



ANNUAL REPORT

30 JUNE 2017

CLUB INFORMATION

CLUB OPENING TIMES

Open daily 10am to 3am

THE BRASSERIE

Open 7 days

Lunch 12pm – 2.30pm

Dinner 5.30pm – 9.30pm

Phone 9713 4322

BAYSIA

Open 7 days

Lunch 12pm – 3pm

Dinner

Sunday to Thursday 5.30pm – 9.30pm

Friday and Saturday 5.30pm – 10.30pm

Phone 9712 8312

CONTACT US

4 William St Five Dock NSW 2046

Phone 9713 4322

Fax 9712 1591

Email enquiries@canadabayclub.com.au

www.canadabayclub.com.au

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CANADABAYCLUB.COM.AU

PRESIDENT'S MESSAGE



Dear Members

I am delighted to report that the trading results of the Club continue to be extremely strong. Yet again we have returned a result that exceeds \$2,000,000. Our Balance Sheet is similarly strong with excellent cash reserves and no debt, beyond the usual trade creditors. Your Club is in a truly enviable financial position.

It has been mentioned in the past that the Registered Clubs sector is evolving. Financially strong, well run Clubs such as ours look to amalgamate with smaller Clubs. To this end the Club has had embryonic discussions with some other Clubs with a view that we may partner with them to create stronger venues and expand our brand. We will continue to pursue these opportunities with a view of

maintaining a strong and sustainable Club for decades to come.

Looking to the immediate future of our venue, we have one eye on our current membership base and the other firmly on the changes to the demography of the City of Canada Bay. The census results have been released and the changes to our district are quite extraordinary. To this end we have finalised the design of the Front Façade of the Club. We have settled on the installation of a wonderful children's play centre, 80 seat outdoor dining area and a covered "Port Cochere" drop off area in front of the Club's entry doors. To complement these changes the building face will be clad, softening our street presence and at the same time making a bold statement of our location. The need to offer indoor/outdoor dining and co located play equipment is reflected by the change in the demography within our area. We are confident that it will be popular. Please watch for the changes that we hope will commence in the first quarter of 2018.

We have continued to support our community strongly again this year. It is a great privilege to be in a position to fund so many worthy causes. This financial year we have provided, on your behalf funding to the value of \$533,000. This level of funding far exceeds our legislated requirement, however we feel that if our Club owes its success to the community, then we should return that loyalty as best as we possibly can. The vast majority of these funds are expended within the City of Canada Bay. We continue to cover a wide variety of junior sports along with many other charities and local causes. We regularly update our website and display screens with the most recent recipients. If you feel that your group or organisation would benefit in some way from our support I would encourage you to make contact with us.

The change of caterer in the Brasserie was met with disappointment by some members. As many of you will know, in May of this year we insourced the Brasserie Catering operation. This is something we have not done in over a decade. We are very grateful for your patience and feedback. There is no doubt that the customer is "always right!". Chef Marco and his team are working very hard to meet your needs and at time of writing he is launching his new menu.

Many of you will take part in the upcoming vote for the Election for the Board of Directors. As the Club has moved to the Triennial system of voting, this year two Directors, Frank Failla our Vice President and Vito Cipolla will vacate their positions. We are grateful for their service to the Club. The outcome of the election will be declared at the Annual General Meeting.

In closing I would like to thank my fellow Directors; Frank Failla, Angelo D'Angelo, Maria Ianni, Vito Cipolla, Ray Favetti and Diane Crittenden for their very hard work across these past twelve months. Their contribution and wisdom has driven the Club's growth and prosperity. I also acknowledge the wonderful service delivered by our frontline and leadership teams. We are truly fortunate to be looked after by them.

To you our Members, thank you once again for your loyalty and patronage of this fabulous Club. We are here to serve!

Kind regards and I look forward to seeing you around the Club.

A handwritten signature in dark ink, appearing to read "John Iodotta". The signature is fluid and cursive.

John Iodotta
President

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **54th Annual General Meeting of the Western Suburbs Soccer Sports & Community Club Ltd** will be held on Sunday, 19th November 2017, commencing at 10:00am at the premises of the Club, 4 William Street, Five Dock, NSW 2046.

Only financial Members of the category of "Club and Life" may attend.

Members of the Category "Associate", as defined by Rule 24A of the Club's Constitution may not attend as per the requirements of Rule 27A of the Club's Constitution.

An "Associate" Member is any person as defined by Rule 24A above, who joined the Club on or after 14th November 2010. An "Associate" Member will become a "Club" Member automatically on the second anniversary of their continuous membership.

Business:

1. To confirm the minutes of the 53rd Annual General Meeting.
2. To receive and consider the report of the Board.
3. To receive and consider the Financial Report.
4. To consider and vote upon the Ordinary Resolutions as set out on pages 5 -7.
5. Declaration of the poll for election of Two (2) Directors
6. General Business;
 - The Floor will be opened for questions and comments.
7. Meeting close.

Please Note

Questions on Finance must be given in writing to the Secretary at least seven (7) days prior to the opening of the Annual General meeting.

No Motions, Resolutions or Other Business will be accepted off the floor.

All Club and Life Members attending this meeting must produce their current financial Membership Card.

For and on behalf of the Board of Directors.



Douglas Kirkham

Chief Executive Officer

Notice is hereby given that the 54th Annual General Meeting of the Western Suburbs Soccer Sports & Community Club Ltd will be held on Sunday, 19th November 2017, commencing at 10:00am at the premises of the Club, 4 William Street, Five Dock, NSW 2046, where the Members will be asked to consider and if thought fit pass the following Ordinary Resolutions.

First Ordinary Resolution

That pursuant to the Registered Clubs Act:

1. The members hereby approve and agree to expenditure by the Club in a sum not exceeding \$35,000 (excluding any goods and services tax) over the following twelve months for the following activities of Directors:
 - (a) The reasonable cost of a meal and beverage for each Director immediately before or immediately after a Board or Committee meeting on the day of that meeting when that meeting corresponds with a normal meal time;
 - (b) Reasonable expenses incurred by Directors in travelling by either private or public transport, to and from Directors Meetings or other duly constituted Committee Meetings, either within the Club or elsewhere – as approved by the Board from time to time, on the production of invoices, receipts or other proper documentary evidence of such expenditure;
 - (c) Reasonable expenses incurred by Directors in relation to such other duties including entertainment of special guests to the Club and other promotional activities performed by Directors which activities and the expenses there from are approved by the Board on the production of receipts, invoices or other proper documentary evidence of such expenditure;
 - (d) The reasonable costs of Directors attending functions with their spouses where appropriate and required, to represent the Club;
 - (e) Reasonable expenses incurred by Directors either within the Club or elsewhere in relation to such other duties including the entertainment of special guests of the Club or other promotional activities approved by the Board from time to time and upon the production of documentary evidence of such expenditure;
 - (f) The provision, as required, of blazers and associated apparel for the use of Club Directors when representing the Club.
2. The members acknowledge that the benefits in paragraph (1) above are not available to members generally but only for those who are Directors of the Club.

Second Ordinary Resolution

That pursuant to the Registered Clubs Act:

1. The members hereby approve and agree to expenditure by the Club in a sum not exceeding \$35,000 (excluding any goods and services tax) for the professional development and education of Directors over the following twelve months until the next Annual General Meeting and being:
 - (a) The reasonable cost of Directors and partners attending the Clubs NSW Annual General Meeting and any other Association of which the Club is a member;
 - (b) The reasonable cost of Directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time;
 - (c) The reasonable cost of Directors attending Club Industry conferences or seminars including such conferences or seminars held within New South Wales.
 - (d) The reasonable cost of Directors attending meetings of other Associations within the hospitality industry;
 - (e) The reasonable cost of Directors attending other registered clubs for the purpose of viewing and assessing their facilities and methods of operation provided such attendances are approved by the Board as being necessary for the betterment of the Club.
2. The members acknowledge that the benefits in paragraph (1) above are not available to members generally but only for those who are Directors of the Club.

Third Ordinary Resolution

That pursuant to the Registered Clubs Act:

1. The members hereby approve and agree to expenditure by the Club for the reasonable costs of a meal and beverage for each Director and their partner at the weekly Directors Raffle conducted at the Club over the following twelve months until the next Annual General Meeting in 2017.

Fourth Ordinary Resolution

That pursuant to the Registered Clubs Act:

1. That the members hereby approve car parking spaces in the Club's car park being made available from time to time for the use by Directors when they are attending Board and or Committee meetings or official events or functions held at the Club or when they are on duty to conduct the Directors Raffle at the Club.
2. The members acknowledge that this benefit will not be available for members generally but are only for those who are Directors of the Club.

Dated: 3rd October 2017

By direction of the Board



Douglas Kirkham

Chief Executive Officer

Notes to Members

These notes are to be read in conjunction with the proposed Resolutions:

1. The First Ordinary Resolution is to have the members in General Meeting approve a reasonable amount up to the set limit as set out in the resolution for expenditure by the Club in relation to duties performed by the Club's Directors. The Registered Clubs Act requires members to approve the expenditure, however, most of these are not new items of expense and relate to expenditure shown in the Club's Annual Accounts under various headings in previous years and as approved by members upon the adoption of the annual accounts.
2. The Second Ordinary Resolution is to have the members in General Meeting approve a reasonable amount up to the set limit as set out in the Ordinary Resolution for the expenditure by the Club for Directors to attend seminars, lectures, trade displays and other similar events including the Registered Clubs Association of New South Wales Annual General Meeting and to visit other clubs to enable the Club's governing body to be kept abreast of current trends and developments which may have a significant bearing on the nature and way in which the Club conducts its business. The Registered Clubs Act requires members to approve the expenditure, however, most of these are not new items of expenses and relate to expenditure shown in the Club's annual accounts under various headings in previous years and as approved by members upon the adoption of the annual accounts.

3. The Third Ordinary Resolution is to have members in the General Meeting approve the reasonable cost of providing a meal and beverage to Directors and their partners when they attend the Club to assist with the Directors Raffle conducted at the Club each week.
4. The Fourth Ordinary resolution is to have members in general meeting approve car parking spaces being made available in advance for Directors when they have to be at the Club to attend Board or Committee meetings, special events or functions or the when they are on duty to do the Directors' Raffle. Spaces will not be permanently set aside for Directors. When the need arises management will arrange for spaces to be made available in order for Directors to park at the Club so they can attend to their duties as Directors of the Club.
5. Each of the Resolutions must be passed as a whole and cannot be amended from motions from the floor of the meeting or divided into two or more separate resolutions.
6. To be passed, each Ordinary Resolution must receive votes in their favour from not less than fifty percent (50%) of those members who are entitled to do so and who vote in person at the meeting.

Notice to Members

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 30 June, 2017:

- (a) the following properties are core property of the Club;
 - (i) Club House at 4 William Street, Five Dock NSW
 - (ii) Club Car Park at Cnr William & Bevin Avenue, Five Dock NSW
 - (iii) Holiday Apartments at 76 Head Street, Forster NSW
- (b) the following properties are non-core property of the Club;
 - (i) 4 Bevin Avenue, Five Dock NSW
 - (ii) 7 Bevin Avenue, Five Dock NSW
 - (iii) 8 Bevin Avenue, Five Dock NSW
 - (iv) 10 Bevin Avenue, Five Dock NSW

Notes to Members

1. Section 41J(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 41J are to some extent modified by regulations made under the Registered Clubs Act and by Section 41J 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.
6. The requirement to specify core property and non core property in the Annual Report of the Club came into effect on 21 December, 2007.

7. Section 22 (2) (f) of the Registered Clubs Regulation requires the annual report to specify the below information regarding the employment of any Close Relative to a Director.

Director Name	Employee Name	Relationship	Role	Remuneration
Maria Ianni	Anthony Ianni	Grandson	F&B Att	\$3,594
Frank Failla	Alex Fioretto	Nephew	F&B Att	\$24,920

Election for the Board of Directors

Members are advised that the ballot for Directorship will take place at the Club from Monday, 13th November 2017, to Friday, 17th November 2017, between the hours of 12 noon to 8.00pm. Members will need to show their current, signed membership card to receive a ballot paper.

Only financial members of the category of "Club and Life" may vote. Members of the Category "Associate", as defined by Rule 24A of the Club's Constitution may not vote as per the requirements of Rule 27A of the Club's Constitution

The attention of members is drawn to the following extract of rules from the Club's Constitution, which reads.

58. The Board shall be elected triennially in accordance with Schedule 4 of the Registered Clubs Act and the first meeting under the triennial rule will be the Annual General Meeting held in 2015.

Nominations for Directorship

Members are advised that nomination forms for the position of Director are now available from the Club or from the NSW Electoral Commission, telephone (02) 9290 5924. Nominations must be received by the Returning Officer, NSW Electoral Commission by no later than 5pm, Tuesday 7th November 2017. The Candidate is to follow the instructions on the Nomination Form.

The ballot for Directorship will take place at the Club from Monday, 13th November 2017, to Friday, 17th November 2017, between the hours of 12 noon to 8.00pm. Members will need to show their current, signed membership card to receive a ballot paper.

Club Directors Pre-nomination Workshop

Members considering nomination for election to the Board must have complied with the Club's Constitution rule 55(b)(iv) and rule 55(c) as detailed in the Notice to Members mailed out in June 2017 and displayed concurrently on the Club's Notice Board. The course was held on Wednesday 23rd of August 2017 at 10.30am in the Club's Function Rooms.

59. The Board may from time to time make such By-laws as it thinks necessary for the conduct of any election and all matters in connection therewith.

BY LAW

A member (including a candidate for election to the board) shall not issue or distribute:

- (i) Within the premises of the Club or the surrounding precincts of the Club any written material advocating either for or against the election of any candidate or candidates for the Board of Directors of the Club. Except for within the areas clearly marked on the approved precinct map available from the Chief Executive Officer at the opening of each voting year.
- (ii) Written material which states expressly and/or impliedly and/or by identification or by inference that the Club supports any candidate and/or group of candidates. This express and/or implied material must identify or imply and includes but is not limited to the use of the Club's, logos, trademarks, signs, premises and images.

Any breach of this bylaw shall be dealt with in accordance with the disciplinary proceeding provisions under the Club's Constitution. In the first instance the Member (including a candidate for election to the Board) will be excluded from the Club premises and the surrounding precincts for a period of 24 hours.

For and on Behalf of the Board of Directors



Douglas Kirkham

Chief Executive Officer



Registered Clubs Act

IMPORTANT INFORMATION FOR CLUB MEMBERS

This club is by law required to keep a register containing information that relates to the management and financial administration of the club including:

1. A list of disclosures, declarations and returns made by the governing body and employees of the club.
2. The salary bands of the club's top executives.
3. Details of the overseas travel made by the governing body and employees of the club.
4. Details of loans given by the club to employees.
5. Details of certain contracts executed by the club.
6. Salary details of club employees who are close relatives of a member of the club's governing body or a top executive.
7. Details of the payments made by the club for consultant services.
8. Details of legal settlements made by the club with a member of the governing body or an employee of the club.
9. Details of legal fees paid by the club for a member of the governing body or an employee of the club.
10. The club's annual gaming machine profit.
11. The amount applied by the club to community development and support.

AND

The club must prepare quarterly financial statements for the governing body that incorporate:

1. The club's profit and loss accounts and trading accounts for the quarter, and
2. A balance sheet as at the end of the quarter.

Members may view the register or the financial statements or receive a copy of the financial statements by written request to the club.

CANADA BAY CLUB

2017 ELECTION OF THE BOARD OF DIRECTORS – GROUP 2

ELECTION NOTICE NOMINATIONS

Nominations are invited on and from Thursday, 12 October 2017 for: **Two (2) Directors**

Only financial Club members in the classes of Life membership and Club membership and who have not less than 5 consecutive years membership standing of the Club immediately preceding their nominations shall be eligible to be nominated for, elected to or hold office on the Board.

Nominations must be made by at least two (2) financial members of the club (other than the candidate). No eligible member shall nominate more candidates than the number to be elected. Nominations must be in writing and comply with the Club's Constitution and any relevant directions given by the Returning Officer.

The attention of candidates and persons nominating candidates for election to the Board is drawn to Rules 55 and 56 of the Club's Constitution which specifically sets out who is eligible to be nominated as a candidate for election to the Board.

A copy of the Club's Constitution is available from the Club, telephone 8752 5520 or from the NSW Electoral Commission, telephone (02) 9290 5924.

Candidate Nomination Forms, Candidate Profile Forms and Guidelines for Candidates and Scrutineers are available from:

- NSW Electoral Commission's website at www.elections.nsw.gov.au;
- NSW Electoral Commission, Level 25, 201 Kent Street, Sydney, telephone (02) 9290 5924;
- Canada Bay Club Ltd, 4 William Street, Five Dock NSW 2046, telephone (02) 8752 5520.

Lodgement of Nominations

Nominations Forms must be received by the Returning Officer, NSW Electoral Commission no later than 5.00pm, Tuesday 7 November 2017. A candidate may only withdraw his/her nomination in writing so as to be received by the Returning Officer prior to the close of nominations. Any defect in a Nomination form must be rectified by the candidate prior to the close of nominations.

Nominations may be lodged:

By hand: NSW Electoral Commission, Level 25, 201 Kent Street, Sydney; or

By post: PO Box 693, Grosvenor Place, NSW 1220; or By fax: (02) 9290 5939; or

By email: ballots@elections.nsw.gov.au

Candidates Photographs

Candidates must submit a passport size photograph of themselves with the nomination form to the Returning Officer by the close of nominations 5.00pm, Tuesday 7 November 2017 which will be displayed on the Club Notice Board following the close of nominations and during voting.

Candidates Profile

Candidates may submit a Candidate Profile Form to the Returning Officer by the close of nominations 5.00pm, Tuesday 7 November 2017 which will be displayed on the Club Notice Board following the close of nominations and during the voting.

Voting at the Club

If an election is necessary, voting will be conducted at the Club at the following times:

Monday, 13 November 2017 to Friday, 17 November 2017 from 12.00noon to 8.00pm

Annual General Meeting

The Annual General Meeting of the Club will be held at the Club at 10.00am on Sunday 19 November 2017.

Any enquiries regarding the election should be directed to Diana Kosseifi at the NSW Electoral Commission, telephone (02) 9290 5924.

Greg Copson

Returning Officer

NSW Electoral Commission

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

The directors present their report together with the financial statements of Western Suburbs Soccer Sports & Community Club Limited Trading as Canada Bay Club (the Club) for the financial year ended 30 June 2017 and the auditor's report thereon.

1 Directors

The Directors of the Club at any time during or since the end of the financial year are:

	Name, qualifications	Experience, special responsibilities and other directorships
	John Idotta B.Com., ITA	Joined the Club in 1991 Appointed as Director in November 2006 Appointed as President in November 2013
	Frank Failla (Company Director)	Joined the Club in 2002 Appointed as Director in May 2011 Appointed as Vice President in November 2013
	Angelo D'Angelo Dip Law (SAB)	Joined the Club in 2000 Appointed as Director in November 2009 Resigned as Director in February 2012 Appointed as Director in November 2013
	Maria Ianni (Retired Caterer)	Joined the Club in 2000 Appointed as Director in November 2013
	Vito Cipolla (Company Director)	Joined the Club in March 2009 Appointed as Director in November 2014



Ray Favetti
(Company Director)

Joined the Club in March 2001
Appointed as Director in March 2015



Diane Crittenden
(Company Director)

Joined the Club in April 2001
Appointed as Director in November 2016



Peter Vaughn
(Company Director)

Joined the Club in November 1988
Appointed as Director in November 2015
Resigned as Director in November 2016

2 Directors' Meetings

The number of directors' meetings and special meetings and number of meetings attended by each of the directors of the Club during the financial year are:

Director	Directors' Meetings		Special Meetings	
	A	B	A	B
John Idotta	10	12	17	17
Frank Failla	11	12	16	17
Angelo D'Angelo	11	12	15	17
Maria Ianni	10	12	13	17
Vito Cipolla	7	12	14	17
Ray Favetti	12	12	15	17
Peter Vaughn	5	5	7	7
Diane Crittenden	7	7	7	10

A – Number of meetings attended

B – Number of meetings held during the time the director held office during the year

3 Membership

The Club is a public company limited by guarantee and without share capital. In accordance with the constitution of the Club, every member of the Club undertakes to contribute an amount limited to \$2 per member (2016: \$2) in the event of the winding up of the Club during the time he or she is a member or within one year thereafter.

The total amount that members of the Club are liable to contribute if the Club is wound up is \$41,354 (2016: \$40,438).

The number of members as at 30 June 2017 and the comparison with prior year is as follows:

Number of members	2017	2016
Ordinary	20,675	20,216
Life	2	3
	<u>20,677</u>	<u>20,219</u>

4 Principal activities

The principal activities of the Club during the course of the financial year were conduct and promotion of licensed social club for members of the Club.

There were no significant changes in the nature of the activities of the Club during the year.

The Club's short-term objective is to focus primarily on its core business activities and to seek to increase its commercial function business.

The Club's long-term objective is to continue to pursue opportunities to benefit members and secure the future of the Club.

The Club will achieve growth in these areas through a combination of improvements in customer service, improvement in the general amenities of the Club through renovation and measurement of return on investment via the monitoring of Key Performance Indicators (KPIs)

5 Review of performance

The profit after tax of the Club for the year ended 30 June 2017 was \$2,025,370 (2016: \$2,448,563). This resulted after charging \$2,712,691 for depreciation (2016: \$2,415,821).

A review of the operations of the Club during the financial year and the results of those operations show the following:

<i>In AUD</i>	2017	2016
Operating profit before depreciation, gain on disposal of property, plant and equipment	4,801,043	4,957,505
Depreciation	(2,415,821)	(2,712,691)
Net finance income	11,757	1,133
Income tax	(74,739)	(104,452)
	<u>2,025,370</u>	<u>2,448,563</u>

The Club's financial performance is continually measured against internally set KPI's in core business activities, being gaming and beverage activities. Industry benchmarks, past performance and current economic conditions are also used when setting internal KPIs.

6 Significant changes in the state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Club that occurred during the financial year under review.

7 Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Club, to affect significantly the operations of the Club, the results of those operations, or the state of affairs of the Club, in future financial years.

9 Indemnification and insurance of officers and auditors

Indemnification

Since the end of the previous financial year, the Club has not indemnified or made relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Club.

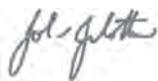
Insurance premiums

During the financial year the Club has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 30 June 2017. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Club.

10 Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 5 and forms part of the directors' report for the financial year ended 30 June 2017.

This report is made in accordance with a resolution of the directors:



John Idotta

President

Dated at Sydney this 4th day of September 2017.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To the Directors of Western Suburbs Soccer Sports & Community Club Limited Trading as Canada Bay Club

I declare that, to the best of my knowledge and belief, in relation to the audit of Western Suburbs Soccer Sports & Community Club Limited Trading as Canada Bay Club for the financial year ended 30 June 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.

KPMG

A handwritten signature in black ink, appearing to read 'Cameron Roan', with a stylized circular scribble above the name.

Cameron Roan

Partner

Sydney

4th September 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

<i>In AUD</i>	Note	2017	2016
Revenue	5	17,375,406	17,421,414
Change in inventories of finished goods		25,888	19,459
Raw materials and consumables used		(1,199,368)	(975,196)
Personnel expenses	6	(4,313,905)	(3,842,245)
Entertainment, marketing, promotional expenses		(1,396,668)	(1,240,626)
Poker machine compliance costs		(3,407,121)	(3,448,568)
Property and insurance expenses		(1,448,562)	(1,281,650)
Donations expense		(533,160)	(545,339)
Other expenses		(418,511)	(393,632)
Net gain/(loss) on disposal of property, plant and equipment		117,044	(756,112)
Profit before depreciation net finance income		<u>4,801,043</u>	<u>4,957,505</u>
Depreciation expense		(2,712,691)	(2,415,821)
Results from operating activities		<u>2,088,352</u>	<u>2,541,684</u>
Finance income		11,757	30,189
Finance costs		-	(18,858)
Net finance income	7	<u>11,757</u>	<u>11,331</u>
Profit before income tax		2,100,109	2,553,015
Income tax refund/(expense)	8	(74,739)	(104,452)
Profit for the year		<u>2,025,370</u>	<u>2,448,563</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>2,025,370</u>	<u>2,448,563</u>

The notes on pages 25 to 43 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

<i>In AUD</i>	Note	2017	2016
Assets			
Cash and cash equivalents	9	3,051,045	1,333,670
Trade and other receivables	10	189,003	150,182
Inventories	11	112,885	84,722
Current tax receivable		-	-
Total current assets		<u>3,352,933</u>	<u>1,568,574</u>
Investment property	12	4,596,247	4,637,144
Deferred tax assets	14	42,392	64,376
Property, plant and equipment	15	26,637,477	27,156,067
Intangible assets	16	1,969,829	1,497,635
Total non-current assets		<u>33,245,945</u>	<u>33,355,222</u>
Total assets		<u>36,598,878</u>	<u>34,923,796</u>
Liabilities			
Trade and other payables	17	966,849	1,253,736
Employee benefits	18	300,225	341,074
Current tax payable		5,625	79,126
Provisions	19	53,836	38,443
Revenue received in advance		333,090	346,735
Total current liabilities		<u>1,659,625</u>	<u>2,059,114</u>
Employee benefits	18	120,977	67,917
Revenue received in advance		40,116	43,975
Total non-current liabilities		<u>161,093</u>	<u>111,892</u>
Total liabilities		<u>1,820,718</u>	<u>2,171,006</u>
Net assets		<u>34,778,160</u>	<u>32,752,790</u>
Members' funds			
Retained surplus		34,778,160	32,752,790
Total members' funds		<u>34,778,160</u>	<u>32,752,790</u>

The notes on pages 25 to 43 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

<i>In AUD</i>	Note	2017	2016
Cash flows from operating activities			
Cash receipts from customers		19,075,875	20,007,561
Cash paid to suppliers and employees		(14,735,648)	(13,215,089)
Cash generated from operating activities		4,340,227	6,792,472
Interest received		11,757	30,189
Interest paid		-	(18,858)
Income tax paid		(126,256)	(28,750)
Net cash from operating activities		<u>4,225,728</u>	<u>6,775,053</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		123,819	10,406
Acquisition of property, plant and equipment		(2,159,978)	(10,312,754)
Acquisition of intangibles		(472,194)	(437,110)
Decrease in other investments		-	-
Net cash used in investing activities		<u>(2,508,353)</u>	<u>(10,739,458)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	500,000
Repayment of borrowings		-	(502,000)
Net cash used in financing activities		<u>-</u>	<u>(2,000)</u>
Net increase/(decrease) in cash and cash equivalents		1,717,375	(3,966,405)
Cash and cash equivalents at beginning of year		1,333,670	5,300,075
Cash and cash equivalents at end of year	9	<u>3,051,045</u>	<u>1,333,670</u>

The notes on pages 25 to 43 are an integral part of these financial statements.

STATEMENT OF CHANGES IN MEMBERS' FUNDS FOR THE YEAR ENDED 30 JUNE 2017

<i>In AUD</i>	Total members' funds
Balance at 1 July 2015	<u>30,304,227</u>
Total comprehensive income for the year	
Profit for the year	<u>2,448,563</u>
Total comprehensive income for the year	<u>2,448,563</u>
Balance at 30 June 2016	<u>32,752,790</u>
Balance at 1 July 2016	<u>32,752,790</u>
Total comprehensive income for the year	
Profit for the year	<u>2,018,601</u>
Total comprehensive income for the year	<u>34,771,391</u>
Balance at 30 June 2017	<u>34,771,391</u>

The notes on pages 25 to 43 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1 Reporting entity

Western Suburbs Soccer Sports & Community Club Limited Trading as Canada Bay Club (the Club) is a not-for-profit Club limited by guarantee and domiciled in Australia. The address of the Club's registered office is 4 William Street, Five Dock, NSW 2046 Australia. The financial statements are as at and for the year ended 30 June 2017.

The Club is primarily involved in conduct and promotion of a licensed social Club for members of the Club.

2 Basis of preparation

(a) Statement of compliance

In the opinion of the directors, the club is not publicly accountable. The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board and the Corporations Act 2001 and the Registered Clubs Amendment Act 2006. These financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements were authorised for issue by the Board of Directors on 4th September 2017.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Club's functional currency.

(d) Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, are included in the notes to the financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Certain comparative amounts have been reclassified to conform with the current year's presentation.

(a) Financial instruments

(i) *Non-derivative financial assets*

The Club initially recognises loans, receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the Club becomes a party to the contractual provisions of the instrument.

The Club derecognises a financial asset when the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Club is recognised as a separate asset or liability.

The Club derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Club is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Club has a legal right to offset the amounts and intends either to settle on a net basis or to realise the assets and settle the liability simultaneously.

The Club has the following non-derivative financial assets: trade and other receivables, other investments and cash and cash equivalents.

Trade and other receivables and other investments

Trade and other receivables and other investments, such as short-term deposits, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

(ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the date at which the Club becomes a party to the contractual provisions of the instrument. The Club derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Club has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Club classified non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings and trade and other payables

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and are recognised net in profit or loss.

(ii) *Subsequent costs*

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Club, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) *Depreciation*

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Club will obtain ownership by the end of the lease term. Land is not depreciated.

The depreciation rates used for the current and comparative years are as follows:

- | | |
|------------------------------|----------------|
| • Building | 40 years |
| • Cottages and holiday units | 10 to 40 years |
| • Plant and equipment | 4 to 13 years |
| • Capital work in progress | Nil |
| • Leased assets | 4 years |

Depreciation methods, depreciation rates and residual values are reviewed at each reporting date and adjusted if appropriate.

(c) Intangible assets

Poker machine entitlements

Poker machine entitlements that are acquired by the Club, which have infinite useful lives, are measured at cost less accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Impairment

Poker machine entitlements have indefinite useful lives as they have no expiry date. Accordingly, such intangible assets are not amortised but are systematically tested for impairment at each reporting date (see note 3(g)).

(d) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost less accumulated depreciation and impairment losses. Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each party of the property. Land is not depreciated. The estimated useful life of buildings in the current and comparative years is 40 years.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. Subsequent cost is recognised in the carrying amount of the investment property.

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Club's investment property portfolio every three years for disclosure purposes, and to consider impairment.

(e) Leased assets

Leases in terms of which the Club assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Club's statement of financial position.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(g) Impairment

(i) Non-derivative financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Club on terms that the Club would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or economic conditions that correlate with defaults.

The Club considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment the Club uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Club's non-financial assets, other than investment property and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of the item less, where applicable, accumulated depreciation to date, calculated on the basis of such cost. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

(ii) Other long-term employee benefits

The Club's net obligation in respect of long-term employee benefits other than defined benefits plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Club's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed using the projected unit credit method. Any actual gains or losses are recognised in profit or loss in the period in which they arise.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Club has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(i) Provisions

A provision is recognised if, as a result of a past event, the Club has the present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Link jackpot

The provision for gaming links relates mainly to the amounts payable in the event of players winning the jackpot on the poker machine as at 30 June 2017. The provision is based on the jackpot output on poker machines.

(j) Revenue

(i) Goods sold and services rendered

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods. It is measured at the fair value of the consideration received or receivable and is recognised in the profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered comprises revenue from gaming facilities together with other services to members and patrons of the Club. It is measured at the fair value of the consideration received or receivable and is recognised in profit or loss as the services are provided. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is risk of return of goods or there is continuing management involvement with the goods.

(ii) Commissions

When the Club acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Club.

(iii) Membership subscriptions

Membership subscriptions represents annual membership fees paid by the Club's members. The Club recognises membership subscriptions rateably over the term of the membership and any unearned portion is included in revenue received in advance.

(iv) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(k) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(l) Finance income and finance costs

Finance income comprises interest income on cash at bank and short-term deposits that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on finance lease liabilities. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(m) Income tax

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in members funds or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the Club, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The income Tax Assessment Act 1997 (amended) provides that under the concept of mutuality, clubs are only liable for income tax in income derived from non-members and from outside entities.

(n) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

4 New standards and interpretations not yet adopted

A number of new standards and amendments to standards are effective for future reporting periods, and have not been applied in preparing these financial statements. The Club does not plan to adopt these standards early.

(i) **AASB 9 Financial Instruments (2014)**

AASB 9, approved in December 2014, replaces the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from AASB 139. AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018. The Club has assessed the potential impact on its financial statements resulting from the application of AASB 9 and does not expect a material impact to the financial statement in the future financial reporting periods.

(ii) **AASB 15 Revenue from Contracts with Customers**

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue, AASB 111 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. AASB 15 is effective for annual reporting periods beginning on or after 1 January 2018. The Club has considered the nature of its current revenue streams and the changes required under the new accounting standard and does not expect a material impact to the financial statement in future financial reporting periods.

(iii) **AASB 16 Leases**

AASB 16 introduces a single, on-balance lease sheet accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases. AASB 16 is effective for annual reporting period beginning on or after 1 January 2019. The Club has assessed the potential impact on its financial statements resulting from the application of AASB 9 and does not expect a material impact to the financial statement in the future financial reporting periods.

<i>In AUD</i>	2017	2016
5 Revenue		
Revenue from gaming	13,944,215	14,542,193
Sale of food, beverages and functions	2,374,686	1,942,015
Rental income	503,603	409,406
Membership subscriptions	43,645	43,268
Commissions	336,503	294,672
Other	172,754	189,860
	<u>17,375,406</u>	<u>17,421,414</u>
6 Personnel expenses		
Wages and salaries	3,403,944	2,962,427
Contributions to defined contribution plans	334,369	289,947
Other associated employee expenses	575,592	589,871
	<u>4,313,905</u>	<u>3,842,245</u>
7 Finance income and finance costs		
Interest income	11,757	30,189
Finance income	11,757	30,189
Interest expense	-	18,858
Finance costs	-	18,858
Net finance income	<u>11,757</u>	<u>11,331</u>
8 Income tax expense		
Current tax expense		
Current year	116,163	119,790
Adjustment for prior periods	(63,408)	-
	<u>52,755</u>	<u>119,790</u>
Deferred tax expense		
Origination and reversal of temporary differences	21,984	-
Total income tax expense	<u>74,739</u>	<u>119,790</u>

In AUD

2017

2016

Numerical reconciliation between tax expense and pre-tax accounting profit

Proportion of income attributable to non-members	4,487,117	4,454,229
Less: Proportion of expenses attributable to non-members	<u>(3,677,910)</u>	<u>(3,476,355)</u>
	809,207	977,874
Add: Other taxable income	<u>560,687</u>	<u>754,937</u>
	1,369,894	1,732,811
Less: Other deductible expenses	<u>(982,683)</u>	<u>(1,333,511)</u>
Net income subject to income tax	387,211	399,300
Income tax applicable to above at tax rate of 30% (2016: 30%)	116,163	119,790
Movement in deferred tax assets	21,984	(15,338)
(Over)/under provision in prior year		
Income tax expense on pre-tax net profit	<u>(63,408)</u>	<u>-</u>
	<u>74,739</u>	<u>104,452</u>

9 Cash and cash equivalents

Cash at bank and on hand	<u>3,051,045</u>	<u>1,333,670</u>
Cash and cash equivalents in the statement of cash flows	<u>3,051,045</u>	<u>1,333,670</u>

10 Trade and other receivables

Current

Other receivables	43,724	17,255
Prepayments	<u>145,279</u>	<u>132,927</u>
	<u>189,003</u>	<u>150,182</u>

11 Inventories

Finished goods - at cost	112,885	84,722
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12 Investment property

Cost

Balance at 1 July	4,882,276	4,882,276
Acquisitions	-	-
Transfers to property, plant and equipment	-	-
Disposals	-	-
Balance at 30 June	<u>4,882,276</u>	<u>4,882,276</u>

Accumulated depreciation

Balance at 1 July	245,132	204,244
Disposals	-	-
Transfers to property, plant and equipment	-	-
Depreciation charge for the year	40,897	40,888
Balance at 30 June	<u>286,029</u>	<u>245,132</u>

Carrying amounts

At 1 July	<u>4,637,144</u>	<u>4,678,032</u>
At 30 June	<u>4,596,247</u>	<u>4,637,144</u>

Global Valuation Services, a professional valuation company, carried out an independent valuation of the investment properties on 18 March 2015 on the basis of open market value for existing use resulting in a valuation of the investment properties of \$5,900,000, compared to a carrying value as at 30 June 2017 of \$4,596,247 (2016: \$4,637,144). As the investment properties are recorded at cost, the directors have resolved not to bring this valuation into account.

13 Core and non-core properties

Pursuant to Section 41J of the Registered Clubs Amendment Act 2006, the Club defines property as follows:

Core property	22,393,183	23,288,008
Non-core property	4,596,697	4,637,144
	<u>26,989,880</u>	<u>27,925,152</u>

Core property:

Club House at 4 William Street, Five Dock NSW;

Club Car Park at Cnr William & Bevin Avenue, Five Dock NSW; and

Holiday Apartments at 76 Head Street, Forster NSW

Non-core property:

4 Bevin Avenue, Five Dock NSW;

7 Bevin Avenue, Five Dock NSW;

8 Bevin Avenue, Five Dock NSW; and

10 Bevin Avenue, Five Dock NSW

14 Deferred tax assets

Recognised deferred tax assets

Deferred tax assets are attributable to the following:

Prepayments	(3,406)	-
Trade and other payables	7,277	2,471
Provisions	4,366	29,059
Employee benefits	34,155	32,846
	<u>42,392</u>	<u>64,376</u>

15 Property, plant and equipment

In AUD

Cost	Land and Buildings	Cottages and holiday units	Capital works in progress	Plant and equipment	Leased Assets	Total
Balance at 1 July 2016	30,959,494	619,419	6,838	14,104,524	-	45,690,275
Additions	91,571	2,927	98,350	1,956,271	-	2,149,119
Disposals	-	-	-	(328,107)	-	(328,107)
Transfers to/(from) other property, plant and equipment categories	17,404	-	(17,404)	-	-	-
Balance at 30 June 2017	31,068,469	622,346	87,784	15,732,688	-	47,511,287

Depreciation and impairment losses

Balance at 1 July 2016	7,940,876	361,487	-	10,231,845	-	18,534,208
Depreciation for the year	968,980	25,228	-	1,677,586	-	2,671,794
Disposals	-	-	-	(332,192)	-	(332,192)
Transfers to/(from) other property, plant and equipment categories	1,146	-	-	(1,146)	-	-
Balance at 30 June 2017	8,911,002	386,715	-	11,576,093	-	20,873,810

Carrying amounts

At 30 June 2016	23,018,618	257,932	6,838	3,872,679	-	27,156,067
At 30 June 2017	22,157,467	235,631	87,784	4,156,595	-	26,637,477

Global Valuation Services, a professional valuation company, carried out an independent valuation of the Club's land and buildings on 18 March 2015 on the basis of open market value for existing use resulted in a valuation of \$27,400,000. As the land and buildings are recorded at cost, the directors have resolved not to bring this valuation to account.

Global Valuation Services, a professional valuation company, carried out an independent valuation of the Club's cottages and holiday units on 18 March 2015 on the basis of open market value for existing use resulted in a valuation of \$1,200,000. As the cottages and holiday units are recorded at cost, the directors have resolved not to bring this valuation into account.

In AUD **2017** **2016**

16 Intangible assets

Poker machine entitlements at cost

Balance at 1 July	1,969,829	1,497,635
Balance at 30 June	<u>1,969,829</u>	<u>1,497,635</u>

Poker machine entitlements are stated at cost less accumulated impairment losses. Poker machine entitlements have an indefinite useful life given they have no expiry date, and accordingly are not amortised but are to be assessed annually for impairment.

As at 30 June 2017, the Club estimated the value in use amount exceeds the carrying amount of poker machine entitlements. In assessing value in use, the estimated future cash flows were calculated for a period of five years, and a pre-tax discount rate of 5.75% and a growth rate of 3% were applied in the calculation.

17 Trade and other payables

Current

Trade payables	353,695	780,185
Accrued expenses	613,154	473,551
	<u>966,849</u>	<u>1,253,736</u>

18 Employee benefits

Current

Liability for annual leave	207,033	263,123
Liability for long service leave	90,089	74,678
Liability for rostered day off	3,103	3,273
	<u>300,225</u>	<u>341,074</u>

Non-current

Liability for long service leave	<u>120,977</u>	<u>67,917</u>
	120,977	67,917

19 Provisions

<i>In AUD</i>	Link Jackpot
Balance at 1 July 2016	38,443
Provisions created during the year	<u>15,393</u>
Balance at 30 June 2017	<u>53,836</u>

The provision for gaming links relates mainly to the amounts payable in the event of players winning the jackpot on the poker machine as at 30 June 2017. The provision is based on the jackpot output on poker machines.

<i>In AUD</i>	2017	2016
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20 Operating leases

Leases as lessor

The Club leases out its investment property held under operating leases (see note 11). The future minimum lease payments under non-cancellable leases are as follows:

Less than one year	-	30,600
Between one and five years	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>30,600</u>

During the year \$503,603 was recognised as rental income in profit or loss in respect of operating leases (2016: \$409,406).

21 Capital commitments

There were no capital commitments contracted at 30 June 2017 (2016: Nil)

22 Guarantees

Canada Bay Council	20,000	20,000
TAB Limited	<u>6,000</u>	<u>6,000</u>
	<u>26,000</u>	<u>26,000</u>

23 Related parties

Transactions with key management personnel

No director has received any remuneration from the Club during the year, or in the prior year.

The key management personnel compensation included in 'personnel expenses' (see note 6) is as follows:

Short-term employee benefits	744,866	727,961
Long-term employee benefits	<u>10,705</u>	<u>6,976</u>
	<u><u>755,571</u></u>	<u><u>734,937</u></u>

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

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

24 Club details

The Club is a public company limited by guarantee and without share capital. In accordance with the constitution of the Club, every member of the Club undertakes to contribute an amount limited to \$2 per member (2016: \$2) in the event of the winding up of the Club during the time he or she is a member or within one year thereafter.

The total amount that members of the Club are liable to contribute if the Club is wound up is \$41,354 (2016: \$40,438).

25 Subsequent events

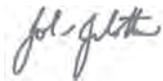
There have been no events subsequent to reporting date which would have a material effect on the Club's financial statements at 30 June 2017.

DIRECTORS' DECLARATION

In the opinion of the directors of Western Suburbs Soccer Sports & Community Club Limited Trading as Canada Bay Club (the Club):

- (a) the Club is not publicly accountable;
- (b) the financial statements and notes, set out on pages 21 to 43, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Club's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001;
- (c) there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.



John Idotta

President

Dated at 4th September 2017



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTERN SUBURBS SOCCER SPORTS & COMMUNITY CLUB LIMITED (TRADING AS CANADA BAY CLUB)

Opinion

We have audited the Financial Report of Western Suburbs Soccer Sports & Community Club Limited (the Club).

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

- giving a true and fair view of the Club's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

The Financial Report comprises:

- Statement of financial position as at 30 June 2017.
- Statement of profit or loss and other comprehensive income, Statement of changes in member's funds, and Statement of cash flows for the year then ended
- Notes 1 to 25 including a summary of significant accounting policies and other explanatory notes.
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report.

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Profession Standards Legislation.



We are independent of the Club in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

Other Information is financial and non-financial information in Western Suburbs Soccer & Community Club Limited Director's report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

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. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Club's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors_files/ar\[3\].pdf](http://www.auasb.gov.au/auditors_files/ar[3].pdf). This description forms part of our Auditor's Report.

KPMG



Cameron Roan

Partner

Sydney

4th September 2017

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