



**DOOLEYS**  
LIDCOMBE CATHOLIC CLUB

**ANNUAL REPORT**  
**2016-2017**

*- Bringing people together -*



## DOOLEYS employees give back

DOOLEYS employees are compassionate people who want to be actively involved in our local community and love spending time helping others. Each year, our employees volunteer their time for a wide variety of organisations, projects and community events. In 2016/17 DOOLEYS employees invested 761 hours of their own time undertaking volunteer work.





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# Chairman's Report

JOHN MUNCE



## Looking Back

On behalf of the Board of Directors I submit for your approval and adoption the Annual Report for the year ending 30 June 2017. It is pleasing to report another successful year, and strong performance by your club. The details are provided in the CEO's Report and in the Financial Statements.

The club's focus is to always manage its finances responsibly in order that the promotion and continuance of the Club is secure well into the future. With great support from our loyal members and the sustained focus by our CEO and Senior Management Team, the desired outcome has been achieved during the last financial year.

During the last twelve months, the board and management have met on numerous occasions with our building consultants to plan for the development of the Lidcombe site.

Many hours have been spent pouring over drawings, and discussing the ideal outcome of our project known as The Concourse at Lidcombe. The old saying "Rome wasn't built in a day" certainly applies to this project, due to consultation with government agencies taking longer than expected. In the meantime preliminary demolition work on properties between Ann and Board Streets which commenced in early 2017 is now virtually completed, ready for the next stage. Cumberland Council at their August Council meeting adopted the recommendation to sell a part of Board Street to DOOLEYS. The acquisition will take considerable time as there is a process to follow by both parties before contracts are exchanged.

In November last year, Lloyd's Bistro and Conservatory opened which has proved to be a saviour, as the additional space has relieved the pressure on the previous dining area, and with the opening of the Three Lanterns Bar, members and guests now have a premium location to enjoy a variety of coffees, cakes, cocktails and craft beers.

Renovations were carried out at DOOLEYS Waterview during the year which included alterations to the function room, foyer area as well as painting and updating the décor in the main club area.

## Corporate Social Responsibility

Our commitment to our local community and beyond continued throughout the last financial year. Our total contributions which include ClubGRANTS, donations, sponsorship, harm minimisation initiatives, community expenditure, in-kind support, corporate governance and much more, amounted to \$3.6 million up from \$3.4 million in 2015/2016.

Our Catholic partners which include local Catholic schools, Catholic Education Foundation, Australian Catholic University bursaries, four local Catholic Parishes, St Vincent De Paul Society, and the Catholic Enquiry Centre received total funding of \$378,000 for the financial year. DOOLEYS staff contributed 761 hours of community volunteering to a number of charities and organisations including Vinnies Night Patrol – for feeding the homeless, Parramatta Mission, reading lessons for primary school children with Learning Links, and raising funds for The Children’s Hospital at Westmead by competing in the City 2 Surf with club members.

This is a magnificent effort as DOOLEYS is an active contributor and leading member of our local community. Our strategic objectives in this area have been met for the financial year and that included developing and facilitating long-term strategic community partnerships which provide value added services and involvement in key activities and events.

### Director Training and Duties

During the last financial year Directors have participated in briefings, conferences and courses conducted by the Australian Institute of Company Directors (AICD), Governance Institute of Australia, and the Club Directors Institute, to fulfil their duties as directors.

As a matter of good governance and recognised by the AICD, board numbers were reduced to seven as from the conclusion of the AGM 2016. These measures were approved by members at the 2013 AGM. DOOLEYS board takes Directors training and commitment to board duties seriously, as the changing environment in business requires Directors to be compliant and carry out their duties with fidelity and trust. New Directors are required to complete and pass the Company Director’s Course within one year of being elected as a Director or stand down as required by rule 68 of the club’s constitution.

### The Way Ahead

DOOLEYS board is committed to have the development of the Lidcombe site under way as soon as possible. However in saying that, there is further consultation to be had with our consultants, and we need to get it right before we commence, as members deserve the best possible outcome. DOOLEYS board is also committed to continue providing members with excellent facilities and service at our three club sites. The DOOLEYS Difference Program, which has been in place now for some time, is driving excellent outcomes in all facets in the business

from back of house to front of house, and members are benefiting from this with exceptional food offering and service from our staff.

### Finally

To our CEO David Mantle and his Senior Management Team, thank you for an outstanding effort during the last financial year in bringing home the Board’s strategic objectives, and to our staff for your loyal and dedicated service to our members and guests ensuring their visitation is an enjoyable experience.

To my Board colleagues, I thank you for your outstanding contribution and commitment to the business. The many hours you contribute in the decision making process enables the Board to function effectively. To our loyal members, thank you for your support throughout the year, be proud of your Club as we move forward during this exciting period of growth.

Yours Sincerely



**John Munce**  
Chairman

# Chief Executive Officer's Report

DAVID MANTLE



Members,

It is with pleasure that I provide an overview and commentary on the DOOLEYS performance for the 2016/2017 financial year.

Further to this, I will advise of a number of projects that are in various stages of progress or planning for the 2017/2018 financial year.

## Finance

The 2016/2017 financial year continued the trend of growth and success of previous years. A snapshot of the key financial indicators are noted below.

Indication	Total	Increase (Decrease)
Revenue	89.252M	(1%)
Profit	13.878M	41%*
Cashflow	20.649M	7%
Total Assets	167.414M	9%
Net Assets	143.515M	11%
Membership	78,069	3%
Marketing & Member Services	5.840M	(7%)
Community Support & Corporate Social Responsibility	3.654M	7%

\*Note: 2015/2016 profit included a write off for demolished buildings on Board & Anne St (\$3,148,830) and Masterplanning costs of \$4,799,427 that were expensed (vs \$1,762,546 for 2016/2017).

Regents Park made a loss of (\$111,110) compared to the previous year's loss (\$149,857).

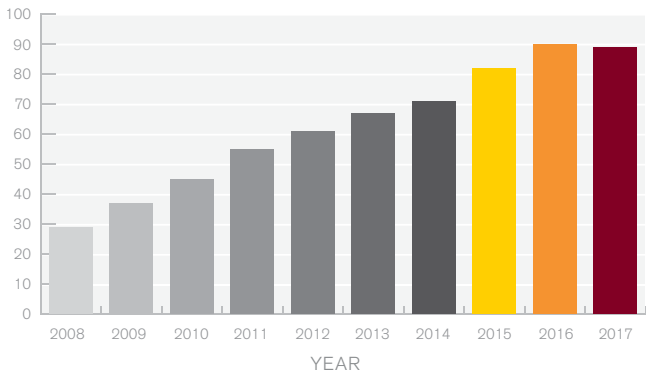
Waterview made a profit of \$99,531, compared to the previous year's loss (\$53,727).

Lidcombe made a profit of \$13,889,950, up on last year's \$10,048,052.

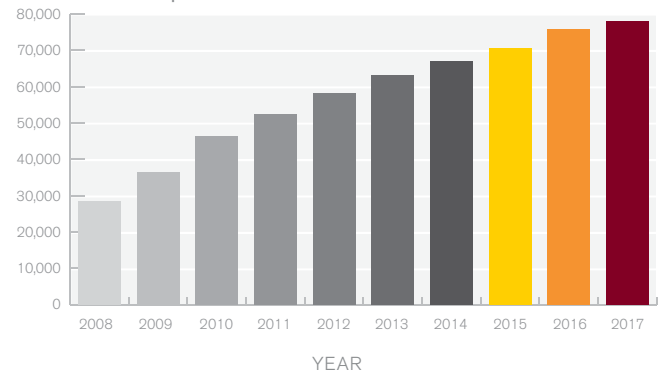
The graphs on the next page highlight the success and achievements of DOOLEYS over the last ten years.

### Revenue

Revenue in millions of dollars

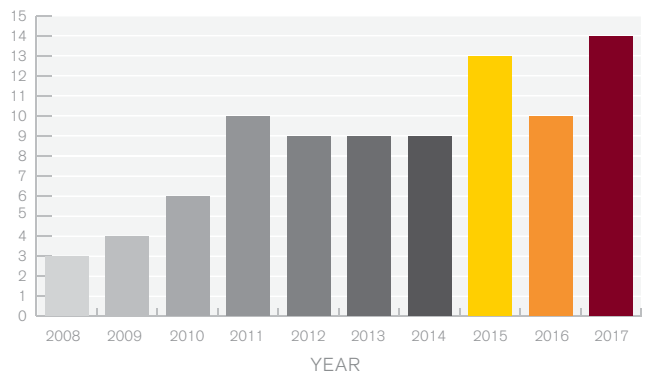


### Membership Numbers

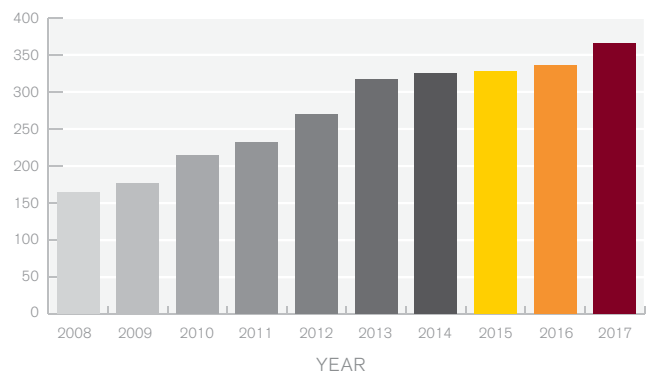


### Net Profit

Net Profit in millions of dollars

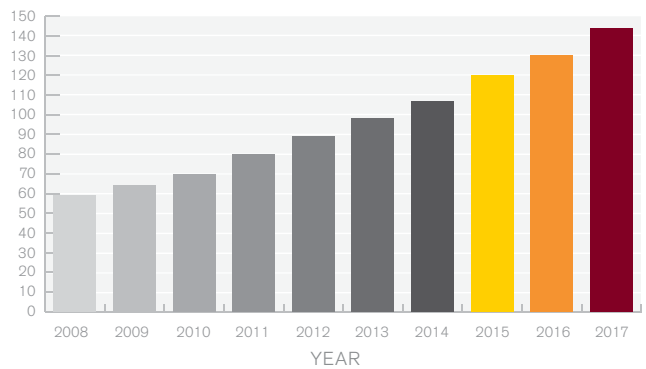


### Staff Numbers



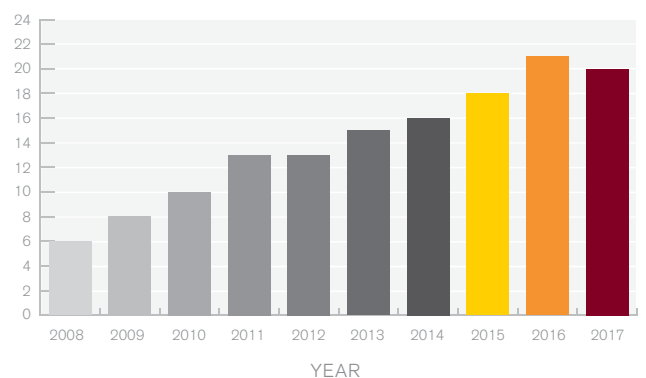
### Net Assets

Net Assets in millions of dollars



### Gaming Tax Paid

Gaming Tax paid in millions of dollars



### Strategic Objectives

- **High quality facilities** – constantly improve the standard and range of the Clubs, facilities, products and services
- **High performance culture** – develop our people and systems to improve services, business processes, governance and performance
- **Core profitability** – ensure profitability to reinvest in the Club’s strategic objectives
- **Diversification** – provide profitable new services, businesses and revenue streams, lessen the Clubs reliance on gaming
- **Corporate Social Responsibility** – invest in programs and services to support members, community and stakeholders

### Club Development

#### Lidcombe – The Concourse at Lidcombe

2016/2017 has seen a delay in the progress of the Concourse project. In late December 2016 the Club received a preliminary response from planning on its State Significant Development application (SSDA).

Key points were:

- **Carpark** – permissibility of use (under current LEP), scale and mass
- **Club** – permissibility of use (under current LEP)
- **Site isolation** – non Club properties (including Board St)
- **Masterplan** – requested greater detail and certainty of future stages

As at 30th June 2017, the Club is still resolving these issues, the main being uncertainty over the Board St acquisition. The Club is now 3 years into this acquisition process. Until that is resolved the design and masterplan cannot be developed in more detail and the Club has to consider alternate design options. Further to this Cumberland Council have recommended changes to zoning that will effect Club sites. These potential changes are also being considered in the Clubs future modelling and design.

More information will be forthcoming when and if these situations are clarified.

#### Regents Park

As part of an LEP review process by the former Auburn Council, the Club had applied to rezone the site to medium density residential. With the council amalgamations and the evolution of the new Cumberland Council, it is not clear if or when this review will take place.

As such the Club will look to lodge either a permissible use, rezoning (spot) or site compatibility application to keep this process moving.

The rationale for the application is to provide further planning options for the Regents Park site. Once the zoning is confirmed, the Club can begin a master planning exercise for Regents Park.

#### Waterview

Minor refurbishment works began at Waterview in May 2017 to rejuvenate this wonderful amenity. These works were completed in July 2017 and have been well received by members.

Waterview is now in the Parramatta LGA and the site may be impacted by proposed future development of the Parramatta to Olympic Park corridor. As yet, it is unclear what that impact or opportunity will look like and what timeframes are likely.

### Amalgamations

During the year, DOOLEYS had the opportunity to consider several amalgamation opportunities however only 2 met the Clubs robust assessment criteria set by the Board. They were Auburn Tennis Club and Chester Hill RSL & Bowling Club and DOOLEYS lodged expressions of interest to amalgamate with both. Unfortunately these were unsuccessful.

Amalgamations both in and out of the area will be considered as they become available and subject to satisfying the criteria.

### Community Partnerships and Corporate Social Responsibility

With the ongoing success of the DOOLEYS Group, the Clubs have been able to continue their extensive support within the community.

A few of the notable achievements through the year are:

- 761 volunteer hours undertaken by DOOLEYS employees
- Over \$520,000 funding provided to local education and employment initiatives
- Implementation of two Max Potential Programs in Cumberland and Parramatta areas – youth leadership and development programs for 50 local Year 11 students from 10 high schools
- \$200,000 funding for ongoing cancer research and clinical trials with the Cancer Centre for Children at The Children's Hospital at Westmead
- \$30,000 donated to St Vincent de Paul Society for the purchase of a new bus for their Vinnies Night Patrol Program helping people who are homeless or at risk of homelessness



- \$37,000 funding to Youth off the Streets to undertake a youth outreach program in Auburn to engage with youth in safe local spaces
- Over \$140,000 funding committed to the development of local grassroots sporting activities

DOOLEYS contributed \$3.65 million to local community services and projects, in-kind support, harm minimisation and environmental sustainability initiatives and other CSR commitments. The Club's community commitment is well above the minimum contributions required through the ClubGRANTS Scheme.

I would like to thank all our Community Partners for their ongoing support of DOOLEYS, its strategic objectives and partnerships. DOOLEYS could not deliver the exceptional level of community support without these key strategic relationships.

### Board of Directors and Corporate Governance

I take this opportunity to thank the Board for their tireless commitment to the Club, member's interests and our community.

As the Club continues to evolve, the Boards workload and commitment increases disproportionately.

Throughout the year the Board has continued to improve its governance role through its Committees.

Over and above normal Board meetings, the Club has a:

- Audit & Risk Committee
- Nomination Committee
- Property & Development Committee
- Remuneration Committee
- Disciplinary Committee

Your Board constantly strives to expand its learning in these critical areas and to that end is committed to ongoing education through AICD (Australian Institute of Company Directors), Governance Institute and CDI (Club Director's Institute).

An overview of the Clubs governance documentation is provided in the Corporate area of the Clubs website at [www.dooleys.com](http://www.dooleys.com)

NOTE: Members with any questions relating to the Annual Report are asked to direct them in writing to the CEO, at least 14 days before the AGM.

On a personal note, I thank Chairman John Munce and the Board individually and collectively for the guidance, commitment and support provided not only to myself but to our Executive Management Team and staff.

### Staff

I am regularly humbled by members who advise of how outstanding our staff are and how staff go above and beyond the call of duty.

This has long been one of our key points of differentiation and an entrenched part of DOOLEYS culture and is recognised by members in our high annual satisfaction scores.

We recruit wonderful people and develop them into outstanding employees. We employ 'people' people, those who are happy to serve and please our members. Manager's roles are to develop, resource and enable outstanding service and relationships. As the business grows, this continues to be our commitment and point of difference.

This is a business philosophy that underpins the success of our Clubs – people genuinely caring for and serving members and the community.

We don't claim to be perfect but we will certainly strive for perfection for our members.

I thank all staff for their wonderful support throughout the year and in ensuring that members interests are always our 1st priority.

Thank you for your support of your Clubs.

Yours sincerely,



**David Mantle**  
Chief Executive Officer

## Key Achievements

### DOOLEYS in the Community



Support for over  
**150** local community  
organisations,  
schools, charities and services



OVER **\$200k**  
TO PROMOTE  
Social Inclusion  
in our community



OVER **\$520k** INVESTED  
in local Education and  
Employment initiatives



**761** HOURS OF  
Community volunteering  
by DOOLEYS employees



**78,069**  
members



**46%**  
female



**54%**  
male



**1,959**  
Health & Fitness  
members



**4,338**  
visitors every day




Cultural Diversity  
OVER **140** languages  
represented  
in our membership

### Our Members

 **272,490**  
meals served

 **2,228**  
functions held

 **153,106**  
hot drinks served

 Facebook community reach of **OVER 1.02**  
MILLION

**Serving our Members**

**Improving Member Facilities**

 **Renovations**  
at DOOLEYS Waterview Club

 Refurbished **Kids Area**  
at DOOLEYS Lidcombe

 Lloyd's bistro **Redevelopment**  
completed

 New **Three Lanterns Bar**  
opened at DOOLEYS Lidcombe



## **DOOLEYS Health + Fitness** *Shaping Your Tomorrow*

Since opening the doors to DOOLEYS Health + Fitness in 2013, our members have enjoyed a premium facility with expert staff focused on providing the best fitness experience possible. Now with over 1,900 members, DOOLEYS Health + Fitness continues to provide the latest equipment and dedicated instructors who strive to help all our members achieve their fitness goals.

# Board of Directors



**John Munce**  
Chairman, FAICD

Qualifications: B.Ed, B.Tch, Adv Dip. E.E, J.P

A life member of DOOLEYS, John joined the club in 1970 and has been a board member since October 1998.

Elected President and Chair of the Board in November 2009, (now titled Chairperson) he is also a member of the Remuneration Committee, Property & Development Committee, and ex-officio of the Audit and Risk Committee, Chair of both the Disciplinary Committee and Nominations Committee, and patron

of the Dancesport and Lawn Bowls Intra Clubs.

John is a member of the Club Directors Institute, a Fellow of the Australian Institute of Company Directors, and is an advocate for director education.

John is committed for the board to have a strong ongoing strategic plan in place to secure the club's future. He had a lifelong association with the Electrical Industry in Engineering and Consultancy and was a lecturer in Electrical Technology at TAFE NSW.



**Kevin Morgan**  
Vice Chairman, GAICD

Kevin has served as a DOOLEYS Director for 12 years, 8 of which as Vice Chairman of the Board and also holds the position of Chairman of the Property and Development Committee, Member of the Nominations Committee, Graduate of the Australian Institute of Company Directors, Member of the Club Directors Institute, Patron of DOOLEYS Mixed Indoor Bowls, and a DOOLEYS Life Member.

Kevin finds it extremely satisfying to be involved in the decisions which benefit members, churches, schools, sporting groups and the community in general. Kevin's father is an

ex-DOOLEYS Chairman so he values a unique opportunity to continue the mix of tradition and progress achieved by his father and his colleagues since the founding of the Club.

Kevin grew up in Lidcombe and has 41 years of DOOLEYS Membership. His wife and 4 sons are also Members and enjoy the facilities. As a Scentre Group Site Manager constructing Westfield and AMP shopping centres throughout Australia, Kevin's construction experience is an asset during the continuing upgrade and expansion of the three DOOLEYS properties.

## Board of Directors



**Terry Kenny**

Terry was honored with Life Membership of DOOLEYS in 1986 and has been a serving Board member for 19 years. Terry is a member of the Audit and Risk Committee. He was appointed Chairman of the Sports Council in 1999 and is responsible for the 15 Intra Club groups currently operating within DOOLEYS.

Terry has been passionate about the future of the Club and the welfare of its members for almost 50 years. He is a regular contributor to the Sports Report in the Club Magazine, YOURS. Terry has been the Treasurer of the DOOLEYS Social Golf Club since 1969 and is presently the Patron of the Travel and Ten Bowling Clubs. He has also been a coach for the Max Potential Program guiding students for future leadership roles. Terry

attended the AICD seminar in 2013, and later that year he completed the Company Directors Course. He also attends numerous meetings and seminars for the benefit of Members, the Club and the Board.

Since joining the Club in 1965, Terry has been a tireless worker in all facets of Club life. For many years, Terry has been highly involved with the Presentation Evening, Golf Club Annual Dinner, DOOLEYS Christmas Fair, Mini Olympics, Melbourne Cup and the Friday Night raffles.

Terry retired from the Department of Defence where for over 30 years he gained vast experience as an Internal Auditor, Material Manager and Overseas Purchasing Officer.



**Michael Renshaw**  
FAICD, FIPA, FIFA,  
GIA (Cert)

Michael Renshaw is originally from Lidcombe and has had a long and continuing family association with the Club. He has been a member of the Club for over 40 years and a keen member of the Euchre Club. Michael was asked to join the Board of Directors in 2003. As the son of a past Chairman of the Board, Michael was proud to have been made a Life Member in 2010 for his continued service to the Club and work on the Board.

Michael is the Chairman of the Remuneration and Audit & Risk Committees, and a member of the Nominations and Property Development Committees. Michael is a Fellow of the Australian Institute of Company Directors, a Fellow of the Institute of Public Accountants and in January of last year made a Fellow of the Institute

of Financial Accountants. Michael has also been elected as a Certificated Member of the Governance Institute of Australia Ltd (formally Chartered Secretaries Australia). Michael is a Governor of the Catholic Metropolitan Cemeteries Trust (CMCT) and Chairman of its Audit Committee and a member of its Remuneration Committee. Michael's career in the accounting and finance industry provides the Board with a valuable insight into the changing and challenging environment of the finance industry. At an executive level, Michael is a Chief Financial Officer working full time in the Not-for-Profit sector.

As a Director, Michael is strongly committed to the Club and takes pride in his contribution to the growth, development, prosperity and future direction of DOOLEYS.



**Peter Kennedy**  
MAICD

Peter was born in Auburn and lived in the Local Government Area for sixty three years.

He is a committed community volunteer with a continuing 46 years membership of the St Vincent DePaul Society, providing help to many needy families along the way, and proudly assisting migrants and refugees to settle in Australia, many of whom have made their homes in the Auburn/ Lidcombe area.

He maintains a keen interest in sport, and, for many years, coached young men in the game of Rugby League. To him, the West Tigers will always be the Magpies who once made Lidcombe Oval their home.

During his twenty five years as a Purchasing Manager with a large International Company, Peter attended many courses and seminars, notably, Change Management and Effective Negotiating Skills at Macquarie University. He has found these skills to be beneficial

to him as a Board Member.

Peter has been a member of DOOLEYS for 40 years and has been on the Board for 19 years. He is proudly a Life Member of DOOLEYS, an honour which he cherishes.

He is Vice Chairman of the Sports Council and a member of the Disciplinary Committee. He is Patron of both the Fishing Club and the Snooker Club.

He is a member of the Club Directors Institute and also the Australian Institute of Company Directors, the peak organisation for Company Directors in Australia.

He is passionate about DOOLEYS community engagement and the generous support the club provides for good causes. He is also a strong advocate for staff excellence through quality training programs. Peter feels both proud and privileged to have the honour of being a Board Member of this great Club.



**Christopher Cassidy**  
LL.B, MAICD

Chris was appointed to the Board in 2002 and has served continuously from that time. Chris served two Terms as President, an honour he truly treasures. He has been a member of DOOLEYS for 22 years and was made a Life Member in 2010. Chris is a member of the Nominations Committee, the Property and Development Committee, the Audit and Risk Committee and the Remuneration Committee. He is the Patron of the Camera Club and the Walking DOOLEYS and greatly values the contribution that these Intra-Clubs make to the continued success of our great Club. Chris is a solicitor by profession and has practiced in a Public and Private capacity.

Chris has lived in the LGA for over 30 years and has seen the Community evolve and change. As a Director he is therefore proud of the fact that DOOLEYS is highly

regarded as a responsible Corporate and Community citizen and sees our Club as an integral part of the Community. DOOLEYS manifests that responsibility by contributing to the Community in a variety of ways by Direct Donations, Sponsorships and the Clubs Grants Program.

After ceasing to work full time, Chris involved himself in voluntary work on a Council Committee that seeks to improve the daily lives of the disabled and the elderly with particular emphasis on access to services and facilities.

Chris sees it as an honour and a privilege to be a Director on the Board at DOOLEYS and takes that responsibility seriously. He is strongly committed to the exciting future of the Club and will continue to work to provide a safe, secure and welcoming environment for all our members their families and friends.



**Margaret Croucher**  
GAICD

Margaret was elected to the Board in October 2013, has been a Member of DOOLEYS for 14 years and has lived in Berala for 42 years. She has 18 years' experience in the insurance and banking sectors, including both the Commonwealth and State Banks. For the past 30 years, Margaret has been working in education for the Catholic, State and Independent sectors.

Margaret has an impressive and diverse educational portfolio which enhances her position as a director on the Board. She has completed and passed the AICD course and has undertaken professional development courses through AICD and CDI to enhance her role as a director thus meeting the legislative requirements of being a Director. Margaret holds a Certificate of Administrative Leadership (CAL), a Diploma of Applied Science and a Certificate III in School Services (Science). She is currently the Vice-Chairperson of the State Association and President of the National Association for Lab Technicians. Margaret is on the Project Reference Group to establish and maintain a national advisory service for teachers and lab technicians

and is a member of the Working Party to establish national standards for Lab Technicians. She is a member of the Disciplinary Committee and Patron of the Ladies' Indoor Bowls and Ladies' Shuffleboard.

During her employment, Margaret has been actively involved in various committee positions on state and national associations, helping to promote and be successful in training and supporting colleagues in the education sector. This has culminated in her receiving a State Parliamentary award for volunteering services to education.

Over the years, Margaret's community service has included the Boy Scouts and Girl Guide movements, St Peter Chanel Parish and Primary School and Birrong Soccer Club.

Margaret brings the many life skills that she has learnt, to the Board as a Director for DOOLEYS. She is innovative and a change agent and works collegially with the other Directors, to promote the expansion and benefits of the Club to its members, guests and with wider community.



# Corporate Governance

The Board believes there is a relationship between high standards of corporate governance and performance. In order to maintain DOOLEYS high standards in hospitality and the community, we are committed to operating in accordance with the Club's corporate governance policies.

We believe good corporate governance practices are about conducting business in a transparent and ethical way that enhances value for all members & the community. We strive to develop and nurture throughout the Club a culture which involves high ethical standards, personal and corporate integrity and respect for the values of others. We operate in an open, honest and collaborative fashion with all stakeholders and within the communities in which we have a presence.

The guiding principle is that the Board acts honestly, conscientiously and fairly, in accordance with the law and in the best interests of our members, its personnel and all other stakeholders.

DOOLEYS' key corporate governance principles are contained in the Board Charter which has been approved by the Board and is published on the DOOLEYS website [www.DOOLEYS.com](http://www.DOOLEYS.com). The Board Charter is reviewed annually and amended as appropriate.

The Board considers the Corporate Governance Principles from the ASX Corporate Governance Council as a best practice guide to aspire to.

In the following discussion comments are made in relation to the Club's compliance with each Principle.

## Principle 1

### Lay solid foundations for management and oversight.

- 1.1 The Board has established clear delegation of authority between the Board and Management.
- 1.2 Senior executives are subject to a formal performance review process on an annual basis.
- 1.3 The performance of senior executives was assessed during the financial year in accordance with the policy adopted by the Board.

The Board establishes the strategic direction and a policy framework within which management undertakes the day-to-day business of the Group. It is the role of management to manage the Club in accordance with the directions and delegations of the Board and it is the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

The Board has established a Limit of Authority matrix which clearly sets out the delegation of authority from the Board to management.

Senior executives are subject to an annual formal performance review. The focus of the review is to set specific objectives, which are aligned to the DOOLEYS strategic and business plan, and to monitor each executive's performance against those objectives.

## Principle 2

### Structure the Board to add value.

- 2.1 The Board has a Nomination Committee. The Nomination Committee Charter is approved by the Board and is available on the DOOLEYS website at [www.DOOLEYS.com](http://www.DOOLEYS.com).
- 2.2 An internal evaluation of the Board and Board Committees was undertaken during the year in accordance with the policy adopted by the Board.
- 2.3-5 The Board are all independent directors.
- 2.6 The Nomination Committee oversees the Board's succession planning and professional development.

As of 30 June 2017, the DOOLEYS Board comprised of seven Directors.

The Board elect the Chair & Vice Chair annually.

The Board considers that independent decision-making is essential for effective governance. The independence of Directors is assessed annually.

The Board reviews the composition and structure of each committee annually.

## ASX Governance Principles

The Board reviews the performance of the Board & committees annually. The Board has a skills matrix against which the Directors are measured.

The composition of the Board is balanced. Directors possess a broad range of skills, experience, expertise, qualifications and contacts relevant to the business of the Club. The Board Charter, Nomination Committee Charter and the Club's Constitution outline in detail the procedure for the selection and appointment of new Directors.

The Nomination Committee provides assistance to the Board by implementing the policies of the Board, recommending nominations which require Board approval and reporting to the Board in relation to the matters with which it is charged, including:

- Periodically assessing the skill set required to discharge competently the Board's duties, having regard to the strategic direction of the Club and the skills currently represented on the Board.
- Regularly reviewing and making recommendations to the Board regarding the structure, size and composition of the Board and keeping under review the leadership needs of the Club.
- Overseeing appropriate Board succession planning, including establishing a pool of suitable Board candidates to fill Board vacancies as and when they arise, and nominating preferred candidates for the approval of the Board if a casual vacancy arises.

### Principle 3

#### Act ethically & responsibly.

- 3.1 The Board has adopted a Code of Conduct & Business Principles that applies to Directors and all Club personnel. The Code of Conduct & Business Principles are available on the DOOLEYS website at [www.DOOLEYS.com](http://www.DOOLEYS.com)

The purpose of the Code of Conduct & Business Principles is to guide Directors in the performance

of their duties. The purpose of the Code of Conduct & Business Principles along with the Promoting Responsible & Ethical Behaviour code is used to define the expected conduct of Directors, employees and contractors, and their related parties. The code has been designed with a view to ensure the highest ethical and professional standards as well as compliance with legal obligations and therefore compliance with the principles. A Whistle-blower Policy has also been adopted to ensure all stakeholders of the Club can anonymously raise concerns regarding actual or suspended contravention of our ethical and legal standards without fear of reprisal.

DOOLEYS is committed to operating to the highest standards of ethical behaviour, honesty and fairness in all relationships with our members & stakeholders. The Code of Conduct & Business Principles outline the Club's approach to all of its stakeholders. DOOLEYS expects all of its personnel to act with the utmost integrity with all stakeholders.

The Board and Management believe that a balanced approach to diversity within the Club is important.

Diversity at DOOLEYS refers to the characteristics that make individuals different from each other, including education, skills, training, race, ethnicity, religion, gender, sexual orientation, disability, age or any other area of difference.

To this end and where possible, the Board has considered diversity into its succession planning with the objective of becoming inclusive and representative of its membership, the broader community and the specific requirements required to manage an expanding and increasingly diverse business.

While the Clubs constitution is prescriptive on Board eligibility, the Board has embraced the opportunity to consider Appointed Directors and has amended the Constitution to allow for the provision of Appointed Directors where required or suitably qualified.

As at 30th May 2017, the Club's proportion of women in the business is noted below.

Position	Number 30/5/17	% of total	Number 30/6/16	% of total
Board	1	8	1	13
Exec./Snr. Management	2	29	2	25
Other Management	10	23	9	37
Staff	152	50	140	50

The Workplace Gender & Equality Report is available on the Clubs website at [www.DOOLEYS.com](http://www.DOOLEYS.com)

#### Principle 4

##### Safeguard integrity in corporate reporting.

- 4.1 DOOLEYS has an Audit & Risk Committee. The Audit & Risk Committee Charter, approved by the Board is available on the DOOLEYS website at [www.DOOLEYS.com](http://www.DOOLEYS.com)
- 4.2 The Chief Executive Officer and the Chief Financial Officer have certified to the Committee that the Group's financial reports present a true and fair view, in all material respects of DOOLEYS financial results and are in accordance with relevant accounting standards.
- 4.3 The Clubs external auditor Ernst & Young attends the Clubs Annual General Meeting and is available for members questions.

The Audit & Risk Committee maintains an ongoing focus on risk management matters. The Audit & Risk Committee works directly with the internal audit team to ensure the effective conduct of the internal audit review program.

The Committee provides assistance to the Board in the form of assurance regarding its financial reporting, internal controls, reporting structure and internal and external audit responsibilities. The Committee's role is to assist the Board to independently verify and safeguarding the integrity of the Club's financial reporting.

The Committee operates in accordance with the Audit & Risk Committee Charter. The charter is reviewed at least annually to ensure it is in line with market practices.

The Committee is responsible for reviewing the nomination, performance and independence of the Club's external auditor.

Each year the external auditor formally presents to the Committee a certificate confirming its independence. The external auditor's independence statement is included in the Audit & Risk Committee Report to the Board.

The Board has a comprehensive internal audit program undertaken by an external specialist.

#### Principle 5

##### Make timely and balanced disclosure.

- 5.1 Reporting is compliant with Corporations Law and the NSW Registered Clubs Act.

The Annual Report is produced and circulated to members as required by the Corporations Law and the Registered Clubs Act.

The Annual General Meeting is conducted within the statutory time parameters.

The Clubs Statutory accounts are lodged with ASIC as required.

Any changes to the Clubs Governing body or Top Executives are lodged with ASIC or the Office of Liquor & Gaming as required.

The Quarterly Finance Report is approved by the Board and made available upon request as required by the Registered Clubs Act.

#### Principle 6

##### Respect of rights of members.

- 6.1 The Board has adopted a members Communication Plan.
- 6.2 Corporate and other member information is available through the Clubs website [www.DOOLEYS.com](http://www.DOOLEYS.com) and through statutory or periodic reports, journals and throughout the properties.

The Board is committed to communicating with members regularly and clearly. The Annual Report, and quarterly YOURS Journals and AGM are all important communication forums. DOOLEYS encourages members to attend and participate at general meetings. DOOLEYS welcomes questions from members at any time. These will be answered within the confines of information that is already in the members' public domain and is not market sensitive.

All DOOLEYS corporate governance documents are available within the corporate section of the DOOLEYS website [www.DOOLEYS.com](http://www.DOOLEYS.com)

- Board of Directors
- Board Committees
- Management Reporting on Risk
- DOOLEYS Code of Conduct and Business
- Promoting Responsible & Ethical Behaviour
- Board Charter
- Board & Board Committee Procedural Rules
- Audit & Risk Committee Charter
- Disciplinary Committee Charter
- Nomination Committee Charter
- Remuneration Committee Charter
- Property & Development Committee Charter
- Whistleblower Policy

### Principle 7

#### Recognise and manage risk.

- 7.1 The Club has an Audit & Risk Committee with three Committee members. The Risk Management Policy is available on the DOOLEYS website at [www.DOOLEYS.com](http://www.DOOLEYS.com)
- 7.2 The Board has adopted a Risk Management Policy. Management routinely reports to the Audit & Risk Committee on management of the Group's material enterprise risks.
- 7.3 The Board has received representations from management regarding the efficient and effective operation of the Club's risk management, and internal compliance and control system, including reporting of material enterprise risks.

### Principle 7 (continued)

- 7.3 The Board has received written assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Board is responsible for establishing policies on risk oversight and management. DOOLEYS carries out a formal risk review annually. Identified material business risks have appropriate actions developed or mitigating circumstances documented. DOOLEYS has a risk awareness culture whereby any potential risks which are identified are brought to the attention of management for appropriate action.

KPMG has been engaged to perform the Club's internal audit function and provides the Board and Executive Management with an independent and objective evaluation of the adequacy and effectiveness of management's control over risk. The internal audit function covers the governance, risk management and internal control frameworks of DOOLEYS. The conduct of audits and reviews are the result of a risk-based planning approach. The KPMG audit Manager has a direct reporting line to the Chairman of the Audit & Risk Committee and has access to both the Chief Executive Officer and the Chief Financial & Information Officer. The Audit & Risk Committee reviews internal audit reports issued by KPMG and monitors progress with recommendations made in those reports to ensure the adequacy of the internal control environment. The internal audit function and external audit are separate and independent of each other.

Each year the Board considers the insurance policies the Group has in place. The Chief Financial Officer reports on the internal control

environment within the Group and is responsible for immediately alerting the Board if any material breakdowns in internal controls occur.

Management identifies and reviews the major risks impacting on each area of the business and develops strategies to effectively mitigate these risks. Management reports to the Audit & Risk Committee, which in turn reports to the Board, on the effectiveness of the Clubs management of its material business risks.

The Chief Executive Officer and Chief Financial Officer have also represented that, to the best of their knowledge, the Clubs risk management, and internal compliance and control system, to be operating efficiently and effectively in all material respects.

The representation by the Chief Executive Officer and Chief Financial Officer is supported by representations to them from all senior executives. These representations are supported by a formal sign off framework which is reviewed by management, the Chief Executive Officer, the Audit & Risk Committee and the Board as part of the monthly reporting process.

The Committee operates in accordance with the Remuneration Committee Charter approved by the Board. The Committee Charter, which is published on the DOOLEYS website, is reviewed at least annually to ensure it is in line with market practices.

## Principle 8

### Remunerate fairly and responsibly.

- 8.1 DOOLEYS has a Remuneration Committee which consists of three members.
- 8.2 Remuneration of the Board and the Clubs Top Executives are listed in the Annual Report.

The Board has established a Remuneration Committee to provide assistance in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive schemes for employees. This Committee reports to the Board on remuneration and issues relevant to remuneration policies and practices including the remuneration of senior executives. The Committee considers the remuneration of the Chief Executive Officer and senior executives as well as honorariums paid to Directors.

# DOOLEYS Development Plans

### Recent Works

DOOLEYS is always looking for opportunities to improve facilities and service offerings for our Members and guests. Over the past year we have undertaken a significant revamp at DOOLEYS Lidcombe which included the development of the new Three Lanterns Bar and an upgrade of the existing Lloyd's Bistro dining area, kitchen and kids play area. This has not only allowed us to cater for additional patrons but most importantly, has provided a more comfortable and modern dining area for all our guests to enjoy.

Recent renovations have also taken place at DOOLEYS Waterview Club to provide a fresh new look for the venue as well as much needed upgrades to our function room and back of house areas.



Photo (above):  
The Concourse at Lidcombe



Photo (above):  
DOOLEYS Waterview Club



Photo (left):  
DOOLEYS Waterview Club



Photo (above):  
Three Lanterns Bar

## Major Development Update

The Concourse at Lidcombe will see the possible transformation of what has been DOOLEYS home for over 70 years into a new lifestyle and entertainment precinct. The project aims to establish Lidcombe as a vibrant destination for our Members and the wider community.

Last year our Development Application was lodged with the NSW Department of Planning and Environment and then placed on public exhibition. We received positive and considered feedback from our Members, the local community, governments, agencies and other stakeholders.

As a result, the Club is now working with our consultants, as well as the Department of Planning, to review and incorporate necessary changes. We are continuing with site consolidation and improvements on our properties between Ann and Board Streets. Meanwhile, it remains business as usual at the Club!

We are making these changes because we want to modernise, grow and diversify our operations so we can properly service the needs of our Members and the community and ensure the long-term sustainability of the Club.

# DOOLEYS in the Community



## Engaging with local young people

Youth engagement and development is a key community priority for our local area. The key to success lies in engaging in innovative ways in spaces where young people feel comfortable and safe, in order to build their trust and respect. DOOLEYS is proud to partner with exciting organisations such as Youth off the Streets Outreach, Auburn Youth Centre and Auburn PCYC who work hard to develop strong relationships with our local young people.

## Services and support for people with disabilities

Each year, DOOLEYS partners with community organisations dedicated to providing services and support for people living with a disability. Organisations like Spinal Cord Injuries Australia aim to ensure those living with a disability have the opportunity to access services to assist them in their daily lives. Just as important is the support provided to the thousands of carers in our community who devote their lives to helping their loved ones with a disability.



## Supporting Families

Our local Cumberland area has a significantly high proportion of families, with 41% of households consisting of couples with children (2016 Census data). A key priority for DOOLEYS centres around supporting families and providing services and programs that keep the family unit strong. This might include parenting programs, child protection services or early intervention programs to ensure children get the best possible start in life. One such community partner is The Shepherd Centre which supports children who are deaf or hearing impaired to reach their full potential and be a fully contributing member of the community.







### Access to quality education

Education is one of the cornerstones of our community as it gives people the skills and tools they need to navigate the world. Each year, DOOLEYS invests significantly in education through partnerships with our local schools, universities and community based education programs. During 2016/17, DOOLEYS provided over \$490,000 to education related projects in our local community, including an annual contribution of \$40,000 providing bursary scholarships for students attending Australian Catholic University.

### Committed to community health and wellbeing

Each year, DOOLEYS partners with a variety of different community organisations to deliver programs which support the health and wellbeing of our local residents. Ranging from general nutrition programs to targeted services for people living with chronic disease, funding is provided in areas of genuine need and urgency. One such program is the Leukaemia Foundation's Patient Transport service which provides a much needed community transport service for people living with blood cancer.



### Supporting local grassroots sports

Participation in sports and leading an active lifestyle helps to promote positive social interaction and as well as obvious health and wellbeing benefits. At the core of this is the importance of grassroots sports and providing opportunities for all local children to access and participate in local sporting activities. Each year, DOOLEYS sponsors a growing number of local sports including cricket, netball, cycling, basketball, soccer, rugby league, swimming, wheelchair sports and local school sports participation. DOOLEYS is committed to the ongoing development and promotion of grassroots sports in our local community.



### Respecting RSL traditions

DOOLEYS proudly supports the Lidcombe RSL Sub-Branch, providing office space, administrative support and assistance with their annual commemorative events such as ANZAC Day and Remembrance Day services. At DOOLEYS we want to ensure our veterans are respected, supported and never forgotten and therefore we also provide much needed funding to organisations such as RSL DefenceCare and Veterans off the Streets.

# Our Corporate Social Responsibility

At its core, DOOLEYS is a community club which works hard every year to actively contribute to the economic and social development of our local community. Here at DOOLEYS we are dedicated to the health and wellbeing our employees and improving quality of life for our Club members and our local community.

DOOLEYS Corporate Social Responsibility Program highlights five key strategic priorities:

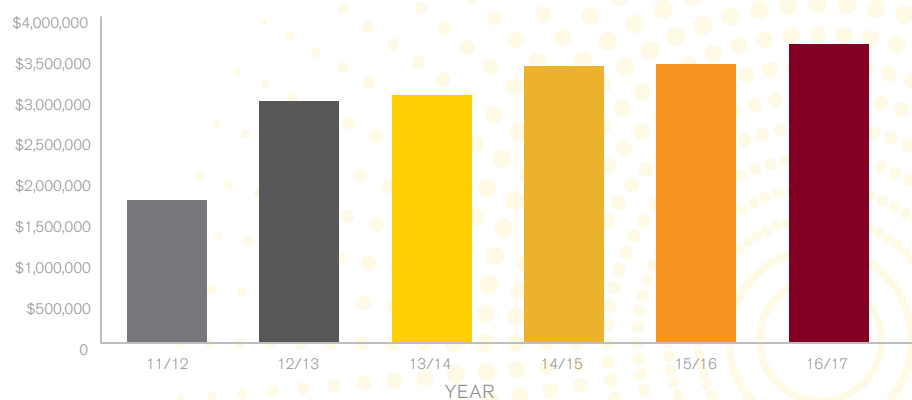
- 1 Strategic Community Engagement
- 2 Environmental Sustainability
- 3 Harm Minimisation
- 4 Workplace Health & Safety
- 5 Sound Corporate Governance

With an overall vision of 'Bringing People Together', DOOLEYS Directors, management and staff are committed to developing community partnerships and capacity building projects which have a direct impact on areas of identified community need:

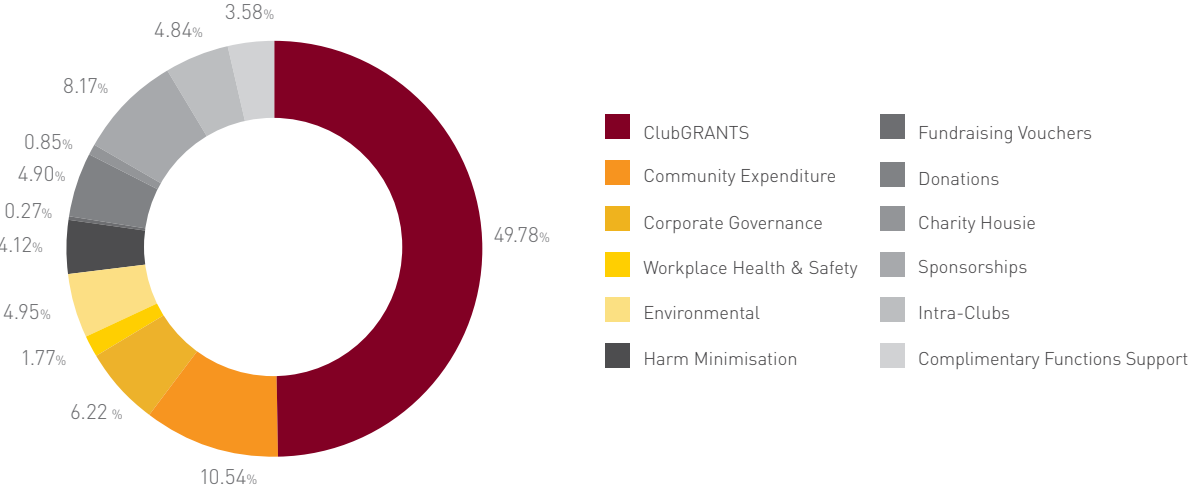
- Social Inclusion and Cohesion
- Community Health and Active Lifestyles
- Education and Employment
- Supporting Families
- Community Safety
- Aged Care and Disability Support
- Youth Engagement and Development
- Environmental Sustainability

During 2016/17, DOOLEYS contributed over \$3.6 million to the local community through ClubGRANTS funding, sponsorships, local projects, charity support, in-kind assistance, environmental and harm minimisation initiatives and other CSR initiatives. Well over 150 organisations have been assisted in some way by DOOLEYS funding and support in the last 12 months.

## Total Corporate Social Responsibility contribution



Total Corporate Social Responsibility contribution breakdown

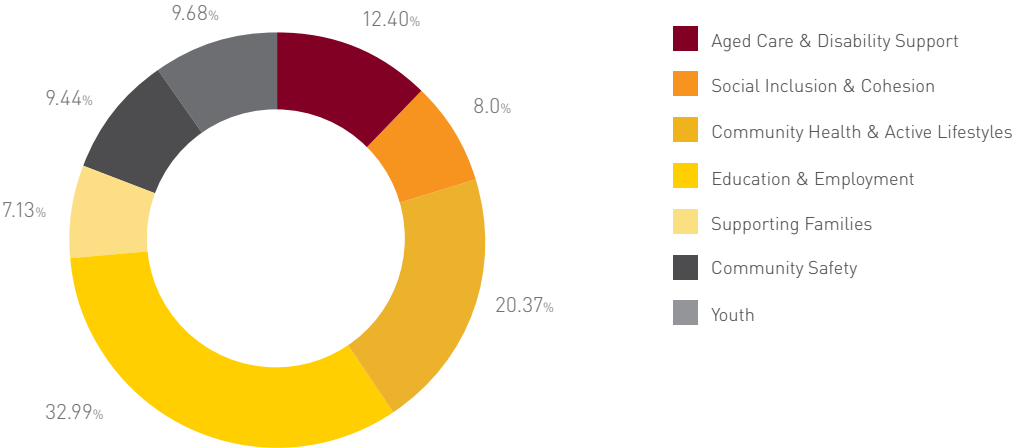


ClubGRANTS Scheme

Each year, DOOLEYS supports a wide range of local community service providers, charities and schools through the ClubGRANTS Scheme.

The ClubGRANTS Scheme is designed to ensure that registered clubs in NSW contribute to the provision of front-line services needed in their local communities. In 2016/17, DOOLEYS supported over 70 community organisations through this Scheme.

Total ClubGRANTS Spend Breakdown



# DOOLEYS in the Community

## Key Community Partners

The Children's Hospital at Westmead  
 Auburn Youth Centre  
 Netball NSW  
 Catholic Education Foundation  
 Cumberland Council  
 Learning Links  
 Lidcombe Auburn Cycle Club  
 Auburn District Cricket Club  
 Charitable Works Fund  
 Australian Catholic University  
 Multiple Sclerosis Limited  
 The Future Leader Group – Max Potential Program  
 Lidcombe RSL Sub-Branch  
 St Vincent de Paul Society

ClubGRANTS Category 1	
Alzheimer's Australia	\$5,930
Auburn Diversity Services Inc.	\$1,605
Auburn Small Community Organisation Network	\$48,954
Australian Kookaburra Kids Foundation	\$3,326
Autism Spectrum Australia	\$6,010
Berala Public School	\$19,778
CareFlight Ltd	\$10,972
Catholic Education Foundation	\$68,000
Cerebral Palsy Alliance	\$28,541
Charitable Works Fund Trust – The Ephpheta Centre	\$5,500
Cumberland Council	\$2,858
Early Education (EarlyEd) Inc.	\$9,650
Future Achievement Australia	\$94,829
Gifts of Grace Incorporated	\$7,683
Heartbeat Community Care	\$5,327
Jobsupport	\$5,611
Learning Links	\$25,900
Leep NGO Inc.	\$10,000
Mercy Works Ltd	\$19,934
Miracle Babies Foundation Ltd	\$7,630
Muscular Dystrophy Association of NSW	\$9,000
Multiple Sclerosis Limited	\$22,418
Refugee Advice and Casework Service (Aust) Inc.	\$81,878
RSL DefenceCare	\$10,000
Scouts Australia NSW	\$1,000
SHINE for Kids	\$12,625
The Care Van Foundation Limited	\$25,124
The Leukaemia Foundation of Australia	\$6,000
The Northcott Society	\$4,700
The Shepherd Centre	\$9,500
Wesley Community Services Limited	\$11,775
Western Sydney Community Centre	\$13,000
Western Sydney Local Health District	\$4,700
Youth off the Streets	\$9,917
<b>CATEGORY 1 TOTAL</b>	<b>\$609,675</b>

<b>ClubGRANTS Category 2</b>	
Arab Council Australia Inc.	\$500
Auburn City Council	\$24,000
Auburn Diversity Services Inc.	\$8,305
Auburn Giants Australian Football Club	\$2,000
Auburn Small Community Organisation Network	\$14,590
Auburn Tamil Society (NSW)	\$1,813
Drug and Alcohol Multicultural Education Centre (DAMEC)	\$62,308
Early Education (EarlyEd) Inc.	\$30,227
Hunters Hill Ryde Community Services	\$500
Immaculate Heart of Mary Sefton Primary School	\$30,000
Learning Links	\$11,272
Lidcombe Public School	\$50,000
Lifeline Western Sydney	\$25,000
Mercy Works	\$1,157
Newington Public School	\$20,000
Parramatta Basketball Association	\$15,000
Probus Club of Regents Park	\$1,153
Promoting Healthy Outcomes for Refugees (PHOR)	\$41,218
Response for Life	\$27,000
Rugby Youth Foundation	\$13,000
SHINE for Kids	\$35,000
Somali Welfare and Cultural Association	\$12,786
Spinal Cord Injuries Australia	\$50,000
St Joachim's Catholic Primary School	\$34,000
St John Ambulance Australia	\$65,500
St John's Catholic Primary School	\$34,975
St Joseph the Worker Catholic Primary School	\$30,000
St Joseph's Hospital	\$29,954
St Peter Chanel Catholic Primary School	\$30,000
St Vincent de Paul Society	\$2,440
The Children's Hospital at Westmead	\$100,000
The Ephpheta Centre	\$8,000
The John Berne School	\$13,389
The Leukaemia Foundation of Australia	\$5,000
The Parramatta College	\$20,000
The Salvation Army Auburn	\$11,080
The Shepherd Centre	\$17,100
Wesley Community Services Inc.	\$5,000
Western Sydney Community Centre	\$6,000
<b>CATEGORY 2 TOTAL</b>	<b>\$889,267</b>
<b>CATEGORY 3 TOTAL*</b>	<b>\$320,252</b>

<b>Total Corporate Social Responsibility Expenditure</b>	
ClubGRANTS contributions	\$1,819,194
Environmental Initiatives	\$180,988
Harm Minimisation	\$150,708
Workplace Health & Safety	\$64,702
Corporate Governance	\$227,148
Complimentary Functions Support	\$130,970
Community Expenditure	\$385,340
Charity Housie	\$31,067
Fundraising Vouchers	\$9,800
Sports Clubs Facilities	\$176,696
Sponsorships	\$298,582
Donations	\$179,239
<b>TOTAL CSR EXPENDITURE</b>	<b>\$3,654,434</b>

\*The Category 3 ClubGRANTS Fund has been established by the NSW Government as a Statewide funding pool for large scale projects associated with sport, health and community infrastructure..

# Our People



L-R: **Julie Milsom**, Community Relations Manager;  
**Justin Corcoran**, Group Security Manager;  
**John Jansen**, Group Events Manager



L-R: **Steve Austin**, Loyalty & Research Manager;  
**Rosie Vranic**, Group Gaming Manager;  
**Kshitiz Rajkarnikar**, Gaming Operations Manager



L-R: **Simon Graham**, Group Marketing Manager;  
**Nathan Titmuss**, Chief Operating Officer;  
**Sanjay Kadwadkar**, Group Finance Manager



L-R: **Tomasz Pytraczyk**, General Manager  
DOOLEYS Regents Park Sports Club;  
**Saray Tuy**, Events Operations Manager;  
**Gaby Tannous**, Food & Beverage Manager



L-R: **Tam Nguyen**, Information Technology Manager;  
**Paul Jury**, Executive Chef;  
**Susan Lahood**, Gym Operations Manager



L-R: **Peter Denmead**, Group Risk & Compliance Manager;  
**Charmaine O'Leary**, Senior Project Manager;  
**Ray Liu**, Sustainability Projects Manager



L-R: **Colin Eisenhuth**, Group Building & Services Manager; **Steve Rodrigues**, General Manager DOOLEYS Waterview Club; **Michael Nguyen**, Duty Manager



L-R: **Mark McRae**, Chief Financial & Information Officer;  
**Naomi Myers**, Group People & Learning Manager;  
**David Mantle**, Chief Executive Officer;  
**Helen Yiangou**, Executive Assistant to the CEO & Board



L-R: **Tim Gebran**, Duty Manager;  
**Amulya Sthapit**, Customer Service Manager;  
**Audrey Peter**, Duty Manager;  
**Barjinder Sadiura**, Customer Service Manager

# Environmental Sustainability



DOOLEYS vision for environmental sustainability is outlined through our *Smart Club Green Community Strategy*. At DOOLEYS, we believe we have a responsibility to

maintain sustainable business practices, demonstrate leadership and encourage sustainable outcomes locally and in the broader Club industry.

In FY2016-2017, DOOLEYS has continued to improve its environmental sustainability performance. This included the implementation of an air conditioning unit replacement strategy for the older air conditioning units we have, and this has demonstrated a return already in the 1% improvement in electricity productivity.

DOOLEYS Regents Park Sports Club was the star performer this financial year, as projects, which included a full LED lighting upgrade for all external lighting, contributed to an electricity productivity improvement of over 9%.

DOOLEYS acknowledges that there is more work to do in the areas of water and waste performance at all venues. At DOOLEYS Waterview, the groundwork for improvement in our water efficiency and waste recycling rates has been laid through our recent participation in the City of Parramatta's Sustainability Engagement Program for Local Businesses. We received the report in early July 2017 and we are excited to partner with the City of Parramatta to tackle these two issues, so watch this space closely!

*Smart Club Green Community* has four guiding principles:

## BUILDGREEN

- Consider ecologically sustainable design principles into all refurbishments and building work
- Commit to a certified 5 Star Green Star Design & As Built rating (or equivalent) for all refurbishments or new building works with a contract value of \$5 million and above

## LIVEGREEN

- Increasing electricity, gas and water productivity on a per visitor basis
- Minimise waste to landfill

## ENCOURAGEGREEN


- Assisting our community partners and members with their sustainability performance


## COMMUNICATEGREEN

- Presenting results in an easy to understand format through a variety of public mediums

## Our Achievements

 **Electricity use**  
3.4 kilowatt-hours per visitor – 1% drop

 **Gas use**  
Gas Use - 3.9 megajoules per visitor – 14% drop

 **Water use**  
25.5 litres per visitor – 15% increase (we have work to do here!)

 **Total waste generated**  
320.9 grams per visitor – 4% drop

 **Recycling**  
Recycling rate of 60.3%



## DOOLEYS Values



courage



respect



professionalism



humility



integrity

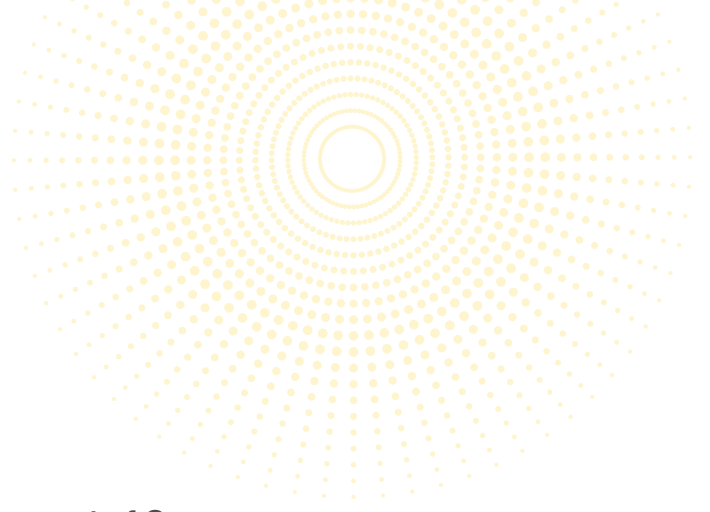
### Our People

DOOLEYS employees are the face, heart and soul of our business. DOOLEYS is proud of its diverse and challenging environment which offers great learning and career opportunities for people who share our values. Our people make the most of opportunities, are passionate about their career and always show caring and respect for others.



### Key facts

- 362 employees – 148 full time, 169 part time, 45 casual Group Exercise Instructors
- 47% female, 53% male
- 18 different languages spoken
- 20,820 training hours undertaken by employees



# Directors' Report

Your directors submit their report for the year ended 30 June 2017.

## Directors

The names and details of the Club's directors in office during the financial year and until the date of this report are as follows.

Name	Occupation	Years On Board
John Munce	Retired TAFE Teacher	19 years
Kevin Morgan	Site Manager	12 years
Christopher Cassidy	Solicitor	15 years
Keith Gomes <i>(Resigned: 26/10/16)</i>	Management Consultant	13 years
Peter Kennedy	Packaging Manager	19 years
Terry Kenny	Retired Public Servant	19 years
Michael Renshaw	Accountant	14 years
Margaret Croucher	Laboratory Technician	3 years

## Company Secretary

David Mantle was appointed to the position of Company Secretary on 28 May 2007.

## Dividends

The Club is a non-profit organisation and is prevented by its constitution from paying dividends.

## Corporate Information

DOOLEYS Lidcombe Catholic Club Ltd is a company limited by guarantee that is incorporated and domiciled in Australia.

The registered office and principal place of business of the Club is 24 John Street, Lidcombe NSW 2141.

## Principal Activities

The principal activities of the Club during the course of the financial year were the promotion of moral, intellectual, social and material welfare of the members and to create and foster a spirit of cooperation.

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

## Measurement of Success

The Club measures success by focussing on three key areas:

- The financial performance of the Club, measured through:
  - Earnings before interest, tax, depreciation, amortisation, rent and donations (EBITDARD)
  - Revenue
  - Wages cost
  - Profitability
  - Patron visitations
  - Return on capital employed;
- The level of engagement and satisfaction achieved amongst it's employees;
- To make a contribution to the community.

In 2016-17, DOOLEYS committed over \$1.8 million to local community development projects through the ClubGRANTS Scheme. DOOLEYS employees also actively contributed through the DOOLEYS Corporate Volunteering Program through which staff gave 761 hours of volunteering service to a variety of community organisations, projects and events.

## Operating and Financial Review

### Operating results for the year

The total comprehensive income of the Club for the year ended 30 June 2017 was \$13,878,371 (2016: \$9,844,468).

	2017	2016
Lidcombe	13,889,950	10,048,052
Waterview	99,531	(53,727)
Regents Park	(111,110)	(149,857)
Total	13,878,371	9,844,468

## Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Club during the year.

### Significant Events After the Balance Date

There have been no significant events occurring after the balance date which may affect either the Club's operations or results of those operations or Club's state of affairs.

### Likely Developments and Expected Results

The Club has development plans to transform our Lidcombe Club and surrounding precinct. Our plans are currently being further developed after receiving feedback from government authorities and the community. It is the Club's intention to modernise, grow and diversify its operations in order to provide quality services to our members and the community. This is a significant development which will create in excess of one thousand jobs.

The Club has spent \$1.8M (2016: \$4.8M) on Strategic and Master Planning expenses to develop a comprehensive plan for the future.

### Environmental Regulation

The Club's operations are subject to various environmental regulations under both Commonwealth and State legislation. The Board believes that the Club has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Club.

### Indemnification and Insurance of Directors and Officers

During or since the financial year, the Club has paid premiums in respect of a contract insuring all the directors of DOOLEYS Lidcombe Catholic Club Ltd in a manner permissible under the Corporations Act 2011. The amount of the cover cannot be disclosed due to policy conditions.

### Indemnification of Auditors

To the extent permitted by law, the club has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount).

No payment has been made to indemnify Ernst & Young during or since the financial year end.

### Membership

The Club is a company limited by guarantee and without a share capital. The number of members as at 30 June 2017 and the comparison with last year is as follows:

	2017	2016
Life	19	19
Ordinary	78,050	75,915
Total	78,069	75,934

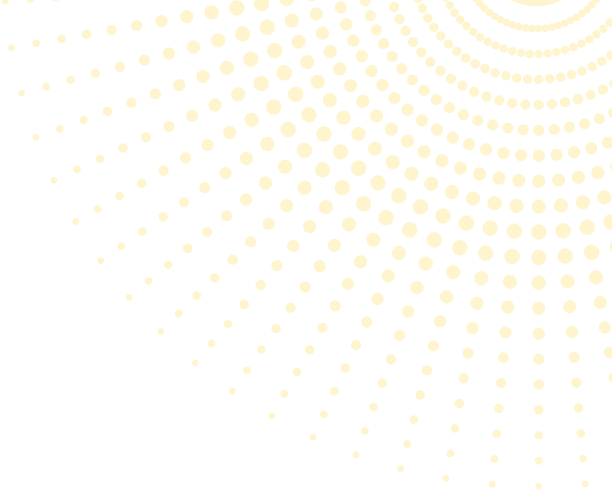
In accordance with the Constitution of the Club, every member of the Club undertakes to contribute an amount limited to \$4 per member in the event of the winding up of the Club during the time that he or she is a member or within one year thereafter.

### Directors' Meetings

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

### Board and Strategic Planning

Director	Board Meetings		Strategic	
	Held	Attended	Held	Attended
John Munce	12	12	1	1
Kevin Morgan	12	12	1	1
Christopher Cassidy	12	12	1	1
Margaret Croucher	12	8	1	-
Peter Kennedy	12	12	1	1
Terry Kenny	12	11	1	1
Michael Renshaw	12	12	1	1
Keith Gomes <i>(resigned 26/10/2016)</i>	4	4	-	-
Total number of meetings held during the year	12		1	



**Board Committee Meetings**

Director	Disciplinary		Audit & Risk		Property & Development		Nomination		Remuneration	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
John Munce	12	10	4	4	5	5	2	2	3	3
Kevin Morgan	-	-	-	-	5	5	2	2	-	-
Christopher Cassidy	-	-	3	2	5	5	2	2	3	3
Margaret Croucher	12	10	-	-	1	1	-	-	-	-
Peter Kennedy	12	11	-	-	1	1	-	-	-	-
Terry Kenny	5	5	4	3	1	1	-	-	-	-
Michael Renshaw	-	-	4	4	5	5	2	2	3	2
Keith Gomes <i>(resigned 26/10/2016)</i>	-	-	1	1	-	-	-	-	-	-
Total Number of meetings held during the year	12		4		5		2		3	

**Auditor Independence**

The directors received an independence declaration from the auditor, Ernst & Young. A copy has been included on page 37 of the report.

Signed in accordance with a resolution of the directors.

**John Munce**  
Director and Chairman

**Christopher Cassidy**  
Director

Sydney, 29 August 2017



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### Auditor's Independence Declaration to the Directors of DOOLEYS Lidcombe Catholic Club Ltd

As lead auditor for the audit of DOOLEYS Lidcombe Catholic Club Ltd for the financial year ended 30 June 2017, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Daniel Cunningham'.

Daniel Cunningham  
Partner  
29 August 2017

## Statements

### Statement of Comprehensive Income

For the year ended 30 June 2017	Note	2017 \$	2016 \$
<b>Revenue</b>			
Sale of goods and services	4(a)	<b>88,476,149</b>	89,038,373
Other revenue	4(b)	<b>775,579</b>	1,108,410
<b>Total Revenue</b>		<b>89,251,728</b>	90,146,783
Other income	4(c)	<b>141,053</b>	77,181
<b>Expenses</b>			
Cost of sales		<b>(3,777,200)</b>	(3,756,551)
Employee benefits expenses	4(d)	<b>(21,937,241)</b>	(19,782,299)
Gaming machine taxes		<b>(20,253,564)</b>	(20,509,087)
Entertainment, marketing and promotions		<b>(5,840,336)</b>	(6,144,938)
Community services		<b>(2,307,604)</b>	(2,222,190)
Repairs and maintenance		<b>(2,177,049)</b>	(1,875,847)
Security expenses		<b>(1,740,827)</b>	(1,822,172)
Cleaning expenses		<b>(1,250,894)</b>	(1,228,951)
Electricity and gas expenses		<b>(856,484)</b>	(802,059)
Rent and rates		<b>(649,795)</b>	(675,751)
Insurance expenses		<b>(296,406)</b>	(256,156)
Printing and stationery		<b>(167,589)</b>	(207,349)
Strategic and master planning expenses		<b>(1,762,546)</b>	(4,799,427)
Donations		<b>(179,059)</b>	(176,257)
Finance costs	4(e)	<b>(711,882)</b>	(939,481)
Depreciation and amortisation expenses	4(f)	<b>(6,597,075)</b>	(9,401,163)
Other expenses	4(g)	<b>(4,112,842)</b>	(4,481,756)
<b>Profit before income tax</b>		<b>14,774,388</b>	11,142,530
Income tax expense	5	<b>(962,960)</b>	(1,187,420)
<b>Profit for the year</b>		<b>13,811,428</b>	9,955,110
<b>Other comprehensive income</b>			
Gains/(losses) in fair value of cash flow hedges		<b>66,943</b>	(110,642)
<b>Other comprehensive income for the year, net of tax</b>		<b>66,943</b>	(110,642)
<b>Total comprehensive income for the year</b>		<b>13,878,371</b>	9,844,468

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

## Statement of Financial Position

As at 30 June 2017	Note	2017 \$	2016 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	10,501,422	15,081,146
Term deposits		8,000,000	–
Trade and other receivables	7	36,075	48,761
Inventories	8	354,861	317,872
Income tax receivables		141,006	–
Other assets	9	285,948	494,909
<b>Total current assets</b>		<b>19,319,312</b>	15,942,688
<b>Non-current assets</b>			
Property, plant and equipment	10	137,957,138	129,300,370
Intangible assets	11	10,254,512	8,227,949
Derivative assets	17	23,823	27,951
<b>Total non-current assets</b>		<b>148,235,473</b>	137,556,270
<b>Total assets</b>		<b>167,554,785</b>	153,498,958
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	5,664,266	5,071,214
Income tax payable		–	376,474
Provisions	13	2,206,583	2,102,382
Other and derivative liabilities	15	273,305	316,147
<b>Total current liabilities</b>		<b>8,144,154</b>	7,866,217
<b>Non-current liabilities</b>			
Provisions	13	587,935	528,468
Interest-bearing loans and borrowings	14	15,000,000	15,000,000
Other and derivative liabilities	15	307,835	467,783
<b>Total non-current liabilities</b>		<b>15,895,770</b>	15,996,251
<b>Total liabilities</b>		<b>24,039,924</b>	23,862,468
<b>Net assets</b>		<b>143,514,861</b>	129,636,490
<b>Equity</b>			
Retained earnings	16	139,734,716	125,923,288
Reserves	16	3,780,145	3,713,202
<b>Total equity</b>		<b>143,514,861</b>	129,636,490

The above statement of financial position should be read in conjunction with the accompanying notes.

## Statements

### Statement of Changes in Equity

For the year ended 30 June 2017	Retained earnings \$	Cash flow hedges (note 16) \$	Amalgamation reserve (note 16) \$	Total equity \$
<b>At 1 July 2016</b>	125,923,288	(163,542)	3,876,744	129,636,490
Profit for the year	13,811,428	–	–	13,811,428
Gain/(loss) in fair value of cash flow hedge	–	66,943	–	66,943
<b>Total comprehensive income for the year</b>	13,811,428	66,943	–	13,878,371
<b>At 30 June 2017</b>	139,734,716	(96,599)	3,876,744	143,514,861
<b>At 1 July 2015</b>	115,968,178	(52,900)	3,876,744	119,792,022
Profit for the year	9,955,110	–	–	9,955,110
Other comprehensive income	–	(110,642)	–	(110,642)
<b>Total comprehensive income for the year</b>	9,955,110	(110,642)	–	9,844,468
<b>At 30 June 2016</b>	125,923,288	(163,542)	3,876,744	129,636,490

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*



## Statement of Cash Flows

For the year ended 30 June 2017	Note	2017 \$	2016 \$
<b>Operating activities</b>			
Receipts from customers		98,238,833	99,179,034
Payments to suppliers and employees		(75,399,926)	(77,994,281)
Interest received		108,295	76,834
Interest paid		(817,642)	(821,983)
Income tax paid (net of refund)		(1,480,440)	(1,155,392)
<b>Net cash flows from operating activities</b>		<b>20,649,120</b>	19,284,212
<b>Investing activities</b>			
Proceeds from sale of property, plant and equipment		204,765	24,476
Purchase of property, plant and equipment		(15,407,046)	(8,851,066)
Purchase of intangible assets	11	(2,026,563)	(1,581,567)
Investment in term deposits		(8,000,000)	-
<b>Net cash flows used in investing activities</b>		<b>(25,228,844)</b>	(10,408,157)
<b>Financing activities</b>			
Repayments of borrowings – other		-	-
Proceeds from sale of other financial assets		-	-
Proceeds from borrowings – other		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	-
Net (decrease) / increase in cash and cash equivalents		<b>(4,579,724)</b>	8,876,055
Cash and cash equivalents at 1 July		<b>15,081,146</b>	6,205,091
<b>Cash and cash equivalents at 30 June</b>	6	<b>10,501,422</b>	15,081,146

The above statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

## For the year ended 30 June 2017

### 1. Corporate Information

The financial report of DOOLEYS Lidcombe Catholic Club Ltd (the "Club") for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the directors on 29 August 2017.

The Club is incorporated and domiciled in Australia as a Club limited by guarantee. In accordance with the Constitution of the Club, every member of the Club undertakes to contribute an amount limited to \$4 per member in the event of the winding up of the Club during the time that he or she is a member or within one year thereafter.

The nature of the operations and principal activities of the Club are described in the directors' report.

### 2. Summary of Significant Accounting Policies

#### (a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis.

The financial report is presented in Australian dollars.

#### (b) Statement of compliance

The financial statements of the Club comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

The financial report also complies with Australian Accounting Standards specific to not-for-profit entities, including standards AASB 116 Property, Plant and Equipment, AASB 136 Impairment of Assets and AASB 1004 Contributions.

#### (c) New accounting standards and interpretations

Certain Australian Accounting Standards and interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Club for the annual reporting period ended 30 June 2017. The Directors have not early adopted any of these new or amended standards or interpretations. The Directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Club) and interpretations.

#### (d) Comparatives

Certain numbers of prior period have been reclassified to be consistent with the current year's disclosure presentation.

#### (e) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. All the term deposits with maturity period of less than 3 months are included in Cash and cash equivalents.

#### (f) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Club will not be able to collect the receivable.

#### (g) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

#### (h) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in the statement of comprehensive income as incurred.

Land and buildings are measured at cost less accumulated depreciation on buildings and less any impairment losses recognised.

Depreciation is calculated on a straight line basis for building and declining balance basis for all other assets over the estimated useful life of the specific assets as follows:

Land – not depreciated

Buildings – over 40 years

Plant and equipment – over 2 to 40 years

#### *Derecognition*

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial

year end and adjusted prospectively, if appropriate.

#### (i) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date, whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

##### *(i) Club as a lessee*

Finance leases, which transfer to the Club substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Club will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

##### *(ii) Club as a lessor*

Leases in which the Club retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating

lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income.

### (j) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

### (k) Intangible assets

Intangible assets acquired are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated impairment losses. Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

### (l) Trade and other payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Club prior to the end of the financial year that are unpaid and arise when the Club becomes obliged to make future payments in respect of the purchase of these goods and services.

### (m) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Club has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

### (n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The Club does not currently hold qualifying assets but, if it did, the borrowing costs directly associated with this asset would be capitalised (including any other associated costs directly attributable to the borrowing and temporary investment income earned on the borrowing).

**(o) Provisions***General*

Provisions are recognised when the Club has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Club expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement.

*Wages, salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

*Long service leave*

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

**(p) Revenue recognition**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Club and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

*(i) Sale of goods*

Revenue from the sale of goods comprises revenue earned from the provisions of beverage, catering and other goods sold. This is measured at the fair value of the consideration received or receivable, net of member discounts and subsidies. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods. Transfers of risks and rewards vary depending on the individual terms of the sale.

*(ii) Rendering of services*

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed. Gaming machine revenue is recognised at the time of receipt.

*(iii) Interest income*

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*(iv) Rental revenue*

Rental income from investment properties is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned. Lease incentives granted are recognised as an integral part of the total rental income.

*(v) Revenue received in advance*

Members can pay their subscription on an annual or 4 year basis. Members' subscriptions paid on a 4 year basis are amortised over the period of subscription.

**(q) Income tax**

The Income Tax Assessment Act 1997 (Amended) provides that under the concept of mutuality, Clubs are only liable for income tax on income derived from non-members and from outside entities. Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

**(r) Other taxes**

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation

authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

**(s) Members' mortality benefits**

Upon the death of an ordinary member who was admitted as a member before 31 October 2008, a benefit of up to \$200 is payable. The Club's policy is to recognise the benefits as an expense in the statement of comprehensive income as they are paid out.

**(t) Derivative financial instruments and hedge accounting**

The Club holds derivative financial instruments to hedge its interest rate risk exposures.

*Cash flow hedges*

When a derivative is classified as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

**3. Significant Accounting Judgements, Estimates and Assumptions**

The preparation of the Club's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and

the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Judgements

In the process of applying the Club's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### *Operating lease commitments – Club as lessor*

The Club has entered into property leases on its property portfolio. The Club has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Club based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Club. Such changes are reflected in the assumptions when they occur.

#### *Impairment of non-financial assets*

The Club assesses impairment of all non-financial assets at each reporting date by evaluating conditions specific to the Club and to the particular asset that may lead to impairment. These include economic and political environments and business expectations. If an impairment trigger exists the recoverable amount of the asset is determined. Management do not consider that any triggers for impairment testing have been significant enough and as such these assets have not been tested for impairment in this financial period.

### Taxes

The Club's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from temporary differences and tax losses are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future business expectations, operating costs capital expenditure and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the statement of comprehensive income.

#### 4. Revenue And Expenses

	2017 \$	2016 \$
<b>(a) Sale of goods and services</b>		
Gaming machines	74,516,385	75,292,054
Bistro	5,599,417	5,458,808
Bars	3,231,829	3,206,662
Cafe	1,228,668	1,143,152
Functions	1,063,266	1,330,559
Health and fitness	1,600,303	1,371,970
Ticket sales	308,068	299,901
ATM & other commissions	300,925	262,210
Keno and TAB commissions	265,536	266,550
Subscriptions and joining fees	207,477	193,756
Gift shop	145,933	204,165
Bowling fees	8,342	8,586
<b>Total sale of goods and services</b>	<b>88,476,149</b>	<b>89,038,373</b>
<b>(b) Other revenue</b>		
Rental	667,284	1,031,576
Interest received	108,295	76,834
<b>Total other revenue</b>	<b>775,579</b>	<b>1,108,410</b>
<b>(c) Other income</b>		
GST rebate	51,540	51,540
Gains on disposal of property, plant and equipment	88,676	5,041
Miscellaneous income	837	20,600
<b>Total other income</b>	<b>141,053</b>	<b>77,181</b>
<b>(d) Employee benefits expense</b>		
Wages and salaries	17,228,035	15,546,455
Defined contribution superannuation expenses	1,713,204	1,507,185
Payroll tax	922,928	771,569
Workers' compensation costs	219,160	294,827
Other employee benefit expenses	1,853,914	1,662,263
<b>Total employee benefits expense</b>	<b>21,937,241</b>	<b>19,782,299</b>
<b>(e) Finance costs</b>		
Bank loans	817,642	821,983
Fair value movement on interest rate cap not designated as a hedge instrument	(105,760)	117,498
<b>Total finance costs</b>	<b>711,882</b>	<b>939,481</b>



	2017 \$	2016 \$
<b>(f) Depreciation and amortisation expense</b>		
Depreciation and amortisation expense	5,903,873	6,097,712
Impairment of property, plant and equipment	693,202	3,303,451
<b>Total depreciation and amortisation expense</b>	<b>6,597,075</b>	9,401,163
<b>(g) Other expenses</b>		
Compliance expenses	442,391	418,155
Members amenities	352,057	398,435
Consultant and legal expenses	337,007	379,774
Telephone, internet and pay TV expenses	326,218	322,377
Contract wages	242,306	177,749
Bank charges	118,129	114,613
Audit fees – internal and external	116,465	131,591
Bowling green maintenance direct cost	66,310	71,773
Loss on disposal of property, plant and equipment	37,115	141,273
Other expenses	2,074,844	2,326,016
<b>Total other Expenses</b>	<b>4,112,842</b>	4,481,756

## 5. Income Tax

	2017 \$	2016 \$
<b>a) Income tax expense</b>		
The major components of income tax expense are:		
<b>Statement of comprehensive income</b>		
<i>Current income tax</i>		
Current income tax charge	840,000	1,170,000
Adjustments in respect of current income tax of previous years	122,960	17,420
Income tax expense reported in the statement of comprehensive income	<b>962,960</b>	1,187,420

### (b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate

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

## Notes to Financial Statements

A reconciliation has been performed between the accounting profit before income tax and the Club's income tax expense for the year.

	2017 \$	2016 \$
Accounting profit before income tax	<b>14,774,388</b>	11,142,530
At the Club's statutory income tax rate of 30% (2016: 30%)	<b>4,432,316</b>	3,342,759
Non-temporary differences	<b>42,235</b>	39,539
Member only income	<b>(542,334)</b>	(469,718)
Member only expenses	<b>1,488,316</b>	1,484,061
Effect of mutuality	<b>(4,966,836)</b>	(5,331,760)
Other items (net)	<b>386,303</b>	2,105,119
Under/(Over) provision of previous year	<b>122,960</b>	17,420
<b>Aggregate income tax expense</b>	<b>962,960</b>	1,187,420

## 6. Cash And Cash Equivalents

	2017 \$	2016 \$
Cash at bank and in hand	<b>8,501,422</b>	15,081,146
Short term deposits	<b>2,000,000</b>	-
	<b>10,501,422</b>	15,081,146

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents represents fair value.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Club, and earn interest at the respective short-term deposit rates.

### Reconciliation to statement of cash flows

For the purposes of the statement of cash flows, cash and cash equivalents comprise of the above.

	2017 \$	2016 \$
Cash at bank and in hand	<b>10,501,422</b>	15,081,146
	<b>10,501,422</b>	15,081,146

## 7. Trade And Other Receivables (Current)

	2017 \$	2016 \$
Trade receivables	<b>11,728</b>	28,658
Other receivables	<b>24,347</b>	20,103
Carrying amount of trade and other receivables	<b>36,075</b>	48,761

## 8. Inventories (Current)

	2017 \$	2016 \$
At cost	354,861	317,872
<b>Total inventory at the lower of cost and net realisable value</b>	<b>354,861</b>	317,872

## 9. Other Assets (Current)

	2017 \$	2016 \$
Prepayments	285,948	494,909
	<b>285,948</b>	494,909

## 10. Property, Plant And Equipment

	Land and buildings \$	Plant and equipment \$	Work in progress \$	Total \$
<b>At 30 June 2017</b>				
Cost	136,461,305	35,050,126	4,073,646	175,585,077
Accumulated depreciation and impairment	(15,850,456)	(21,777,483)	-	(37,627,939)
<b>Net carrying amount</b>	<b>120,610,849</b>	<b>13,272,643</b>	<b>4,073,646</b>	<b>137,957,138</b>
<b>At 30 June 2016</b>				
Cost	128,962,294	33,350,587	253,313	162,566,194
Accumulated depreciation and impairment	(14,126,494)	(19,139,330)	-	(33,265,824)
<b>Net carrying amount</b>	<b>114,835,800</b>	<b>14,211,257</b>	<b>253,313</b>	<b>129,300,370</b>

### (a) Reconciliation of carrying amounts at the beginning and end of the year

	Land and buildings \$	Plant and equipment \$	Work in progress \$	Total \$
<b>Year ended 30 June 2017</b>				
At 1 July 2016 net of accumulated depreciation	114,835,800	14,211,257	253,313	129,300,370
Additions	7,793,489	3,539,911	4,073,646	15,407,046
Disposals	-	(153,203)	-	(153,203)
Transfers	236,791	16,522	(253,313)	-
Impairment	(531,269)	(161,933)	-	(693,202)
Depreciation charge for the year	(1,723,962)	(4,179,911)	-	(5,903,873)
<b>At 30 June 2017 net of accumulated depreciation</b>	<b>120,610,849</b>	<b>13,272,643</b>	<b>4,073,646</b>	<b>137,957,138</b>

## Notes to Financial Statements

### (b) Core and non-core land

With reference to section 41J of the Registered Clubs Act, the properties owned or occupied by the DOOLEYS Lidcombe Catholic Club Ltd, as at 30 June 2017, are as follows:

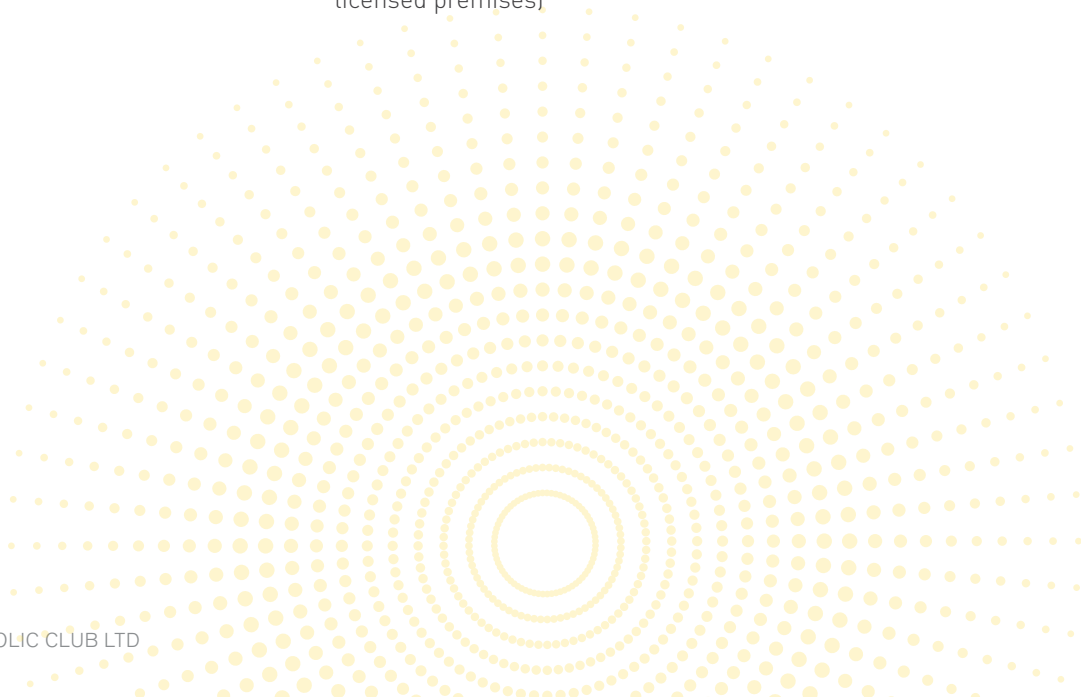
#### *Non-core properties:*

- 6 John Street, Lidcombe
- 8 John Street, Lidcombe
- 12 John Street, Lidcombe
- 14 John Street, Lidcombe
- 32A/B John Street, Lidcombe
- 32C John Street, Lidcombe
- 34A John Street, Lidcombe
- 34B John Street, Lidcombe
- 4 Board Street, Lidcombe
- 6 Board Street, Lidcombe
- 8 Board Street, Lidcombe
- 10 Board Street, Lidcombe
- 12 Board Street, Lidcombe
- 14 Board Street, Lidcombe
- 16 Board Street, Lidcombe
- 18 Board Street, Lidcombe
- 20 Board Street, Lidcombe
- 22 Board Street, Lidcombe
- 24 Board Street, Lidcombe
- 26 Board Street, Lidcombe
- 28 Board Street, Lidcombe
- 3 Ann Street, Lidcombe
- 5 Ann Street, Lidcombe
- 7 Ann Street, Lidcombe
- 9 Ann Street, Lidcombe
- 11 Ann Street, Lidcombe
- 13 Ann Street, Lidcombe
- 15 Ann Street, Lidcombe
- 17 Ann Street, Lidcombe
- 19 Ann Street, Lidcombe\*
- 21 Ann Street, Lidcombe\*
- 100 Kingsland Road, Regents Park

#### *Core properties:*

- 18-30 John Street, Lidcombe (DOOLEYS Lidcombe Catholic Club licensed premises)
- 18-30 John Street is the result of consolidation of the following properties as per a requirement of our DA.
- 1 Church Street, Lidcombe
- 1A Church Street, Lidcombe
- 3 Church Street, Lidcombe
- 3A Church Street, Lidcombe
- 5-5A Church Street, Lidcombe
- 7-9 Church Street, Lidcombe
- 11-15 Church Street, Lidcombe
- 13 Board Street, Lidcombe
- 15 Board Street, Lidcombe
- 17 Board Street, Lidcombe
- 19 Board Street, Lidcombe
- 21 Board Street, Lidcombe
- 23 Board Street, Lidcombe
- 25 Board Street, Lidcombe
- 1 Clyde Street, Silverwater (DOOLEYS Waterview Club at Silverwater licensed premises)
- 96 Kingsland Road, Regents Park (DOOLEYS Regents Park Sports Club at Regents Park licensed premises)

\* Pending settlement



## 11. Intangible Assets

	2017 \$	2016 \$
<i>Gaming machine entitlements at cost</i>		
Cost (gross carrying amount)	10,254,512	8,227,949
Net carrying amount	10,254,512	8,227,949
<b>(a) Reconciliation of carrying amount at beginning and end of the year</b>		
<i>Gaming machine entitlements at cost</i>		
Balance at the beginning of the year		
Cost (gross carrying amount)	8,227,949	
Carrying amount – opening	8,227,949	
Additions	2,026,563	
Carrying amount – closing	10,254,512	

### (b) Description of the Club's intangible assets

#### *Gaming machine entitlements*

Gaming machine entitlements are carried at cost less accumulated impairment losses and have been determined to have indefinite useful lives. Gaming machine entitlements are subject to impairment testing on an annual basis or whenever there is an indication of impairment.

## 12. Trade And Other Payables (Current)

	2017 \$	2016 \$
Trade payables	1,264,936	1,329,400
Gaming machine tax	1,672,805	1,650,699
Community support payable	397,046	402,998
Other payables and accrued expenses	2,329,479	1,688,117
	5,664,266	5,071,214

### (a) Trade payables

Trade payables are non-interest bearing and are normally settled within 30 days from recognition.

### (b) Other payables

Other payables are non-trade payables are non-interest bearing and have an average term of 6 months.

### 13. Provisions

	2017 \$	2016 \$
<b>Current</b>		
Employee entitlements	2,206,583	2,102,382
	<b>2,206,583</b>	2,102,382
<b>Non current</b>		
Employee entitlements	587,935	528,468
	<b>587,935</b>	528,468

### 14. Interest-Bearing Loans And Borrowings

	2017 \$	2016 \$
<b>Non-current</b>		
Loan from Westpac	15,000,000	15,000,000
	<b>15,000,000</b>	15,000,000

#### Defaults and breaches

During the current and prior years, there were no defaults or breaches on any of the borrowings.

#### Security

The Club has a loan facility of \$35m of which \$15m is drawn down as at 30 June 2017 (2016: \$15m). The Club has additional lines of credit in the form of a bank overdraft facility of \$20m and credit card facilities of \$250,000 which remain unused as at 30 June 2017. These facilities expire in 2019 and are classified as non-current liabilities and are secured by a floating charge on all core properties.

### 15. Other Liabilities

	2017 \$	2016 \$
<b>Current</b>		
Revenue received in advance	140,766	169,364
Derivative liabilities 17	132,539	146,783
	<b>273,305</b>	316,147
<b>Non Current</b>		
Revenue received in advance	307,835	305,197
Derivative liabilities 17	-	162,586
	<b>307,835</b>	467,783

Members can pay their subscription on an annual or 4 year basis. Members' subscriptions paid on a 4 years basis are amortised over the period of subscription.

## 16. Retained Earnings And Reserves

	2017 \$	2016 \$
<b>(a) Retained earnings</b>		
Balance at 1 July	125,923,288	115,968,178
Profit for the year	13,811,428	9,955,110
Balance at 30 June	139,734,716	125,923,288

	Cash flow Hedge Reserve \$	Amalgamation Reserve \$	Total \$
<b>(b) Reserve</b>			
At 1 July 2015	(52,900)	3,876,744	3,823,844
At 30 June 2016	(163,542)	3,876,744	3,713,202
Cash flow hedges – effective portion of changes in fair value	66,943	–	66,943
At 30 June 2017	(96,599)	3,876,744	3,780,145

### Nature and purpose of reserve

#### *Amalgamation Reserve*

The amalgamation reserve is used to record differences between the fair value of net assets acquired through amalgamations and the consideration paid.

#### *Cash flow Hedge Reserve*

The hedging reserve comprises the effective portion of the cumulative net change in fair value of the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

## 17. Financial Instruments

	2017 \$	2016 \$
<b>Financial assets at fair value through other comprehensive income</b>		
Cash flow hedges		
Interest rate swap	23,823	27,951
	<b>23,823</b>	27,951
<b>Financial liabilities at fair value through other comprehensive income</b>		
Cash flow hedges		
Interest rate swaps – current	132,539	146,783
Interest rate swaps – non-current	–	162,586
	<b>132,539</b>	309,369

Interest rate swaps are classified as Level 2 financial instruments.

### Cash Flow Hedges

#### *Interest Rate Swaps and Interest Rate Caps*

Market comparison techniques are applied in determining fair value. The valuation is based on broker quotes, where similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

## 18. Commitments And Contingencies

### Commitments

As at 30 June 2017 the Club had entered into contracts for the acquisition of the property at 19 & 21 Ann Street, Lidcombe. Settlement to occur on or before October 2017 for \$3,330,000.

### Contingencies

There were no contingent liabilities as at 30 June 2017 (2016: \$Nil).



## 19. Related Party Disclosures

### Key management personnel

Key management personnel, being those persons having authority and responsibility for planning, directing and controlling activities of the Club, include the Directors and executive management of the Club.

The key management personnel compensation included in employee benefits expense are as follows:

	2017 \$	2016 \$
	1,337,359	1,413,908

#### (a) Honorarium to Directors

The Chairman's honorarium is capped at the amounts approved each year by the members at the Annual General Meeting, (2017: \$48,000; 2016: \$44,000). During the year, the Club paid a total of \$48,000 (2016: \$44,000) to the Chairman for his role in the Club. The Directors other than Chairman is capped at the amounts approved each year by the members at the Annual General Meeting (2017: \$12,000; 2016: \$12,000). During the year, the Club paid each Director a total of \$12,000 as a honorium except for the Director Peter Kennedy who did not accept any honorium from the Club. The Club also paid \$1,000 per month (2016: \$1,000 ) to the Chairman of each Board Committee.

#### (b) Other transactions with key management personnel

In the course of attending the Club and/or representing the Club in an official capacity, key management personnel were provided with meals, beverages and travel on a complimentary basis totalling \$48,269 (2016: \$52,474).

From time to time, Directors of the Club may purchase goods from the Club or participate in other Club activities. These purchases and participations are on the same terms and conditions as those entered into by other Club members and are trivial or domestic in nature.

Apart from the details disclosed above in this note, all other transactions entered into during the year with related parties, directors and director related entities are no more favourable than those available to other customers and members.

## 20. Events After Balance Date

There have been no significant events occurring after balance date which may affect either the Club's operations or results of those operations or the Club's state of affairs.

# Directors' Declaration

In accordance with a resolution of the Directors of DOOLEYS Lidcombe Catholic Club Ltd, we state that:

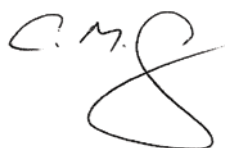
In the opinion of the Directors:

- (a) the financial statements and notes of the Club for the financial year ended 30 June 2017 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
  - (ii) complying with Australian Accounting Standards – Reduced Disclosure requirements and Corporations Regulations 2001;
- (b) there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

On behalf of the Board



John Munce  
Director and Chairman



Christopher Cassidy  
Director

Sydney, 29 August 2017



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## Independent Auditor's Report to the Members of DOOLEYS Lidcombe Catholic Club Ltd

### Opinion

We have audited the financial report of DOOLEYS Lidcombe Catholic Club Ltd (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

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

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial report and our auditor's report thereon.

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

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

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



### **Responsibilities of the Directors for the Financial Report**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Daniel Cunningham'.

Daniel Cunningham  
Partner  
Sydney  
29 August 2017







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