



CANADA BAY CLUB

CANADA BAY
CLUB

2018-19

Annual
Report

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

8 William St Five Dock NSW 2046

Phone 9713 4322

Fax 9712 1591

Email enquiries@canadabayclub.com.au

www.canadabayclub.com.au

  CanadaBayClubFiveDock





PRESIDENT'S MESSAGE

Dear Members

I am privileged to provide my first report to you as President of this wonderful Club.

I wish to acknowledge:-

1. The immediate past President, John Idotta for his service to the Club.
2. My current Board of Directors for their time, guidance and gratuitous service they have provided to the Club and me over the past 12 months and no doubt in the future.

All the members who have recently visited the Club will have noticed the extensive building work going on right across the front of the Club. I, with my Board collectively are extremely excited to see after involvement in the design, planning and negotiation of this project including achieving the City of Canada Bay Council approval which allows the launching and commencement of the works.

I wish to take this opportunity to emphasise that, we are OPEN for business as normal. Our caring and friendly team are on hand to assist you getting in and out of the Club and to and from your vehicle. If you are unsure in any way, please do not hesitate to call upon any of the club's caring and friendly team for help.

As you will see from the artists' impressions over the page, the front façade of the Club is undergoing an extraordinary change. The Board of Directors worked closely with our architect and designer to achieve this outcome. Our research into the change in demography within the City of Canada Bay has resulted in the design of the Façade.

We have added:-

1. A 5 metre high children's play centre. This equipment will be an "all weather" addition to the Club's offer. It will be covered and secure. Your children will be able to play within the space without concern. "Softfall", screening and child locks have been added to the design to give you, our members, a level of confidence that your children are safe within the play centre.
2. A new, all-weather covered alfresco dining area so that you, our members, will have a new and comfortable experience. Access to and from this new dining area will be via our Brasserie entry points. I am very much looking forward to spending time in this new dining area with you, our members.
3. A new balcony for the first floor which will add a new dimension to afternoons at the Canada Bay Club. We are hoping to have a very pleasant view to accompany your favoured choice of beverage. It will be just the place to start or finish your evening.

We expect the project to be completed in early 2020.

Much has been reported about the changing demographics of Sydney. The Inner West is not immune to these changes. We are certainly seeing this take place here at the Club. The key driver for the Front Façade work is the increase in families moving into the area.

Being relevant to our community is vital to our existence. We are aware that we must evolve in parallel with the wider population in order for us to achieve our Club's "Objects". Now more so than ever in the past, we are seeing a greater call for our financial support. This year we have contributed to sports ranging from Soccer to Dragon boating. From new born babies to the very elderly and from accordions to choirs. This financial year our Club has donated \$572,000 in cash to the wider community.

We would like nothing more than for this to be an ongoing and growing sum. For us to continue to achieve this we would ask that you consider us as a venue of choice for you and your families, friends, colleagues, and organisations to spend time. Without you dining in our restaurants, holding an event or participating in our activities we cannot achieve the help we give the community. I, for and on behalf of my Board, club management and staff we thank you our members in helping us achieve the aid we have given to our community.

In closing I would like to take a moment to thank you, our members, for visiting the Club this and in past years. Without your valuable membership and patronage, we would not have been able to achieve what we have for you and on your behalf.

I am grateful to:-

1. The Board of Directors for their diligence and counsel throughout the year.
2. Our frontline team who provide wonderful and caring service.
3. Our leadership team who take our direction and translate it into a vision which you, our members, expect.

I am very excited for what 2020 and beyond will bring to our venue.

Thank you once again and I look forward to seeing you around the Club!



Frank Failla
President

FRONT FAÇADE BUILDING PROJECT

We're excited about the new offering the club will be providing members and visitors in 2020. The following artist impressions show how the club will look once work is completed. As you will see, the new front façade will provide a welcoming and attractive entrance to the club and will include new outdoor spaces the whole family will enjoy. The club and all its facilities will be open as usual throughout the building project.



ALL WEATHER OUTDOOR PLAY AREA



ALFRESCO DINING



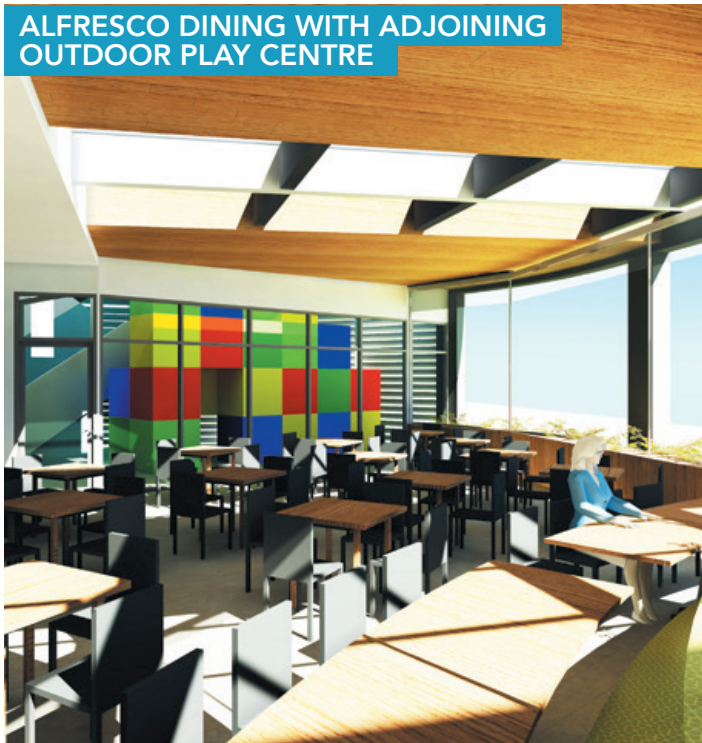
KINGS BAY LOUNGE BALCONY



KINGS BAY LOUNGE BALCONY



ALFRESCO DINING WITH ADJOINING OUTDOOR PLAY CENTRE



CLUB ENTRANCE



FRONT FAÇADE



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **56th Annual General Meeting of the Western Suburbs Soccer Sports & Community Club Ltd** will be held on **Sunday, 17th November 2019**, commencing at **10:00am** at the premises of the Club, 8 William Street, Five Dock, NSW 2046.

Only financial Members of the category of "Club, Life and Loyal" 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 55th 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 - 6
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, Life and Loyal* 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 OF ORDINARY RESOLUTIONS FOR ANNUAL GENERAL MEETING

Notice is hereby given that the **56th Annual General Meeting of the Western Suburbs Soccer Sports & Community Club Ltd** will be held on **Sunday, 17th November 2019**, commencing at **10:00am** at the premises of the Club, 8 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.

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: 4th of October 2019

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, 2019:

(a) the following properties are core property of the Club;

- (i) Club House at 8 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) 5 Bevin Avenue, Five Dock NSW
- (iii) 7 Bevin Avenue, Five Dock NSW
- (iv) 8 Bevin Avenue, Five Dock NSW
- (v) 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 or Top Manager (KMP – Key Management Personnel).

Director/KMP	Staff Member	Relationship	Staff Title	Gross Earnings
F Failla	Alexander Fioretto	Nephew	FB Att	\$30,269.30
F Failla	Anthony Fioretto	Nephew	FB Att	\$2,881.32
M Ianni	Anthony Ianni	Grandson	FB Att	\$37,505.16
A Lewis	Peter Lewis	Father	H/Man	\$2,380.50
D Kirkham	William Kirkham	Son	K/Hand (Level 1)	\$3,729.95

8. Part 2 Amalgamations, Clause 4 – Registered Club Regulation 2015 (amended 2018), Expressions of Interest received for Amalgamation or Merger.

- The Club has not received an Expression of Interest to Amalgamate or Merge as a result of a request by this Club to do so.
- The Club has not received any unsolicited Expressions of Interest to Amalgamate or Merge from another Club.

ELECTION FOR THE BOARD OF DIRECTORS

Members are advised that the ballot for Directorship will take place at the Club from Monday, 11th November 2019, to Friday, 15th November 2019, 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, Life and Loyal" 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 5960. Nominations must be received by the Returning Officer, NSW Electoral Commission by no later than 5pm, Friday 1st November 2019. The Candidate is to follow the instructions on the Nomination Form.

The ballot for Directorship will take place at the Club from Monday, 11th November 2019, to Friday, 15th November 2019, 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 May 2019 and displayed concurrently on the Club's Notice Board**. The course was held on Wednesday 24th of July at 10.30am in the Club's Function Rooms.

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

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

IMPORTANT INFORMATION FOR CLUB MEMBERS

This club is by law required to make available to its members information that relates to the management and financial administration of the club including:

1. A register of disclosures made by the directors and employees of the club.
2. Details of the overseas travel made by the directors and employees of the club.
3. Details of loans given by the club to employees.
4. Details of contracts of employment of top executives.
5. Details of the payments made by the club for consultant services.
6. Details of legal settlements made by the club with a director or an employee of the club.

7. Details of legal fees paid by the club for a director or an employee of the club.
8. The club's annual gaming machine profit.
9. The amount applied by the club to community development and support.

AND

The club must provide quarterly financial statements to its board for adoption, and make them available to members, including:

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.

2019 ELECTION OF THE BOARD OF DIRECTORS - GROUP 1 ELECTION NOTICE

Nominations

Nominations are invited on and from Monday 7 October 2019 for: Two (2) Directors

Only financial Club members in the classes of Life membership, Club membership and Loyal 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 **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 5460.

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 5960;
- Canada Bay Club Ltd, 8 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, Friday 1 November 2019**. 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 Photograph

Candidates must submit a passport size photograph of themselves with the nomination form to the Returning Officer by the close of nominations 5.00pm, Friday 1 November 2019 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, Friday 1 November 2019 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 11 November 2019 to Friday 15 November 2019 from 12.00 noon to 8.00pm

Annual General Meeting

The Annual General Meeting of the Club will be held at the Club at 10.00am on Sunday 17 November 2019.

Any enquiries regarding the election should be directed to Jacques Alouan at the NSW Electoral Commission, telephone (02) 9290 5960.

Jacques Alouan
Returning Officer
NSW Electoral Commission

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

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 2019 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



Frank Failla
(Company Director)

Joined the Club in 2002
Appointed as Director in May 2011
Appointed as Vice President in November 2013
Appointed as President in November 2018



Angelo D'Angelo
Dip Law (SAB)
(Company Director)

Joined the Club in 2000
Appointed as Director in November 2009
Resigned as Director in February 2012
Appointed as Director in November 2013
Appointed as Vice President in November 2018



John Idotta
B.Com, IPA
(Company Director)

Joined the Club in 1991
Appointed as Director in November 2006
Appointed as President in November 2013
Resigned as President in November 2018
Appointed as Director in November 2018



Maria Ianni
(Company Director)

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

2 Directors' meetings

The number of directors' meetings, special meetings and sub-committee 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
Frank Failla	12	12	13	14
Angelo D'Angelo	11	12	11	14
John Idotta	12	12	14	14
Maria Ianni	10	12	10	14
Vito Cipolla	11	12	12	14
Ray Favetti	10	12	11	14
Diane Crittenden	11	12	11	14

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 (2018: \$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 \$38,948 (2018: \$40,066).

The number of members as at 30 June 2019 and the comparison with prior year is as follows:

	2019	2018
Ordinary	19,472	20,030
Life	2	3
	<u>19,474</u>	<u>20,033</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 2019 was \$1,684,015 (2018: \$2,134,563). This resulted after charging \$2,771,359 for depreciation (2018: \$2,840,710).

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

	2019	2018
<i>In AUD</i>		
Operating profit before depreciation, gain on disposal of property, plant and equipment,	4,408,531	5,071,113
Depreciation	(2,771,359)	(2,840,710)
Net finance income	41,156	34,981
Income tax	5,687	(130,821)
	<u>1,684,015</u>	<u>2,134,563</u>

The Club's financial performance is continually measured against internally set KPIs 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 auditor

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 2019. 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 6 and forms part of the directors' report for the financial year ended 30 June 2019.

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



Frank Fallia

President

Dated at Sydney this 26th day of September 2019.



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 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.

KPMG

Cameron Roan

Partner

Sydney

26 September 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2019

<i>In AUD</i>	<i>Note</i>	2019	2018
Revenue	5	19,073,593	19,676,758
Change in inventories of finished goods		8,181	(19,821)
Raw materials and consumables used		(1,401,648)	(1,437,881)
Personnel expenses	6	(5,584,255)	(5,336,399)
Entertainment, marketing, promotional expenses		(1,482,111)	(1,467,329)
Poker machine compliance costs		(3,698,268)	(3,884,571)
Property and insurance expenses		(1,542,485)	(1,532,955)
Donations expense		(572,285)	(575,239)
Other expenses		(496,940)	(495,657)
Net gain on disposal of property, plant and equipment		104,749	144,207
Profit before depreciation net finance income		4,408,531	5,071,113
Depreciation expense	16	(2,771,359)	(2,840,710)
Results from operating activities		1,637,172	2,230,403
Finance income		41,156	34,981
Finance costs		-	-
Net finance income	7	41,156	34,981
Profit before income tax		1,678,328	2,265,384
Income tax expense	8	5,687	(130,821)
Profit for the year		1,684,015	2,134,563
Other comprehensive income		-	-
Total comprehensive income for the year		1,684,015	2,134,563

The notes on pages 22 to 38 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

<i>In AUD</i>	<i>Note</i>	2019	2018
Assets			
Cash and cash equivalents	9	4,407,373	4,165,585
Trade and other receivables	10	261,782	232,258
Inventories	11	134,970	122,744
Current tax receivable		45,858	-
Other assets	12	2,000,000	-
Total current assets		6,849,983	4,520,587
Investment property	13	6,222,317	6,122,377
Deferred tax assets	14	41,800	36,430
Property, plant and equipment	16	24,613,786	25,451,557
Intangible assets	17	3,203,900	2,593,479
Total non-current assets		34,081,803	34,203,843
Total assets		40,931,786	38,724,430
Liabilities			
Trade and other payables	18	1,314,589	939,074
Employee benefits	19	369,282	304,471
Current tax payable		-	4,646
Provisions	20	134,360	97,474
Revenue received in advance		320,513	309,194
Total current liabilities		2,138,744	1,654,859
Employee benefits	19	159,666	118,546
Revenue received in advance		36,638	38,302
Total non-current liabilities		196,304	156,848
Total liabilities		2,335,048	1,811,707
Net assets		38,596,738	36,912,723
Members' funds			
Retained surplus		38,596,738	36,912,723
Total members' funds		38,596,738	36,912,723

The notes on pages 22 to 38 are an integral part of these financial statements.

STATEMENT OF CHANGES IN MEMBERS' FUNDS

For the year ended 30 June 2019

<i>In AUD</i>	Total members' funds
Balance at 1 July 2017	<u>34,778,160</u>
Total comprehensive income for the year	
Profit for the year	<u>2,134,563</u>
Total comprehensive income for the year	<u>2,134,563</u>
Balance at 30 June 2018	<u>36,912,723</u>
Balance at 1 July 2018	<u>36,912,723</u>
Total comprehensive income for the year	
Profit for the year	<u>1,684,015</u>
Total comprehensive income for the year	<u>1,684,015</u>
Balance at 30 June 2019	<u>38,596,738</u>

The notes on pages 22 to 38 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

<i>In AUD</i>	<i>Note</i>	2019	2018
Cash flows from operating activities			
Cash receipts from customers		19,193,071	21,568,572
Cash paid to suppliers and employees		(14,403,052)	(16,702,812)
Cash generated from operating activities		4,790,019	4,865,760
Interest received		41,156	34,981
Interest paid		-	-
Income tax paid		(50,187)	(125,838)
Net cash from operating activities		4,780,988	4,774,903
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		118,222	-
Acquisition of property, plant and equipment		(1,897,455)	(1,468,711)
Acquisition of intangibles		(610,421)	(623,650)
Acquisition of investment property		(149,546)	(1,568,002)
Investments in term deposit		(2,000,000)	-
Net cash used in investing activities		(4,539,200)	(3,660,363)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		241,788	1,114,540
Cash and cash equivalents at beginning of year		4,165,585	3,051,045
Cash and cash equivalents at end of year	9	4,407,373	4,165,585

The notes on pages 22 to 38 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

1 Reporting entity

Western Suburbs Soccer Sports & Community Club Limited Trading as Canada Bay Club (the Club) is a reporting entity and a company limited by guarantee domiciled in Australia. The address of the Club's registered office is 8 William Street, Five Dock, NSW 2046 Australia. The financial statements of the Club are as at and for the year ended 30 June 2019.

The Club is a not-for-profit entity and is primarily involved in the conduct and promotion of a licensed social club for its members and non-member visitors to the Club's facilities.

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 (AASBs) adopted by the Australian Accounting Standards Board (AASB), the Corporations Act 2001, the Registered Clubs Amendment Act 2006 and the Gaming Machines Tax Act 2001.

The financial statements were authorised for issue by the Board of Directors on 26th September 2019.

Certain prior year amounts have been re-classified in order to better reflect the financial position of the business. These changes do not affect the prior year net surplus and the beginning net asset position of the Club.

(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.

There are no judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial report or estimates with a significant risk of material adjustment in the next year.

Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Significant accounting policies

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

(a) Financial instruments - policy applicable from 1 January 2018

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Club becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income - debt investment; fair value through other comprehensive income - equity investment; or fair value through profit and loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Club changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise to specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit and loss. This includes all derivative financial assets. On initial recognition, the Club may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at fair value through profit and loss

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Significant accounting policies (continued)

(a) Financial instruments - policy applicable from 1 January 2018 (continued)

(iii) Derecognition

Financial assets

The Club derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Club neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Club enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised. Financial assets at fair value through profit or loss.

Financial liabilities

The Club derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Club also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

The measurement basis of the Club's financial assets and liabilities under AASB 139 and AASB 9 are as follows:

1 January 2018 Asset/Liability	Measurement Category under AASB119	Measurement Category under AASB 9	Carrying amount of asset/(liability) under AASB 9 and AASB 139 (\$)
Cash and Cash Equivalent	Loans & Receivables	Financial asset at amortised cost	4,407,373
Trade and other receivables	Loans & Receivables	Financial asset at amortised cost	261,782
Trade and other payables	Financial liabilities at amortised cost	Financial liabilities at amortised cost	1,314,589

Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Significant accounting policies (continued)

(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.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Club.

(iii) Depreciation

Depreciation is calculated to write-off the cost of property, plant and equipment less their estimated residual values using the straight line basis over their estimated useful lives, and is generally recognised in profit or loss. 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 estimated useful lives of property, plant and equipment for current and comparative periods 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

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.

Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Significant accounting policies (continued)

(c) Intangible assets (continued)

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(f)).

(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) 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.

(f) Impairment

(i) *Non-derivative financial assets*

Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence that it is impaired.

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, adverse changes in the payment status of borrowers or issuers, the disappearance of an active market for a security, or observable data indicating that there is measurable decrease in expected cash flows for a group of financial assets.

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.

Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Significant accounting policies (continued)

(f) Impairment (continued)

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

At each reporting date, the Club reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Indefinite life intangible assets are tested annually for impairment.

An impairment loss in respect of goodwill is not reversed. For other assets, 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.

(g) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payment is available.

(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. Remeasurements are recognised in profit or loss in the period in which they arise.

(iii) Short-term employee benefits

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognised for the amount expected to be paid 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.

Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Significant accounting policies (continued)

(h) 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 2019. The provision is based on the jackpot output on poker machines.

(i) 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. 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. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

(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.

(v) *Loyalty programme*

Revenue is allocated between the loyalty programme and the other components of the sale. The amount allocated to the loyalty programme is deferred, and is recognised when the Club has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer considered probable that the points under the programme will be redeemed.

(j) 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.

Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Significant accounting policies (continued)

(k) Finance income and finance costs

The club's finance income and finance costs include:

- interest income
- interest expense

Interest income or expense is recognised using the effective interest method.

(l) Income tax

Income tax expense comprises current and deferred tax. It is 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.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

(i) Deferred tax

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 not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Club is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused 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 used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered. 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.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Club expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

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.

Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Significant accounting policies (continued)

(m) 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

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Club. The Club has decided not to early adopt any of the new and amended pronouncements. None of these are expected to have a significant impact on the financial statements of the Club.

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 18 Revenue, AASB 111 Construction Contracts and AASB Interpretation 13 Customer Loyalty Programmes. AASB 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

AASB 1058 Income of Not-for-Profit Entities

AASB 1058 provides a more comprehensive model for the accounting of income for not-for-profit entities relating to the recognition of income. Under AASB 1058, the timing of income recognition will depend on whether a transaction gives rise to a performance obligation, liability or contribution by owners. It replaces the existing requirements in AASB 1004 Contributions. AASB 1058 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted for entities that have also adopted AASB 15.

AASB 16 Leases

AASB 16 removes the classification of leases as either operating lease or finance leases - for the lessee - effectively treating all leases as finance leases. Short-term leases (less than 12 months) and leases of low-value assets (such as personal computers) are exempt from the lease accounting requirements. There are also changes in accounting over the life of the lease. In particular, companies will recognise a front-loaded pattern of expenses for most leases, even when they pay constant rentals.

AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted where AASB 15 Revenue from Contracts with Customers is adopted at the same time.

The Club has limited arrangements which meet the definition of an operating lease and would require recognition under the new AASB 16 Leases Standard. The Club will continue to monitor the arrangements in place and any new arrangements entered into to ensure they are accounted for in accordance with the new accounting standard from the effective date.

Notes to the financial statements (continued)

For the year ended 30 June 2019

5 Revenue

In AUD

	2019	2018
Revenue from gaming	14,471,281	15,317,198
Sale of food, beverages and functions	3,619,471	3,440,412
Rental income	386,501	365,565
Membership subscriptions	39,905	42,594
Commissions	350,071	329,636
Other	206,364	181,353
	<u>19,073,593</u>	<u>19,676,758</u>

6 Personnel expenses

In AUD

	2019	2018
Wages and salaries	4,405,232	4,203,703
Contributions to defined contribution plans	428,865	407,281
Other associated employee expenses	750,158	725,415
	<u>5,584,255</u>	<u>5,336,399</u>

7 Finance income and finance costs

In AUD

	2019	2018
Interest income	41,156	34,981
Finance income	<u>41,156</u>	<u>34,981</u>
Interest expense	-	-
Finance costs	-	-
Net finance income	<u>41,156</u>	<u>34,981</u>

8 Income tax expense

In AUD

	2019	2018
Current tax expense		
Current year	30,994	97,127
Adjustment for prior periods	(31,311)	27,732
	<u>(317)</u>	<u>124,859</u>
Deferred tax expense		
Origination and reversal of temporary differences	(5,370)	5,962
Total income tax expense	<u>(5,687)</u>	<u>130,821</u>

Notes to the financial statements (continued)

For the year ended 30 June 2019

8 Income tax expense (continued)

Numerical reconciliation between tax expense and pre-tax accounting profit

<i>In AUD</i>	2019	2018
Proportion of income attributable to non-members	3,923,605	4,142,061
Less: Proportion of expenses attributable to non-members	(3,371,145)	(3,476,002)
	552,460	666,059
Add: Other taxable income	645,449	583,482
	1,197,909	1,249,541
Less: Other deductible expenses	(1,085,201)	(925,783)
Net income subject to income tax	112,708	323,758
Income tax applicable to above at tax rate of 27.5% (2018: 30%)	30,994	97,127
Movement in deferred tax assets	(5,370)	5,962
(Over)/under provision in prior year	(31,311)	27,732
Income tax expense on pre-tax net profit	(5,687)	130,821

9 Cash and cash equivalents

<i>In AUD</i>	2019	2018
Cash at bank and on hand	4,407,373	4,165,585
Cash and cash equivalents in the statement of cash flows	4,407,373	4,165,585

10 Trade and other receivables

<i>In AUD</i>	2019	2018
Current		
Other receivables	52,532	87,230
Prepayments	209,250	145,028
	261,782	232,258

11 Inventories

<i>In AUD</i>	2019	2018
Finished goods - at cost	134,970	122,744
	134,970	122,744

12 Other assets

<i>In AUD</i>	2019	2018
Current		
Term deposits	2,000,000	-
	2,000,000	-

Notes to the financial statements (continued)

For the year ended 30 June 2019

13 Investment property

In AUD

Cost

	2019	2018
Balance at 1 July 2018	6,450,278	4,882,276
Acquisitions	149,545	1,568,002
Transfers to property, plant and equipment	-	-
Disposals	-	-
Balance at 30 June 2019	<u>6,599,823</u>	<u>6,450,278</u>

Accumulated depreciation

Balance at 1 July 2018	327,901	286,029
Disposals	-	-
Transfers to property, plant and equipment	-	-
Depreciation charge for the year	49,606	41,872
Balance at 30 June 2019	<u>377,507</u>	<u>327,901</u>

Carrying amounts

At 1 July 2018	6,122,377	4,596,247
At 30 June 2019	<u>6,222,317</u>	<u>6,122,377</u>

Andrew Nock Valuers, a professional valuation company, carried out an independent valuation of the investment properties on the 18th of September 2017 on the basis of Direct Comparison approach, resulting in a valuation of the investment properties of \$7,200,000. It is noted that 5 Bevin Avenue was not valued in the report as purchase date was after the report was issued, 5 Bevin Avenue has been measured at cost. The carrying value of all investment properties is \$6,222,317 (2018:\$6,122,377). As the investment properties are recorded at cost, the directors have resolved not to bring this valuation into account.

Notes to the financial statements (continued)

For the year ended 30 June 2019

14 Deferred tax assets

Recognised deferred tax assets

Deferred tax assets are attributable to the following:

In AUD

	2019	2018
Prepayments	(3,431)	(3,263)
Trade and other payables	6,651	5,794
Provisions	7,815	6,348
Employee benefits	30,765	27,551
	<u>41,800</u>	<u>36,430</u>

15 Core and non-core properties

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

In AUD

	2019	2018
Core property	20,702,051	21,478,652
Non-core property	6,222,317	6,122,377
	<u>26,924,368</u>	<u>27,601,029</u>

Core property:

Club House at 8 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;

5 Bevin Avenue, Five Dock NSW;

7 Bevin Avenue, Five Dock NSW;

8 Bevin Avenue, Five Dock NSW; and

10 Bevin Avenue, Five Dock NSW

Notes to the financial statements (continued)
For the year ended 30 June 2019

16 Property, plant and equipment

<i>In AUD</i>	Land and Buildings	Cottages and holiday units	Capital works in progress	Plant and equipment	Total
Cost					
Balance at 1 July 2018	31,137,066	623,753	251,091	16,005,630	48,017,540
Additions	288,959	1,055	278,584	1,328,858	1,897,455
Disposals	-	-	-	(446,452)	(446,452)
Transfers	(94,173)			94,173	-
Balance at 30 June 2019	31,331,852	624,808	529,675	16,982,209	49,468,543
Depreciation and impairment losses					
Balance at 1 July 2018	9,880,745	401,422	-	12,283,816	22,565,983
Depreciation for the year	958,528	8,309	-	1,754,916	2,721,753
Disposals	-	-	-	(432,979)	(432,979)
Transfers	5,605	-	-	(5,605)	-
Balance at 30 June 2019	10,844,878	409,731	-	13,600,148	24,854,757
Carrying amounts					
At 30 June 2018	21,256,321	222,331	251,091	3,721,814	25,451,557
At 30 June 2019	20,486,974	215,077	529,675	3,382,061	24,613,786

Notes to the financial statements (continued)

For the year ended 30 June 2019

16 Property, plant and equipment (continued)

Andrew Nock Valuers, a professional valuation company, carried out an independent valuation of the Club's land and buildings on 18 September 2017 on the basis of open market value for existing use resulted in a valuation of \$42,400,000. The carrying value of all land and buildings is \$20,486,974 (2018: \$21,256,321). As the land and buildings are recorded at cost, the directors have resolved not to bring this valuation to account.

Andrew Nock Valuers, a professional valuation company, carried out an independent valuation of the Club's cottages and holiday units on 18 September 2017 on the basis of open market value for existing use resulted in a valuation of \$1,250,000. The carrying value of all cottages and holiday units is \$215,077 (2018: \$222,331). As the cottages and holiday units are recorded at cost, the directors have resolved not to bring this valuation into account.

17 Intangible assets

Poker machine entitlements at cost

<i>In AUD</i>	2019	2018
Balance at 1 July 2018	2,593,479	1,969,829
Additions	610,421	623,650
Balance at 30 June 2019	<u>3,203,900</u>	<u>2,593,479</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 2019, 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.

18 Trade and other payables

<i>In AUD</i>	2019	2018
Current		
Trade payables	501,377	438,583
Accrued expenses	813,212	500,491
	<u>1,314,589</u>	<u>939,074</u>

Notes to the financial statements (continued)

For the year ended 30 June 2019

19 Employee benefits

In AUD

2019 **2018**

Current

Liability for annual leave	250,682	204,366
Liability for long service leave	118,424	99,934
Liability for rostered day off	176	171
	<u>369,282</u>	<u>304,471</u>

Non-current

Liability for long service leave	159,666	118,546
	<u>159,666</u>	<u>118,546</u>

20 Provisions

In AUD

Link Jackpot

Balance at 1 July 2018	97,474
Provisions created during the year	<u>36,886</u>
Balance at 30 June 2019	<u>134,360</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 2019. The provision is based on the jackpot output on poker machines.

21 Capital commitments

There were no capital commitments contracted at 30 June 2019 (2018: Nil)

22 Guarantees

In AUD

2019 **2018**

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>

Notes to the financial statements (continued)

For the year ended 30 June 2019

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:

<i>In AUD</i>	2019	2018
Salaries and wages	750,166	686,517
Contribution to defined contribution plans	78,230	72,342
	828,396	758,859

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 directors or executives has entered into a material contract with the Club during the current financial year or since the year end of the previous financial year and there were no material contracts involving any 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 (2018: \$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 \$38,948 (2018: \$40,066).

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 2019.

DIRECTOR'S 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 22 to 38, 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 2019 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.



Frank Failla
President

Dated at 26th September 2019.



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 2019 and of its financial performance for the year ended on that date
- Complying with *Australian Accounting Standards - (Reduced Disclosure Requirements) and the Corporations Regulations 2001*.

The **Financial Report** comprises:

- Balance sheet as at 30 June 2019
- Income statement, statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- 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.

We are independent of the Company in accordance with 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.

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.

Other Information

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

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report. 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:

- the preparation and fair presentation of the Financial Report and have determined that the basis of preparation described in Note 2 to the Financial Report is appropriate to meet the needs of the shareholders for the purpose of fulfilling the needs of its Directors.
- 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 Company'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 Company 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/ar3.pdf. This description forms part of our Auditor's Report.

KPMG

Cameron Roan



Partner Sydney, 26 September 2019

CANADABAYCLUB



  CanadaBayClubFiveDock



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