cost of sales for Bar and Bistro saw an increase again in 2019. These increases were 0.32% (\$1,934) and 37.60% (\$350,786) respectively. Marketing and Promotion expenses increased by \$824,311 in 2019 (\$3,093,817 million) over 2018 (\$2,269,506). A total of \$1,150,032 was spent on the Bar and Bistro promotions (\$699,440 in 2018) where our valued members get to enjoy and benefit from. Employment expenses (including superannuation expenses) also increased by \$432,440 (8.48%) compared to 2018. Despite seeing an increase in revenues, it appears that the expenditures incurred were excessive and insufficient to cover the income derived in 2019.

The above elements of increased expenditure literally makes up for the losses seen in 2019.

2019 provides interesting outcomes and results for the Revenue derivation from the various departments. Whilst it is evident that the Poker Gaming department is the engine room of our Club, where it provides the majority of the Revenues earned in 2019, the Bistro has also provided positive sales (increase of 31.15% over 2018), however due to aggressive promotions during the year the Bistro saw a net loss outcome (Loss of \$493,214).

Poker Gaming saw an increase of \$787,584 (6.53%) in revenues over 2018 and provided a Net Profit of \$8,264,080 (6.14%).

2019 saw no major capital improvements but had capital acquisitions and additions of \$653,868 and the bulk of these acquisitions was made to improve on the Poker Gaming experience for our members.

Poker gaming activities, including Poker machine tax saw an increase of \$132,998 (3.90%) to \$3,546,793 (\$3,413,795 in 2018) in 2019 from the previous year which is evident with the increase of the Poker Machine revenue seen during the year. It has been proven that the Gaming department did see positive changes in 2019 with the new tier system and staff experience programs which was marketed aggressively. Whilst this strategy produced good results for the poker gaming, it had given an adverse effect on the Food and Beverage and Marketing and Promotion departments.

Our Club provided \$234,749 in Club Grants for 2019 which comprises \$106,249 for Category A and \$128,500 for category B. Further information and details of Club Grants is provided by the PA report in this booklet.

Bar and Bistro departments both saw an increase in their net losses for the year of \$54,349 and \$493,214 respectively. These increased losses is mainly due to the aggressive marketing and promotion done during the year which was favourable with having increased membership and gaming outcomes but also produced unfavourable outcomes in other departments as seen.

Our Club provided \$234,749 in Club Grants for 2019 which comprises \$106,249 for Category A and \$128,500 for category B. Further information and details of Club Grants is provided by the PA report in this booklet.

Net cash provided by operating activities decreased by \$12,816 in 2019 (\$995,807) compared to 2018 (\$1,008,623). The operating activities is financed externally. Bank Loans (Net) decreased by \$336,314 and HP Liability (Net) also decreased by \$189,687. In my professional opinion, the Club's Cash flow requires further and closer monitoring with reasonable care to ensure that the Club is able to meet its obligations and commitments.

Net Assets decreased by \$732,548 during the financial year which was resulted from the Club's operations and Deferred Tax Adjustments. This also saw the equity decreased to \$13,503,140 as compared to \$14,235,688 from the previous year. As a measure of financial performance, the return on equity for the year ended 31 December 2019 was -6.93%.

In my professional opinion, I would like to state with confidence that our Club has maintained a status quo healthy Balance Sheet as at 31 December 2019, due to the recent valuation on our Poker Gaming entitlements performed by an independent consultant. We are constantly reviewing the valuation of these entitlements and also making necessary measures and actions to get a better result in 2020 and beyond.



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Financial Controller's Report (continued)

Despite seeing the negative outcomes in 2019, our Board of Directors and Management team have been working more closely and effectively to make relevant and measured cost effective cut-backs to ensure that the losses incurred in 2019 does not happen again in 2020. With the reason health alerts for the Coronavirus , it clearly posts a few concerns about how our venue will be affected by this Public Health concern. We continue to be updated with these event and take measures and actions to stay on top of Club matters.

I would like to take this opportunity to thank Mark Baxter for his leadership and support during my employment and wish him all the best in his retirement and future endeavours.

I would like to congratulate Mark Gavelin for the opportunity given to him to be our current Club's CEO. And to our President and Board of Directors, thank you for their on-going and continued support during the year. To our dedicated staff and Management Team, thank you for the support and assistance in 2019.

Lastly, to our loyal and valued Members, thank you for your support and patronage and we hope to see you again at our venue.

Yours faithfully,

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



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Minutes of the Annual General Meeting held on Sunday 19th May 2019

60 Members in attendance

Main Table: E. Facchetti #160 (President)
M. Baxter (CEO)
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: Gilbert Wong (Financial Controller), A. Frawley (Club Auditor), R. Neesam #162, G. Dawson #361, G. Collett #25, P. Collett #1184, R. Press #98, V. Press #2254, J. Dhu #9481

Confirmation and Acceptance of the 2018 Annual General Meeting Minutes and 2018 Annual Report.

Moved: R. Pritchard #3 **Seconded:** P. Zorbas #5015 **Carried**

Club Update

M. Baxter (CEO) spoke on the fact that in the past 2 years the club has undergone 2 major renovations the including the Car Park 2017 and Gaming Terrace 2018, of which both were well-received. It is the first time after a major renovation that we have broken even on Profit and Loss in the first quarter. Comparatively to this point we are up significantly on 2018. In the future we would like to look at the kitchen, which is outdated and poorly arranged, as well as relocating offices out the back. We are also looking at replacing the carpet in the Bistro, foyer and auditorium.

E. Facchetti #160 declared all positions on the Board vacant.

M. Baxter presented the results of the 2019 Board Election.

The position of President:	Ennio Facchetti #160	Elected Unopposed
The position of Vice-President:	Frank Tedesco #129	Elected Unopposed
The positions of Director (5):	Kathryn Dawson #362	194 votes Elected
	Christine Simmons #7602	197 votes Elected
	Robert Neesam #162	202 votes Elected
	Hayet Jajiw #6354	160 votes
	Donald Henry #1182	195 votes Elected
	Mark Wheatley #4376	213 votes Elected
	Kevin Todd #1032	178 votes

M. Baxter congratulated the successful candidates and thanked K. Todd for his 10 years' service on the Board and the other candidates for running.

R. Pritchard #3 asked the Board members to stand up. E. Facchetti #160 asked the elected Board members to come to the front.

E. Facchetti #160 thanked K. Todd personally for all of his efforts and said he will be missed.

E. Facchetti#160 handed over to solicitor M. Goodwin to speak on the Resolutions.

The Members are to Receive and Consider and if thought fit adopt the Annual Report issued to members for the year ending 31st December 2018 (including Resolutions 1- 7) & (Special Resolutions) 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**

Moved: R. Pritchard #3 **Seconded:** P. Zorbas #5015 **Vote taken and Approved.**



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- **Resolution 2 – Directors’ Honorariums**

Moved: M. Tedesco #6554 **Seconded:** P. Barber #5722 **Vote taken and Approved.**

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

Moved: D. Henry #1182 **Seconded:** R. Pritchard #3 **Vote taken and Approved.**

- **Resolution 4 – Members Service Badges**

Moved: P. Zorbas #5015 **Seconded:** P. Barber #5722 **Vote taken and Approved.**

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

Moved: C. Simmons #7602 **Seconded:** Y. Craig #349 **Vote taken and Approved.**

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

Moved: M. Robinson #8173 **Seconded:** Y. Craig #349 **Vote taken and Approved.**

- **Resolution 7 – Welfare Officers**

Moved: M. Wheatley #4376 **Seconded:** M. Tedesco #6554 **Vote taken and Approved.**

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

SPECIAL RESOLUTIONS

That the Constitution of Canley Heights RSL and Sporting Club Limited be amended in the manner set out in the Notice of Annual General Meeting as sent to members before the Annual General Meeting in order to put in place the necessary legislative changes to keep the Constitution in line with the Corporations Act, Liquor Act and Registered Clubs Act.

The effect of the Special Resolution was explained to members by the representative from the club’s solicitors.

Moved: R. Pritchard #3 **Seconded:** P. Zorbas #5015 **Vote taken, and the Special Resolution was Approved.**

General Business

L. MacDonald #4181 – thanked the Club for the continued support of the Old Car Social Club.

R. Pritchard #3 – would like to acknowledge Ennio Facchetti #160, Mark Baxter, Michelle Baxter and Rob Neesam #162 for their support of Anzac Day. There were over 1,000 in attendance this year.

There are 75 members of the sub-branch, we have lost 6 members in the last 12 months.

The install of a new flag pole for the New Zealand flag is our next project.

K. Bury #1860 – on behalf of the Staff, Board and Clients of Disability South West would like to thank the club for their Support. Especially F. Tedesco #129 who received an award in the Australia Day Citizen of the Year awards through Fairfield Council.

P. Zorbas #5150 – accepted the letter he was given re: Hahn Light, however the toughness of the steak being served in the bistro, he can’t buy it anymore. Also the \$10 meals going up \$2 to \$12 this a 20% increase. Why not increase the Pensioner’s discount by 20%.

M. Baxter introduced M. Gavinel (Operations Manager) to speak on some exciting deals we have commencing in June.

M. Gavinel advised the members that commencing June there will be \$10 meals (4 options) available 7 days a week. Available Monday to Thursday Lunch and Dinner, Friday & Saturday Lunch and Sunday Dinner. It will be on a 3 month trial at which point it will be reviewed depending on how it goes.

P. Zorbas #5015 – Made mention of the Smoking Areas of the Club, noting that there is one in the Tab area and one in the Gaming room and the issuing of hand-held food. He is not happy about staff chastising him about it in front of others. He also addressed it with Michelle Baxter.

E. Facchetti #160 – responded that he will look into it.



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P. Barber #5722 – asked if we can look at increasing the senior's discount to 20%.

E. Facchetti #160 – said he will have an answer about that suggestion after the Board Meeting.

M. Robinson #8173 – asked how we come up with 2 Welfare Officers?

E. Facchetti #160 – explained that we now have a male and female welfare officer, so our male and female members feel more comfortable when receiving visits.

E. Facchetti #160 – thanked everyone for their attendance.

Meeting Closed: 10:05am



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Notice Of Postponement Of The Club's Annual General Meeting

Members are advised that the Board had scheduled this year's Annual General Meeting ("AGM") to take place at the Club's premises on Sunday 17th May 2020. Notice of the AGM has not yet been sent to members.

Due to new State Government restrictions to control the spread of coronavirus (also known as COVID-19), the licensed premises of all registered clubs in New South Wales were closed from 12noon on Monday 23rd March 2020.

Normally the Club would be required to hold its AGM by no later than 31st May 2020.

However, given the present circumstances, the Australian Securities and Investment Commission ("ASIC") has issued a statement which essentially provides the Club with an extension of time to hold its AGM.

The current extension of time requires the Club to hold its AGM on or before 31 July 2020 but ASIC will review this as the COVID-19 situation unfolds.

Because the Club's premises have been closed, the Board of the Club has resolved to postpone the Annual General until a later date.

We will notify members of the new date for the AGM when the new date is known.

There is no election of the Board scheduled to take place this year and accordingly, the current Board of Directors will remain in office as the governing body of the Club.

Dated: 24th March 2020.

By authority of the Board

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

Mark Gavinel
Chief Executive Officer



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Notice of Core Property

Pursuant to Section 41E of the Registered Clubs Act for the financial year ended 31 December 2019:

- (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 41E 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 41E are to some extent modified by regulations made under the Registered Clubs Act and by Section 41E 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.



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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 2019.

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.

RESULT OF OPERATIONS

The net Loss of the economic entity for the year after income tax expense was: **-\$936,346**

Net Loss 2018 -\$143,739

Measurable directives are in place to address the loss of 2019 with the following Club Objectives

Short-term objectives

The Clubs short term objectives are to:

- Provide entertainment, food and beverages for the community at reasonable prices.
- Serve our community by providing exceptional customer service & Facilities
- Encourage new membership
- Obtain income to support local sporting groups and charitable organisations
- Improve profitability and efficiency of Club operations

Long term objectives

The Clubs long term objectives are to:

- Maintain and Support the Canley Heights RSL Sub-Branch and maintain the ANZAC Tradition
- Support our Sub Clubs, Charities and Community organisations
- Ensure facilities continue to cater for members needs
- Repay the Debt incurred in modernising the Club's premises
- Maintain financial stability of the club by placing measurable KPI's in place

Strategy for achieving the objectives:

To achieve these objectives, the Club has adopted the following strategies:

- Provide best possible facilities to members
- Provide entertainment and activities to attract patronage to the Club
- Offer high quality, low priced meals and reasonably priced beverages
- Annual development of a financial budget and monthly monitoring of financial performance to ensure the Club operates within its financial capabilities



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Directors' Report (continued)

Performance measures:

The following measures are used within the Club to monitor performance:

- Monitoring performance by comparing actual results to past performance and budget forecasts
- Reviewing key performance indicators such as gross profit margins, wages to turnover ratios, net returns from trading and average return per poker machine
- EBITD (Earing's before interest, Tax and depreciation) to revenue

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There has been a new appointment for the position of Chief Executive Officer (CEO) effective from 1 January 2020.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Due to a recent Public Health announcement, namely Coronavirus (Covid-19), we believe that this may affect the Club's operations and outcomes in 2020.

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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	11
K. Dawson	12	10
N. Johnson	4	0
K. Todd	4	4
R. Neesam	12	12
C. Simmons	12	11
M. Wheatley	8	8
D. Henry	8	7

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 \$5,635.30.

Signed in accordance with a Resolution of the Directors.



E. Facchetti
President

16th March 2020



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, 2019.**

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', is positioned above the printed name.

E. Facchetti
President

16th March, 2020



Canley Heights RSL & Sporting Club Limited

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Auditors Independence Declaration

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

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

I declare that to the best of my knowledge and belief, during the year ended 31st December, 2019, 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 light blue horizontal line.

**Anthony M. Frawley
Registered Company Auditor**

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

Dated 17th March, 2020



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BALANCE SHEET AS AT 31ST DECEMBER 2019

	Note	2019	2018
CURRENT ASSETS		\$	\$
Cash Assets	4	1,280,997	1,396,659
Receivables		21,821	550
Inventories	5	192,159	149,814
Prepayments		23,214	37,460
TOTAL CURRENT ASSETS		1,518,191	1,584,483
NON-CURRENT ASSETS			
Property, plant & equipment	6	16,785,807	16,978,504
Intangible assets	7	283,390	283,390
Deferred tax assets	14	589,216	385,418
Other assets	8	69,347	92,698
TOTAL NON- CURRENT ASSETS		17,727,760	17,740,010
TOTAL ASSETS		19,245,951	19,324,493
CURRENT LIABILITIES			
Creditors & Borrowings	9	3,497,111	2,410,302
Provisions	10	800,647	793,061
TOTAL CURRENT LIABILITIES		4,297,758	3,203,363
NON-CURRENT LIABILITIES			
Creditors & Borrowings	9	1,445,053	1,885,442
TOTAL NON-CURRENT LIABILITIES		1,445,053	1,885,442
TOTAL LIABILITIES		5,742,811	5,088,805
NET ASSETS		13,503,140	14,235,688
EQUITY			
Retained earnings		13,503,140	14,235,688
TOTAL EQUITY		13,503,140	14,235,688



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INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2019

	Note	2019 \$	2018 \$
Revenue from ordinary activities	2	17,009,008	15,844,179
Expenses from ordinary activities			
Cost of sales and direct expenses:			
Bar		610,551	608,617
Bistro		1,283,796	933,010
Gaming activities		3,546,793	3,413,795
Entertainment and TV Sport		34,985	36,849
Sporting group allocations		123,573	126,664
Depreciation & amortisation expenses		778,165	750,247
Employment Expenses		5,529,477	5,097,037
Borrowing costs and interest expenses		98,703	88,664
Other expenses from ordinary activities		5,939,311	4,933,035
Total expenses		17,945,354	15,987,918
(Loss)/ Profit from ordinary activities before income tax		(936,346)	(143,739)



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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2019

	2019	2018
	\$	\$
Retained Earnings at the beginning of the year	14,235,688	14,286,266
Operating (loss)/profit after current year income tax	(936,346)	(143,739)
	<hr/>	<hr/>
	13,299,342	14,142,527
Add/(Less): Provision for Deferred tax	203,798	93,161
	<hr/>	<hr/>
Retained Earnings at the end of the year	13,503,140	14,235,688
	<hr/> <hr/>	<hr/> <hr/>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

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 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 2019.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

	2019	2018
	\$	\$
Note 2: Revenue		
Sale of Goods	3,775,746	3,322,149
Services Revenue	12,950,999	12,168,632
Members Subscription	32,941	28,790
Interest Received	939	1,468
Other Income	248,383	323,140
Total revenue	17,009,008	15,844,179

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

	2019	2018
	\$	\$
Note 3: Profit from Ordinary Activities		
Profit from ordinary activities before income tax		
Expense has been determined after:		
(a) Expenses		
Cost of sales	1,894,347	1,541,627
Borrowing costs	26,973	8,729
Interest - bank	7,500	47,482
Interest - non bank	28,029	3,450
Term charges & Hire purchase	36,201	29,003
Total interest and borrowing costs	98,703	88,664
Depreciation of property, plant & equipment		
Buildings	351,410	295,788
Furniture, Plant & equipment & PM	426,755	454,459
Total depreciation	778,165	750,247
Remuneration of auditor		
Audit	28,000	24,000
Total remuneration of auditor	28,000	24,000
(b) (Loss)/Profit on disposal of plant & equipment, PM	50	69,176
Total (Loss)/Profit on disposal of assets	50	69,176



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

	2019	2018
	\$	\$
Note 4: Cash Assets		
Bank	935,537	1,001,199
Cash on hand	345,460	395,460
	<u>1,280,997</u>	<u>1,396,659</u>
Note 5: Inventories		
Club Merchandise Stock/ Prize on Hand	31,871	29,928
Bar Stock	146,267	106,242
Bistro Stock	14,021	13,644
	<u>192,159</u>	<u>149,814</u>
Note 6: Property Plant & Equipment		
Land & Buildings	15,200,482	15,193,882
Less: Accumulated Depreciation	(4,793,559)	(4,442,149)
	<u>10,406,923</u>	<u>10,751,733</u>
Furniture, Plant & Equipment at cost & fair value	9,045,496	8,892,938
Less: Accumulated Depreciation	(7,056,769)	(6,630,014)
	<u>1,988,727</u>	<u>2,262,924</u>
Poker Machines at fair value	5,364,788	4,953,363
Less: Accumulated Depreciation	(974,631)	(989,516)
	<u>4,390,157</u>	<u>3,963,847</u>
Total		
Property, Plant & Equipment at cost & fair value	29,610,766	29,040,183
Less: Accumulated Depreciation	(12,824,959)	(12,061,679)
	<u>16,785,807</u>	<u>16,978,504</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

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 end of the year 2017	9,354,636	5,814,505	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	6,226,771	16,978,504
Additions	6,600	647,268	653,868
Disposals	-	(427,259)	(427,259)
Change in fair value	-	358,859	358,859
Depreciation	(351,410)	(426,755)	(778,165)
Carrying amount at the end of the year 2019	10,406,923	6,378,884	16,785,807
		2019	2018
Note 7: Intangible		\$	\$
PM Entitlements		286,371	286,371
Less: Accumulated Depreciations		(2,981)	(2,981)
		283,390	283,390



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

	2019	2018
	\$	\$
Note 8: Other Assets		
Non-current		
Finance charges	68,597	91,948
Unlisted share investment at cost	750	750
	<u>69,347</u>	<u>92,698</u>
Note 9: Creditors & Borrowings		
Current		
Trade Creditors & Accruals	2,313,506	1,246,755
Other Creditors	311,831	216,421
Subscriptions in advance	57,524	47,266
Bank Loan (Secured)	420,000	420,000
Sub-branch Loan – (Unsecured)	150,000	150,000
Hire Purchase – Liability	244,250	329,860
	<u>3,497,111</u>	<u>2,410,302</u>
Non-Current		
Hire Purchases – Liability	189,810	293,885
Bank loan (Secured)	1,255,243	1,591,557
	<u>1,445,053</u>	<u>1,885,442</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

	2019	2018
	\$	\$
Note 10: Provision		
Current		
Employee Entitlements		
Annual Leave	414,314	393,052
Long Service Leave	386,333	400,009
	<u>800,647</u>	<u>793,061</u>
Note 10(a)- Provision for employee entitlements		
Aggregate employee entitlement liability	<u>800,647</u>	<u>793,061</u>
<p>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.</p>		
Number of employee at the year-end (full time equivalent)	No.	No.
Permanent	45	44
Casual	48	500
Total	<u>93</u>	<u>94</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

	2019	2018
	\$	\$
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	27,000
		24,625
(b) Key Management Personnel Compensation		
Total Compensation	682,249	689,530
Note 12: Auditors Remuneration		
Remuneration of the auditor for: Audit 2019	28,000	24,000
	<u>28,000</u>	<u>24,000</u>
	<u>28,000</u>	<u>24,000</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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

	2019	2018
	\$	\$
Note 14: Deferred Tax Reconciliation		
(a) Deferred Tax Assets		
Current		
Income Tax	-	-
Non-Current		
Deferred Tax Asset:		
Tax liabilities relating to property, plant & equipment	(80,921)	(192,321)
Tax asset relating to tax losses	623,706	522,359
Tax assets relating to provisions and accruals	46,431	55,380
	<u>589,216</u>	<u>385,418</u>
	<u><u>589,216</u></u>	<u><u>385,418</u></u>
(b) Reconciliation		
The overall movement in the deferred tax account is as follows:		
Opening balance	385,418	292,257
Charge/(credit) to Equity statement	203,798	93,161
	<u>589,216</u>	<u>385,418</u>
	<u><u>589,216</u></u>	<u><u>385,418</u></u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

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 2019.

(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 0.45% (2018: 0.50%)

The weighted average rate for bank bills during the year was 3.35% (2018: 3.35%)

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:

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

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	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018		
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Financial Assets:												
Cash and cash equivalents	0.45	0.5	935,537	1,001,199	0	0	0	0	345,460	355,460	1,280,997	1,356,659
Receivables			0	0	0	0	0	0	21821	550	21,821	550
Investments			0	0	0	0	0	0	0	0	0	0
			935,537	1,001,199	0	0	0	0	367,281	356,010	1,302,818	1,357,209
Financial Liabilities:												
Bank Credit Cards	15.5	15.5	-	-	4,951	6,458	-	-	-	-	4,951	6,458
Bank Loans	3.3	3.3	-	-	420,000	420,000	1,255,243	1,591,557	-	-	1,675,243	2,011,557
Trade and other payables	-	-	-	-	-	-	-	-	2,308,555	1,240,297	2,308,555	1,240,297
HP Liabilities (Bank)	4.08	5.2	-	-	46,725	132,336	-	-	-	-	46,725	132,336
HP Liabilities (Non-Bank)	14.56	14.56	-	-	197,524	197,524	189,810	293,885	-	-	387,334	491,409
Other Borrowings	-	-	-	-	-	-	369,355	263,687	-	-	369,355	263,687
Unsecured Loan	5	5	-	-	-	-	150,000	150,000	-	-	150,000	150,000
			-	-	669,200	756,318	1,964,408	2,299,129	2,308,555	1,240,297	4,942,163	4,295,744



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

Note 16: Related Party Transactions

There were no related party transactions in 2019.

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 2019.

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 \$7,159.19 as at 31st December 2019. 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.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

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.



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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2019

	Note	2019 \$	2018 \$
<i>Cash Flows from Operating Activities</i>			
Receipts from customers		16,986,848	15,846,819
Payments to suppliers and employees		(15,893,277)	(14,820,176)
Interest received		939	1,468
Interest paid		(35,529)	(50,932)
Borrowing costs (Including Term Charges)		(63,174)	(45,564)
<i>Net cash provided by (used in) operating activities</i>	24	995,807	1,008,623
<i>Cash Flows from Investing Activities</i>			
Sale of property, plant & equipment		68,450	4,024
Payment for property, plant & equipment		(653,868)	(2,563,634)
<i>Net cash provided by (used in) investing activities</i>		(585,418)	(2,559,610)
<i>Cash Flows from Financing Activities</i>			
Addition/(Reduction) in bank loans		(336,314)	956,557
Addition/(Reduction) in HP liability		(189,687)	347,044
<i>Net cash provided by (used in) financing activities</i>		(526,001)	1,303,601
Net increase (decrease) in cash held		(115,662)	(247,386)
Cash at the beginning of financial year		1,396,659	1,644,045
Cash at the end of reporting period	4	1,280,997	1,396,659

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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:

	2019	2018
	\$	\$
Bank	935,537	1,001,199
Cash on hand	345,460	395,460
	<u>1,280,997</u>	<u>1,396,659</u>

Reconciliation of Net Cash Provided by Operating Activities

Operating Profit / (Loss)	(936,346)	(143,739)
Depreciation & amortisation	778,165	750,247
Increase/ (Decrease) in Accounts payable/ Accruals	1,066,751	560,229
Increase/ (Decrease) in Subscriptions in advance	10,258	12,085
Increase/ (Decrease) in Other Creditors	(35,137)	(194,713)
Increase/ (Decrease) in Provisions	138,134	64,744
(Increase)/ Decrease in Prepaid expenses	14,247	6,878
(Increase)/ Decrease in Debtors	(21,271)	4,108
(Increase)/ Decrease in Inventory	(42,345)	19,961
(Increase)/ Decrease in Finance charges	23,351	(71,177)
Net cash provided by (used in) operating activities	<u>995,807</u>	<u>1,008,623</u>



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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CANLEY HEIGHTS RSL & SPORTING CLUB LIMITED

ABN 44 001 783 124

Opinion

We have audited the financial report of Canley Heights RSL & Sporting Club Limited, which comprises the a Statement of Financial Position as at 31st December, 2019 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.

In our opinion the accompanying Financial Report for the Company is in accordance with the Corporations Act 2001, including:

- a) Giving a true and fair view of the financial position of the Company as at 31st December, 2019 and of its financial performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

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

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

Information Other than the Financial Report and Auditor's Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

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Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
4. Conclude on the appropriateness of the Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention to our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial report, including the disclosures and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Dated 17th March, 2020



Canley Heights RSL & Sporting Club Limited

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

How has your Club given back to the Community!

Community Support - Club Grants (CDSE)

Organization	Project Name	Amount
Youth Off The Streets Limited	Fairfield Outreach	\$21,500
Vision Australia	Vision Aust. Orientation & Mobility Program	\$22,707
The Royal Life Saving Society	Youth Life Saver Project	\$15,150
Snapp - Special Needs Ability Program Providers	A Night to Shine	\$6,680
Project Futures	Stella Fella	\$10,000
Multicultural Research, Studies & Art Centre Aust	Family First	\$8,300
Macular Disease Foundation of Aust	Early Action Saves Sight in F/Field	\$21,912
Total Funded Charities		\$106,249

\$128,500 in sub-Club Support

- Canley Heights RSL Football Club (Soccer)
- Canley Heights Hot Shots (Netball)
- Canley Heights Jazz Ballet
- Canley Heights Dragons (Jnr Rugby League)
- Canley Heights Golf Club
- Canley Heights Ballroom Dancing

Did you know in 2019 the Club provided many Members Discounts and Savings in our Food & Beverage Departments

Some of those Member Discounts included:

Amount Sold	Promotion	Members Savings
31,616	\$10 Meals	\$417,724
6,063	\$5 Pizzas	\$66,348
10,492	Other Pizza Promotions	\$70,665
1,409	Buy One Get One Free Meal	\$32,429
1,917	Roasts/T-Bone/Parma Deals	\$21,146
7951	Free Member Coffees	\$19,422
24,446	Members Tiered % Point Payment Discounts	\$40,838

PLUS

4 Members 'Win a Car' Promotions = approx. \$100,000

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Notes



Annual Report 2019

Canley Heights RSL & Sporting Club Limited

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