



DOOLEYS

ANNUAL REPORT 2015-2016

DOOLEYS LIDCOMBE CATHOLIC CLUB LTD

Bringing people together



DOOLEYS becomes a Founder of The Children's Hospital at Westmead

In May 2016, DOOLEYS was honoured to be named as a Founder of The Children's Hospital at Westmead, in recognition of our contributions now reaching over \$1 million. Since 2003, DOOLEYS has been a keen supporter of the Hospital's Cancer Centre for Children raising much needed funds and supporting research and clinical trial programs.

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Front cover: Artists Impression
of DOOLEYS development –
The Concourse at Lidcombe

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 2016. It is pleasing to report another successful year and strong financial performance by your Club. The details are provided in the CEO's Report and in the financial statements.

Your Board continues to focus on responsible financial management, high standards of corporate governance, accountability, and due diligence in order to secure the Club's long term future, and with the sustained effort by our CEO and his Senior Management Team, this has been achieved during the last financial year.

In late April, DOOLEYS announced plans to transform our Lidcombe site with The Concourse at Lidcombe – a project that will be an integral part of the Lidcombe Town Centre. This exciting project, the largest ever undertaken by the Club, will be built over two phases. Phase 1 will include a new Club, a 200-room, 4.5 star hotel and car parking for 900 cars. It will be completed by mid 2020. Phase 2 consists of aged care, independent living, residential living and a new retail development. It will rejuvenate the northern town centre bringing new life, services, employment and a much needed boost to the local economy.

DOOLEYS wants to modernise, grow and diversify our operations in order to be able to properly service the needs of our members and the community long into the future. Members and our local community deserve the best facilities available and this project will deliver that. Since the announcement, member and public forums have been held and the feedback from both has been positive. The NSW Premier's Department and the NSW Opposition Leader and Member for Auburn the Hon. Luke Foley have both been briefed and have shown their support for the project.

Separate to The Concourse at Lidcombe project is the Lloyd's Bistro and Conservatory project, scheduled for completion in early November 2016. When completed this project will offer members a new dining experience with a revised menu and customer service in beautiful surroundings. This project is absolutely necessary to cater for our increased membership and patronage of the club. An additional 130 diners will be seated in the new conservatory thus relieving the pressure on the existing bistro area. It is essential that the existing club building and facilities are maintained to the highest standard whilst the new club is being built and the board is adamant that this will be the case. I thank members for your patience during the building works.

Corporate Social Responsibility

Our commitment to our local community and beyond continued throughout the last financial year. Our total contributions which include ClubGRANTS, donations, sponsorships, harm minimisation initiatives, community expenditure, in-kind function support and much more, amounted to \$3.407 million up from \$3.387 million in 2014/2015.

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 community partnerships which provide value added services and involvement in key activities and events.

This was reflected at the recent ClubsNSW Clubs & Community Awards. DOOLEYS was highly commended for its 'Many Cultures Living as One Community' in the Disability, Welfare & Social Inclusion category, and 'Auburn Together 4 Hope' in the Health & Wellbeing category. I congratulate our Community Relations Manager, Julie Milsom and Community Relations Coordinator, Tamara Lewis, for their commitment and enthusiasm in this area of their work.

Reaching more than a \$1 million in contributions to The Children's Hospital at Westmead since 1993, the efforts of DOOLEYS staff and members were recognised during a special ceremony in May where CEO David Mantle and I were thanked and awarded the "Founder" status on behalf of the club. DOOLEYS has a long and proud association with the Cancer Centre for Children and we will look forward to strengthening our partnership even further in the future. As part of our relationship, directors and staff constantly visit the hospital to witness the outstanding work carried out by the Doctors, Scientists, Medical Staff, and Volunteers who deserve our respect, our thanks and our continued support.

Director Training & 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 are to be reduced to seven for the period from the conclusion of the AGM in 2016. These measures were approved by members at the 2013 AGM. As three directors are retiring, but are eligible for re-election, an election will be held for two board positions. Voting opened 16 September 2016 and closes

11 October 2016. 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.

The Way Ahead

With the result of the federal election now known and a clearer picture emerging of the push by crossbench MPs and senators for strict new poker machine reforms, the time is ripe to commence our building project to diversify and insulate our business against any future Federal or State regulations on gambling. The development of The Concourse at Lidcombe will result in the employment of 450 jobs during the construction stage and that number again when the project is finished. With the completion of the club and hotel, employment opportunities will exist for many of our local people, as DOOLEYS is already a major employer in the area supporting our local community and stimulating the economy of Western Sydney.

The year ahead will be a challenging and exciting time for the board and management as we move forward with the development of the site. Members will not be forgotten in any development, and with the completion of the Bistro and Conservatory project members will enjoy excellent facilities and services driven by our DOOLEYS Difference Program, which is about creating best practice with the aim of being the benchmark in all facets of the business from front of house through to back of house.

Finally

Thank you to our CEO David Mantle and his Executive Management Team for a brilliant effort meeting the board's strategic objectives, in often trying circumstances. Thank you to our staff for their loyal and dedicated service to our members and guests. It is their hard work that ensures every visit to DOOLEYS is an enjoyable one.

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 members, I thank you for your loyal support especially during this period of redevelopment, your patience and understanding will be rewarded with an even better club that you will be proud of.

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 2015/2016 financial year.

Further to this, I will advise of a number of projects that are in various stages of progress and planning in the 2016/2017 financial year.

Finance

The 2015/2016 financial year continued the trend of growth and success of previous years. A snapshot of the key financial indicators is noted below.

Indication	Total	Increase
Revenue	90.158M	10%
Profit	9.844M	(22%)
Cashflow	19.284M	(1%)
Total Assets	153.498M	7%
Net Assets	129.636M	8%
Membership	75,934	8%
Marketing & Member Services	6.334M	1%
Community Support & Corporate Social Responsibility	3.407M	1%

Lidcombe realised a profit of \$10,048,052, down on last year's \$12,745,977. The result was significantly impacted by write offs of buildings on Board & Ann Sts \$3,148,830 that are marked for demolition and the expensing of development and masterplanning costs of \$4,799,427 (rather than capitalising).

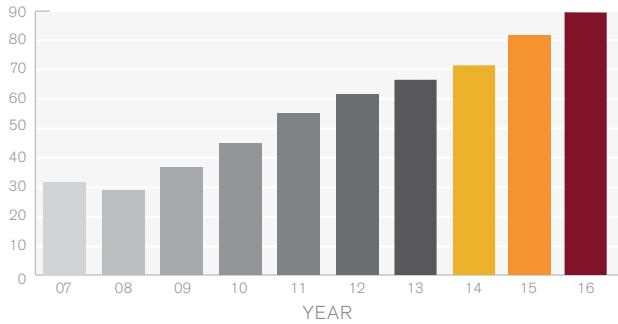
Regents Park has realised a loss of (\$149,857) compared to the previous year's loss (\$72,806).

Waterview has realised a loss of (\$53,727), a reduction on the previous year's profit of \$81,057.

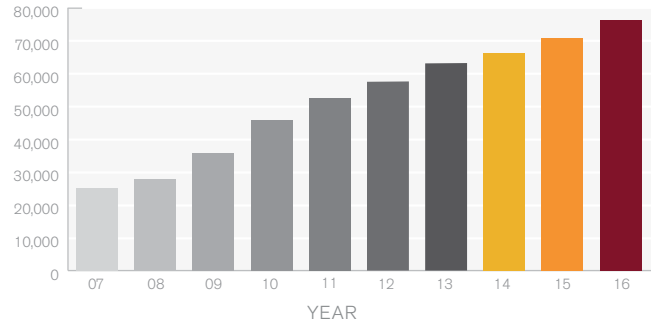
The graphs to the right highlight the success and achievements of DOOLEYS over the last ten years.

Revenue

Revenue in millions of dollars

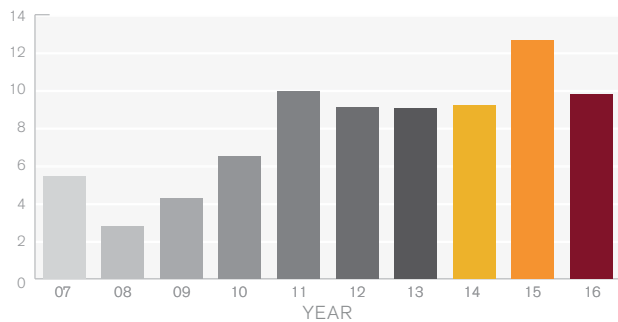


Membership Numbers

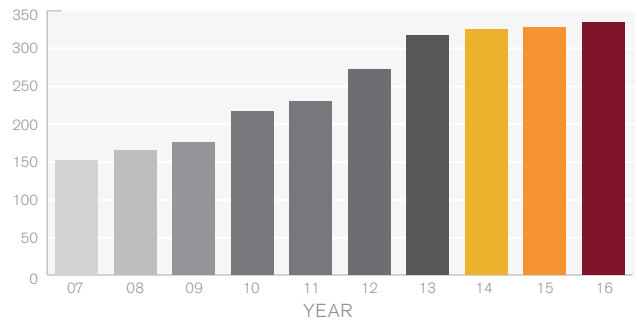


Net Profit

Net Profit in millions of dollars

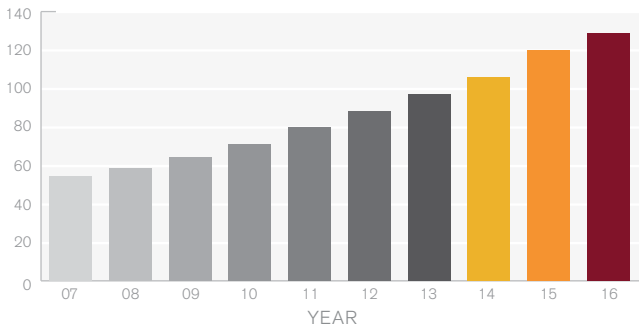


Staff Numbers



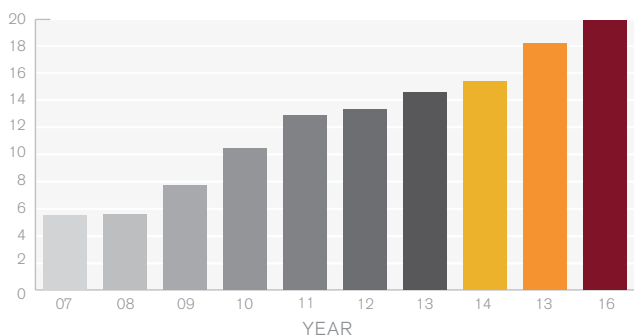
Net Assets

Net Assets in millions of dollars



Gaming Tax Paid

Gaming Tax paid in millions of dollars



Strategic Planning

In 2015/2016, the Club reviewed its strategic plan. The strategic objectives remained consistent with the 2012/13 strategic plan.

Key strategic objectives:

- **Building internal competencies** – To build the capability and capacity of our people, systems and processes in readiness for continued growth, diversification of the business and improved governance
- **People Strategy** – Improve the employment cycle to recruit, retain and further develop the highest calibre of people to deliver outstanding service and relationships
- **Core Profitability** – ensure the core businesses maintain viability and profitability, and ensure the Club can deliver its strategic objectives
- **Diversification** – to reduce reliance on gaming and deliver profitable new business streams to reduce risk, broaden the suite of profitable new services and facilities to members and the community across all Club sites
- **Corporate Social Responsibility** – deliver a program of superior engagement and support to our members, community and stakeholders

Club Development

Lidcombe – The Concourse at Lidcombe

Members would all be aware of the progress of The Concourse at Lidcombe – a DOOLEYS lifestyle project.

The Club has undertaken extensive member, community, government and other stakeholder consultation during 2015/16 and later in 2016/17. The response to the development has been extremely positive from all stakeholders.

It is proposed that the Concourse will be delivered in two phases over the next 7-8 years.

The development application for Phase 1 is currently under review by the Department of Planning.

Phase 1 will include:

- New multi-deck carpark
- New two-level Club with underground parking
- A 200 room 4.5 star hotel

Subject to approvals, Phase 1 will begin in early 2017 for completion mid-2020. Demolition of properties on Board & Ann St will start in late 2016 subject to approval.

The Club will include:

- Multiple restaurants, bars and entertainment areas
- Purpose-built function & convention facilities
- Approximately 900+ car spaces
- Family friendly facilities

Once Phase 1 is completed in mid 2020, Phase 2 will then begin. Phase 2 includes:

- Underground carparking for approximately 1200 cars
- 2 levels of retail & commercial property with a major anchor retailer
- Independent living units and aged care (up to 200 units)
- Residential (up to 400 units)
- Relocation of DOOLEYS Health & Fitness into new premises

Please note the design and phasing of this development is undertaken in such a way to ensure that the full range of facilities and services will remain in place throughout the whole construction period.

Further consultation will begin again in October to advise members and the community of the progress.

Regents Park

The Club has finally completed the land swap with the Christian School. This process has taken somewhat longer than expected but the outcome has provided a more functional land holding for the Club.

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.

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

This site is now 12 years young and plans were underway for either a refurbishment or larger renovation to re-invent the member offer. This is subject to planning and financial feasibility. This has been delayed and will be revisited in 2017.

Waterview is now in the Parramatta LGA and the site may be impacted by proposed development of the Parramatta to Olympic Park corridor.

Amalgamations

During the year DOOLEYS had the opportunity to consider dozens of other amalgamation opportunities, however those did not meet the robust assessment criteria set by the Board. 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 were:

- Announced as a Founder of The Children's Hospital at Westmead, in recognition of DOOLEYS contributions reaching in excess of \$1 million

- Over \$470,000 committed to local education projects through schools, university and community based education opportunities
- 491 hours of community volunteering undertaken by DOOLEYS employees
- \$128,656 for employment and 'job ready' programs
- Charitable Works Fund – \$80,000 donated to the Sydney Archdiocese through four local Parishes
- \$68,000 for bursaries to local Catholic primary and secondary schools through the Catholic Education Foundation
- Over \$209,000 funding for support services for people living with a disability
- \$140,600 funding for local sports development
- In-kind support provided to over 280 community functions and meetings held at DOOLEYS

The Club contributed \$3.407 million to community services, projects, amenities, in-kind support, harm minimisation, environmental and corporate social responsibility initiatives during the financial year. This is well over double the requirement through the ClubGRANTS scheme.

I would like to thank all our Community Partners for their ongoing support of DOOLEYS, we 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, members' interests and our community.

As the Club continues to evolve, the Board's 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 strives constantly to expand its learning in these critical areas and to that end is committed to ongoing education through Australian Institute of Company

Directors, Governance Institute and Club Director's Institute.

An overview of the Club's governance documentation is provided in the Corporate area of the Club's website at www.DOOLEYS.com

On a personal note, I thank Chairman John Munce 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.

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, provide the environment and enable outstanding service and relationships. As the business grows, this continues to be a commitment and major focal point.

This is a business philosophy that underpins the success of our Clubs, people genuinely caring for and gladly serving other people.

To this end the Club has implemented a business wide organisational change project named DOOLEYS Difference. This project will review every aspect of our people and service functions to ensure excellence is consistently delivered.

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 first priority.

Thank you for your support of your Clubs.

Yours sincerely,



David Mantle
Chief Executive Officer

Key Achievements

Our Members



75,934
members



1,912
Health & Fitness
members



Cultural Diversity
OVER 180 nationalities
represented
in our membership



128,100
visitors each month

DOOLEYS in the Community



282
local community
functions held



OVER \$200k PER YEAR
to research and development
projects at The Children's
Hospital at Westmead



491 HOURS OF
community volunteering
by DOOLEYS employees



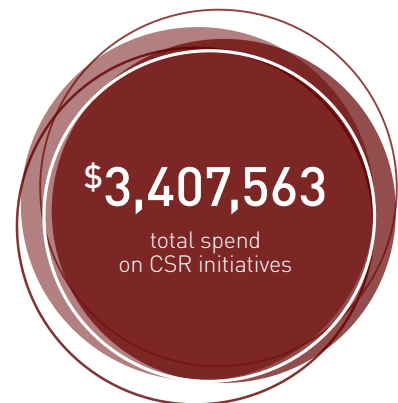
OVER \$250k TO SUPPORT
Community Health and
promote Active Lifestyles



OVER \$470k INVESTED
in local Education and
Employment projects



SUPPORTED OVER
140 local community
organisations,
schools and services



Serving our Members



302,455
meals served



2,678
functions held

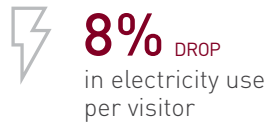


123,100
hot drinks served



Facebook
community reach of
962,832

Improving our Environment



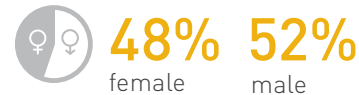
Improving Member Facilities



Our Intra Clubs



Our People





DOOLEYS Values



courage

Embrace situations despite fear, uncertainty or resistance



respect

Value others and their differences



professionalism

Maintain the highest service standards



humility

Be genuine and down to earth in all interactions



integrity

Be transparent and maintain high ethical standards

Board of Directors



John Munce
Chairman, GAICD

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 Audit and Risk Committee, Remuneration Committee and Property & Development 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 and a graduate of the Australian Institute of Company Directors and is constantly undertaking professional development to enhance his skills as a Board Member.

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 11 years, 7 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 is 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 40 years of DOOLEYS Membership. His wife and four 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 rapid expansion of the three DOOLEYS properties.

Board of Directors



Michael Renshaw
FAICD, FIPA, FFA,
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), 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 63 years.

He is a committed community volunteer with a continuing 45 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 39 years and has been on the Board for 18 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.



Margaret Croucher
GAICD

Margaret was elected to the Board in October 2013, has been a Member of DOOLEYS for 13 years and has lived in Berala for 41 years. For the past 29 years, Margaret has worked in education for the Catholic, State and Independent sectors, with previous experience of 18 years in the insurance and banking sectors, having worked locally for both the Commonwealth and State Banks during that time.

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 Chairperson of the State Association and President of the National Association of Lab Technicians. Margaret is on the Project Reference Group to establish and maintain a national advisory service for teachers and lab technicians.

She has completed and passed the AICD course. Margaret has undertaken professional development courses through AICD and CDI to enhance her role as a director and is studying part-time towards a degree in Business Management. She is patron of the

Ladies' Indoor Bowls and Ladies' Shuffleboard and is a member of the Disciplinary Committee.

Margaret's community service has included being a Brownie Guide leader for 6 years and as Secretary of Regents Park Scout Group for 4 years. She has volunteered 14 years of service to Birrong Soccer Club and has also served 4 years as Secretary and President of St Peter Chanel Parish council.

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 and recently received a State Parliamentary Award for her Volunteering Services to Education.

As a Board Member for DOOLEYS, Margaret endeavours to bring the life skills that she has learnt, and together with other Directors, to promote and be innovative towards the expansion and benefits of the Club to its members, guests and with the wider community.

Board of Directors



Christopher Cassidy
LL.B, MAICD

Chris was appointed to the Board in 2002 and has served continuously from that time. Chris served two (2) Terms as President, an honour he truly treasures. He has been a member of DOOLEYS for 21 years and was made a Life Member in 2010. Chris is a member of the Nominations Committee and the Property and Development 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 local area 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 ClubGRANTS 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.



Terry Kenny
MAICD

Terry was honoured with Life Membership of DOOLEYS in 1986 and has been a serving Board member for 18 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 Club. 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. This year Terry has undertaken a course in Strengthening Financial Governance.

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/ Sports Council Annual Dinner, DOOLEYS Christmas Fair, Mini Olympics, Melbourne Cup and Friday Night raffles. He also attends numerous meetings and seminars for the benefit of Members, the Club and the Board.

Terry has 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.



Keith Gomes
GAICD

An Asian born Australian, Keith was initially invited and subsequently elected to the board in 2004. He brings decades of knowledge, skills, experience and a great deal of diversity of thinking with a rich perspective on what it takes to succeed in today's business world.

Keith has treated his role on the board as a duty and has consistently contributed his wealth of business knowledge, experience and ideas for change to keep up with the need for new member services. His diversity of thinking and knowledge has helped shape DOOLEYS strategy from gaming into diverse income streams, which will provide the opportunity to have a better engagement with more of the 74,000 rich and diverse multi-cultural members.

Keith was elected in 2009 to the Board of ClubsNSW, the peak industry body representing over 1,300 registered clubs. He has a good understanding of the club industry, trends and what it takes to be a successful club. He is also a Board Director of ClubKeno Holdings and the Club Directors Institute, which is responsible for developing and growing director skills, capability and diversity in over 1,300 Clubs across NSW.

Previously Keith has served on several private and public sector boards and advisory bodies as a Non-Executive Director, with experience across a range of industry sectors including financial services, digital, education, hospitality and professional services in Australia and Asia.

As an experienced senior executive, Keith has broad commercial expertise, with a particular focus in the areas of corporate governance, financial discipline, risk management, innovation, digital and strategy execution. He gained his experience from working at IBM, Singapore Telecom, Optus, KPMG and Oracle Corporation both in Australia and Asia. He is currently a business advisor and mentor at Stone & Chalk.

Keith has completed the University of NSW, Australian Graduate School of Management's Executive Leadership program. He is a graduate of the Australian Institute of Company Directors, a member of the Governance Institute of Australia and the Institute of Public Administration Australia.

Keith invests over 100 hours a year in skills development to be an effective, modern board director.

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. 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.
- 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 2016 the DOOLEYS board comprised eight Directors.

The Board elects 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.

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.

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 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 30 May 2016 the Club's proportion of women in the business is noted below.

Position	Number 30/5/16	% of total	Number 30/6/15	% of total
Board	1	13	1	13
Exec./Snr. Management	2	25	2	18
Other Management	9	37	7	29
Staff	140	50	135	47

ASX Governance Principles

The Workplace Gender & Equality Report is available on the Clubs website at 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.
- 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 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

- 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.
- 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.
- 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.

ASX Governance Principles

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.

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.

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.





2015/16 Auburn ClubGRANTS Recipients



DOOLEYS Development Plans

Our Vision

To enhance the role and contribution of DOOLEYS to the renewal of the Lidcombe Town Centre by offering a diversified range of facilities and services to meet the needs of our Members and the local community.

Our Plan

DOOLEYS has plans to transform our Lidcombe Club with The Concourse at Lidcombe – A DOOLEYS lifestyle project.

We want to modernise, grow and diversify our operations in order to be able to properly service the needs of our members and the community and to ensure the long-term sustainability of the Club.

Our development plans are for a two-phase, multi-million dollar project that will transform Lidcombe North.

The new Club building to be completed as part of Phase 1 will include:

- Lobbies
- Cafes
- Main bar, sports bar & cocktail lounge
- Gaming area
- Multi-purpose rooms
- A variety of restaurants

- Function and conference rooms
- Function deck and landscaped areas
- New hotel with over 200 guest rooms

Why are we doing this?

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.

The Concourse at Lidcombe, if approved, will create over 1,000 jobs for our community and bring new life and opportunities to the area.

Our market research shows there are unmet service needs in our area – we want to invest in our community to fill those gaps.

Work in Progress

As can be imagined, a huge amount of development work and consultation has been undertaken behind the scenes preparing the development plans and necessary documentation to send through to the Department of Planning. We are being as thorough as possible and making sure that we deliver the best possible outcome for the Club, our Members and our local community.





Major Development Staging

This major project will be completed in two main stages (subject to approvals):

Phase One <i>Club Hotel Parking</i>	2016 Early works activities commence (i.e. demolition & site preparation)
	2017 State Significant Development Application Construction of Phase 1 commence
	2019 Development Application for Phase 2 submitted
Phase Two <i>All other facilities</i>	2020 Phase 1 Complete Construction of Phase 2 commence
	2023 Phase 2 Complete



Lloyd’s Bistro

Work commenced in June on the redevelopment of the Club’s main dining outlet, Lloyd’s Bistro – named for the Founder of our Club, Father Francis Lloyd.

This will include additional seating provided by enclosing the outside courtyard, opening up the kitchen to include a small new display kitchen, new point of sale as well as an improved children’s area. The entire area will be attractively redecorated. Improvements are also being made to the service model and a refreshed menu will be on offer.



DOOLEYS in the Community



ClubsNSW Clubs and Community Awards

DOOLEYS was proud to be recognised with two Highly Commended Awards at the 2016 ClubsNSW Clubs and Community Awards. These Awards recognised DOOLEYS ongoing commitment to local projects, which promote 'Health and Wellbeing' and 'Welfare and Social Inclusion'. The key to our success is the partnerships we have with our hard-working local community organisations to address areas of identified community need.



Supporting people with disabilities

DOOLEYS is proud to partner with a wide range of community organisations committed to providing services and support for people living with a disability. These services are all aimed at ensuring those living with a disability have the opportunity to live and happy and fulfilling life, as well as supporting the thousands of carers who devote their lives to looking after them.



Investing in education

Each year, DOOLEYS invests significantly in local schools and other education opportunities. At DOOLEYS, we believe that access to education is a basic human right that everyone in our community should have available to them. During the past year, over \$470,000 has been committed to local education projects through schools, university as well as community based education opportunities.



Developing community leaders of tomorrow

DOOLEYS Max Potential Program is an annual youth leadership and development program for local Year 11 students. The program aims to provide these young adults with life skills and confidence to become our community leaders of the future. As part of the program, students also undertake a local community project – something that is designed to help others and leave a legacy in our community.



Supporting local sport and active lifestyles

DOOLEYS actively promotes the social importance and health benefits of participation in local sport and leading an active lifestyle. Each year, DOOLEYS sponsors a number of local sporting organisations including cricket, netball, cycling, basketball, soccer, badminton, rugby league, swimming and local school sports participation. DOOLEYS is committed to the ongoing development of grassroots sports in our local community.

Volunteering in the local community

DOOLEYS employees are actively involved in local community life through the DOOLEYS Community Volunteering Program. Staff volunteer their time throughout the year for a variety of local community events, sporting organisations and charities. During the past year, DOOLEYS employees invested 491 hours to volunteer for a number of local community projects.



Conquering City2Surf for sick kids

DOOLEYS' support of The Children's Hospital at Westmead is wide and varied and includes both grant funding and in-kind support. Each year, over 60 dedicated DOOLEYS employees and members help raise funds for the Hospital through participation in the annual Sun-Herald City2Surf as part of Team Bandaged Bear. In 2015, DOOLEYS team members raised over \$20,000 to support the vital work undertaken by the Hospital's dedicated staff and volunteers.

Our Corporate Social Responsibility

DOOLEYS has worked hard during the past 12 months to actively contribute to the economic and social development of our local community. As an organisation, DOOLEYS is dedicated to improving the quality of life for our employees, Club members and our local community.

DOOLEYS Corporate Social Responsibility Program is focused on five strategic priorities:

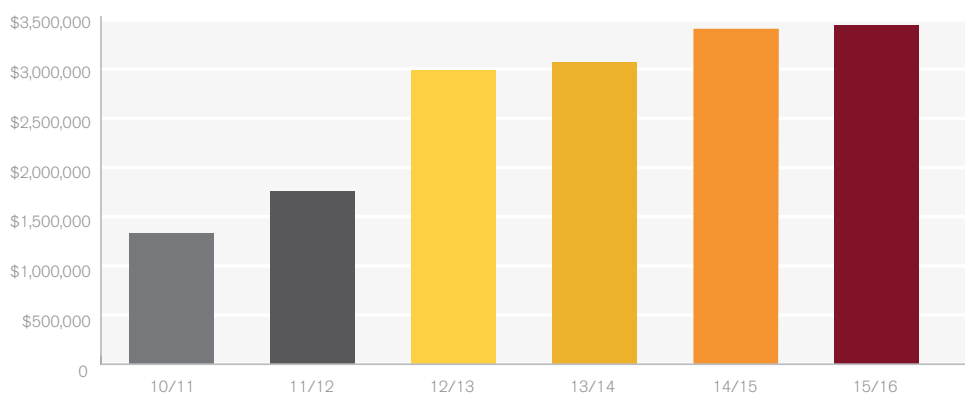
- 1 Strategic Community Engagement
- 2 Environmental Sustainability
- 3 Harm Minimisation
- 4 Workplace Health & Safety
- 5 Sound Corporate Governance

As a team, 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:

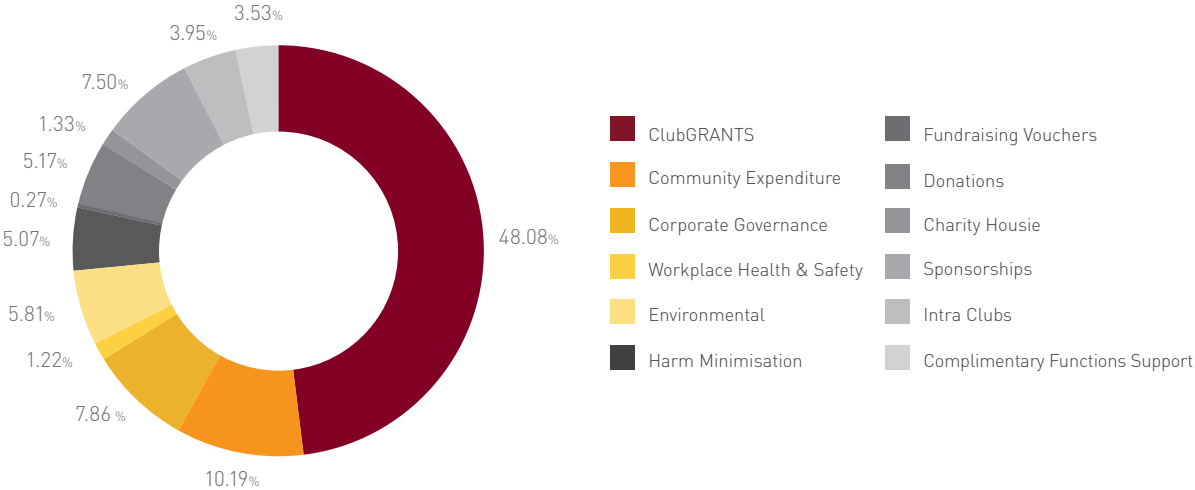
- Social Inclusion and Cohesion
- Community Health and Active Lifestyles
- Education and Employment
- Supporting Families
- Community Safety
- Aged Care and Disability Support
- Youth Engagement and Development
- Environmental Sustainability

During 2015/16, DOOLEYS contributed over \$3 million to the local community through ClubGRANTS funding, sponsorships, local projects, charity support, in-kind assistance and environmental and harm minimisation initiatives. Well over 140 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

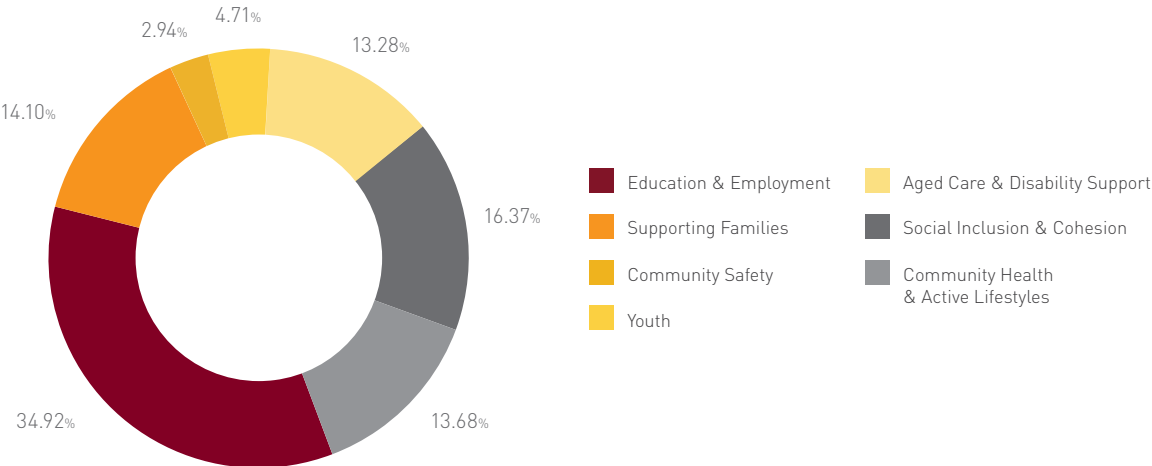


ClubGRANTS Scheme

Each year, DOOLEYS supports a wide range of local community service providers, charities and schools through the ClubsNSW 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 2015/16, DOOLEYS supported 54 community organisations through this Scheme.

Total ClubGRANTS Spend Breakdown



Key Community Partners

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

ClubGRANTS Category 1	
1st Granville Scout Group	\$500
Alliance of Philippine Community Organisations	\$24,250
Auburn Asian Welfare Centre	\$15,000
Auburn City Council	\$38,532
Auburn Small Community Organisation Network	\$43,061
Australian Kookaburra Kids Foundation	\$3,300
Barnardos Australia	\$5,040
Bridge for Asylum Seekers Foundation	\$39,600
Camp Quality Limited	\$4,400
CareFlight Ltd	\$9,870
Catholic Education Foundation	\$68,000
Cerebral Palsy Alliance	\$12,398
Child Abuse Prevention Services	\$8,916
Community of South Sudanese and Other Marginalised Areas Association	\$10,000
Early Education (EarlyEd) Inc.	\$9,970
Guide Dogs NSW/ACT	\$9,600
Heartbeat Community Care	\$49,189
Horn of Africa Relief & Development Agency (HARDA)	\$9,955
Learning Links	\$40,812
Mercy Works Ltd	\$15,579
Miracle Babies Foundation Ltd	\$5,000
Muscular Dystrophy Association of NSW	\$9,000
Multiple Sclerosis Limited	\$35,000
Refugee Advice and Casework Service (Aust) Inc.	\$71,922
Returned and Services League of Australia (NSW Branch)	\$7,000
St Francis Social Services	\$17,000
St Vincent de Paul Society	\$10,000
Sunny Corner Toy Library	\$5,000
The Leukaemia Foundation of Australia Ltd	\$5,000
The Northcott Society	\$4,100
The Shepherd Centre	\$7,700
CATEGORY 1 TOTAL	\$594,694

ClubGRANTS Category 2	
Auburn City Council	\$26,246
Auburn Diversity Services Inc.	\$16,451
Catholic Education Foundation	\$5,000
Early Education (EarlyEd) Inc.	\$25,300
Epilepsy Action Australia	\$3,000
Future Achievement Australia	\$44,670
Immaculate Heart of Mary Sefton Primary School	\$40,400
Learning Links	\$32,257
Multiple Sclerosis Limited	\$5,714
National Badminton Centre	\$1,000
Parramatta Basketball Association	\$15,000
Probus Club of Regents Park	\$3,681
Refugee Advice and Casework Service (Aust) Inc.	\$8,677
SHINE for Kids	\$50,000
Spinal Cord Injuries Australia	\$55,000
STARTTS	\$47,063
St Joachim's Catholic Church	\$45,000
St Joachim's Catholic Primary School	\$45,890
St John's Catholic Primary School	\$30,000
St Joseph the Worker Catholic Primary School	\$30,000
St Joseph's Hospital	\$53,580
St Peter Chanel Catholic Primary School	\$30,000
Strathfield Council	\$1,500
The Children's Hospital at Westmead	\$111,500
The John Berne School	\$14,890
The Salvation Army Auburn	\$5,230
The Shepherd Centre	\$27,260
Trinity Catholic College	\$4,000
CATEGORY 2 TOTAL	\$778,309
CATEGORY 3 TOTAL*	\$265,516

Total Corporate Social Responsibility Expenditure	
ClubGRANTS Contributions	\$1,638,519
Environmental Initiatives	\$198,065
Harm Minimisation	\$172,686
Workplace Health & Safety	\$41,691
Corporate Governance	\$267,982
Complimentary Functions Support	\$120,301
Community Expenditure	\$347,331
Charity Housie	\$45,177
Fundraising Vouchers	\$9,275
Sports Clubs Facilities	\$134,593
Sponsorships	\$255,686
Donations	\$176,257
TOTAL CSR EXPENDITURE	\$3,407,563

*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: **Justin Corcoran**, Group Security Manager; **Michael Moulang**, Commercial Manager; **Sanjay Kadwadkar**, Group Finance Manager; **Peter Denmead**, Group Risk & Compliance Manager

L-R: **Tomasz Pytraczyk**, General Manager DOOLEYS Regents Park Sports Club; **John Jansen**, Group Functions Manager; **Joel Pace**, Duty Manager



L-R: **Naomi Myers**, Group People & Learning Manager; **Barjinder Sadiura**, Customer Service Manager; **Peter Lytwyn**, Duty Manager; **Steve Rodrigues**, General Manager DOOLEYS Waterview Club



L-R: **Kshitiz Rajkarnikar**, Gaming Operations Manager; **Rosie Vranic**, Group Gaming Manager; **Amulya Sthapit**, Customer Service Manager



L-R: **Mark McRae**, Chief Financial & Information Officer; **Helen Yiangou**, Executive Assistant to the CEO & Board; **David Mantle**, Chief Executive Officer; **Nathan Titmuss**, Chief Operating Officer



L-R: **Colin Eisenhuth**, Group Building & Services Manager; **Ray Liu**, Sustainability Projects Manager; **Shane Clark**, Group Maintenance Manager



L-R: **Julie Milsom**, Community Relations Manager; **Tam Nguyen**, Information Technology Manager; **Simon Graham**, Group Marketing Manager; **Steve Austin**, Loyalty & Research Manager



L-R: Duty Managers **Tim Gebran**, **Libby Press** and **Michael Nguyen**

Environmental Sustainability

DOOLEYS strengthened its commitment to environmental sustainability through the development of the **Smart Club Green Community** Strategy – a sustainability vision for DOOLEYS and our community.

As a large local business, we are keenly aware of our responsibility to develop and promote sustainable business practices, demonstrate leadership and influence sustainable outcomes locally and in the broader Club industry.



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 large contract value

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 – 8% drop

 **Gas use**
4.5 megajoules per visitor – 7.5% drop

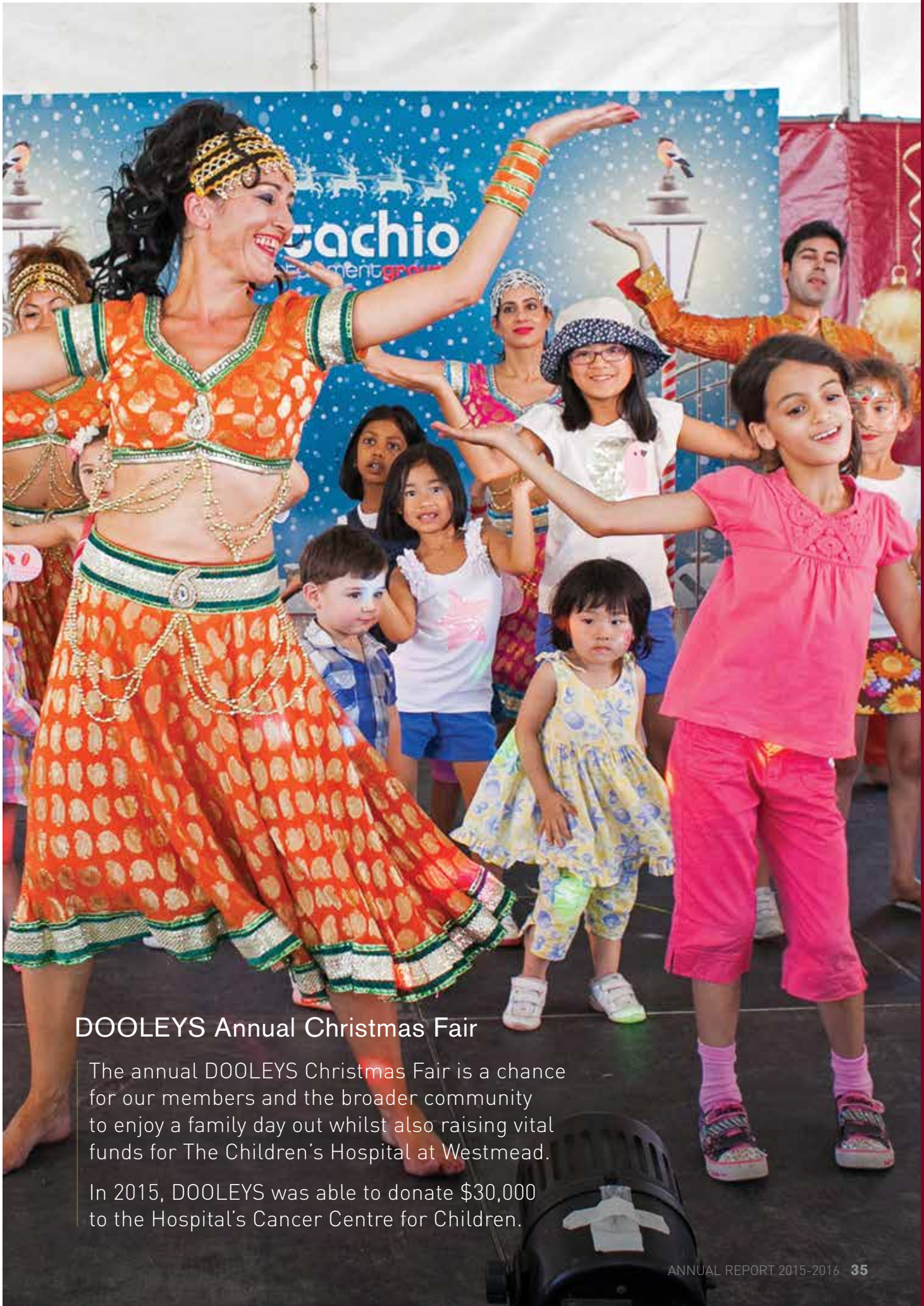
 **Water use**
22.2 litres per visitor – 1% increase

 **Total waste generated**
336.9 grams per visitor – 11% drop

 **Community facility**
audits and upgrades for two local organisations

 **Finalist**
in Keep NSW Beautiful Blue Star Sustainability Awards – Sustainable Systems

 **Sustainable Development**
The Concourse at Lidcombe development to be the first Club in Australia to have a 5-Star Green Star Rating



DOOLEYS Annual Christmas Fair

The annual DOOLEYS Christmas Fair is a chance for our members and the broader community to enjoy a family day out whilst also raising vital funds for The Children's Hospital at Westmead.

In 2015, DOOLEYS was able to donate \$30,000 to the Hospital's Cancer Centre for Children.

Directors' Report

Your directors submit their report for the year ended 30 June 2016.

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	18 years
Kevin Morgan	Site Manager	11 years
Christopher Cassidy	Solicitor	14 years
Keith Gomes	Management Consultant	12 years
Peter Kennedy	Packaging Manager	18 years
Terry Kenny	Retired Public Servant	18 years
Michael Renshaw	Accountant	13 years
Margaret Croucher	Laboratory Technician	2 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 four key areas:

1. The financial performance of the Club, measured through:
 - (i) Earnings before interest, tax, depreciation, amortisation, rent and donations (EBITDARD)
 - (ii) Revenue
 - (iii) Wages Cost
 - (iv) Profitability
 - (v) Patron visitations
 - (vi) Return on Capital employed;
2. The level of engagement and satisfaction achieved amongst its employees;
3. To make a contribution to the community.

DOOLEYS community contributions were recognised with two highly commended awards at the 2016 ClubsNSW Clubs and Community Awards held in May. DOOLEYS was also named as a Founder of The Children's Hospital at Westmead in recognition of contributions now reaching over \$1 million.

Operating and Financial Review

Operating results for the year

The total comprehensive income of the Club for the year ended 30 June 2016 was \$9,844,468 (2015: \$12,754,948).

	2016	2015
Lidcombe	10,048,052	12,745,977
Waterview	(53,727)	81,057
Regents Park	(149,857)	(72,086)
Total	9,844,468	12,754,948

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 sheet 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, with *The Concourse at Lidcombe*. Our plans, which are still being developed, involve the construction of a new club, hotel, residential apartments, retail, aged care, and independent living. If approved, *The Concourse at Lidcombe* will create long-term, local jobs for our community and bring new life and opportunities to the area. This project will create over 1,000 jobs, including approximately 450 during construction and approximately 550 permanent. This is in addition to our current 336 employees. The Club wants to modernise, grow and diversify our operations in order to be able to properly service the needs of our Members and the community into the future. The Club has spent \$4.8 million (2015: \$0.9 million) on Strategic and Master Planning expenses to develop a comprehensive development 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 2001. 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 share capital. The number of members as at 30 June 2016 and the comparison with last year is as follows:

	2016	2015
Life	19	23
Ordinary	75,915	70,430
Total	75,934	70,453

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	11	1	1
Christopher Cassidy	12	11	1	1
Margaret Croucher	12	10	1	1
Keith Gomes	12	8	1	1
Peter Kennedy	12	11	1	1
Terry Kenny	12	11	1	1
Michael Renshaw	12	10	1	1
Total Number of meetings held during the year	12		1	

Directors' Report

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	6	6	11	11	5	5	6	6
Kevin Morgan	-	-	-	-	11	11	5	5	-	-
Christopher Cassidy	1	1	-	-	11	11	5	5	-	-
Margaret Croucher	12	9	-	-	-	-	-	-	-	-
Keith Gomes	-	-	6	5	-	-	-	-	6	6
Peter Kennedy	12	12	-	-	-	-	-	-	-	-
Terry Kenny	4	4	6	5	-	-	-	-	-	-
Michael Renshaw	-	-	6	6	11	9	5	5	6	6
Total Number of meetings held during the year	12		6		11		5		6	

Auditor Independence

The directors received an independence declaration from the auditor, Ernst & Young. A copy has been included on page 39 of the report.

Signed in accordance with a resolution of the directors.



John Munce
Director and Chairman



Michael Renshaw
Director

Sydney, 23 August 2016



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Independent auditor's report to the members of DOOLEYS Lidcombe Catholic Club Ltd

Report on the financial report

We have audited the accompanying financial report of DOOLEYS Lidcombe Catholic Club Ltd, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the financial report.



Opinion

In our opinion the financial report of DOOLEYS Lidcombe Catholic Club Ltd is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the financial position of DOOLEYS Lidcombe Catholic Club Ltd at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *Corporations Regulations 2001*.

Ernst & Young

Daniel Cunningham
Partner
Sydney
23 August 2016



Ernst & Young
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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 2016, 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.

Ernst & Young

Daniel Cunningham
Partner
Sydney
23 August 2016

Statements

Statement of Comprehensive Income

For the year ended 30 June 2016	Note	2016 \$	2015 \$
Revenue			
Sale of goods and services	4(a)	89,049,634	81,196,052
Other revenue	4(b)	1,108,410	703,877
Total Revenue		90,158,044	81,899,929
Other income	4(c)	77,181	67,445
Expenses			
Cost of sales		(3,756,551)	(3,959,427)
Employee benefits expense	4(d)	(19,782,299)	(19,235,008)
Gaming machine taxes		(20,509,087)	(18,219,611)
Entertainment, marketing and promotions		(6,144,938)	(5,757,778)
Community services		(2,222,190)	(2,092,621)
Repairs and maintenance		(1,947,619)	(1,751,882)
Security expenses		(1,822,172)	(1,679,909)
Cleaning expenses		(1,228,951)	(1,049,747)
Electricity and gas expense		(802,059)	(945,559)
Rent and rates		(675,751)	(402,829)
Insurance expense		(256,156)	(231,966)
Printing and stationery		(207,349)	(253,388)
Strategic and master planning expense		(4,799,427)	(930,215)
Donations		(176,257)	(501,054)
Finance costs	4(e)	(939,481)	(625,968)
Depreciation and amortisation expense	4(f)	(9,401,163)	(6,032,379)
Other expenses	4(g)	(4,421,245)	(4,598,804)
Profit before income tax		11,142,530	13,699,229
Income tax expense	5	(1,187,420)	(891,381)
Profit for the year		9,955,110	12,807,848
Other comprehensive income			
Gains/(losses) in fair value of cash flow hedges		(110,642)	(52,900)
Other comprehensive income for the year, net of tax		(110,642)	(52,900)
Total comprehensive income for the year		9,844,468	12,754,948

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

Statement of Financial Position

As at 30 June 2016	Note	2016 \$	2015 \$
Assets			
Current assets			
Cash and cash equivalents	6	15,081,146	6,205,091
Trade and other receivables	7	48,761	59,417
Inventories	8	317,872	295,691
Other assets	9	494,909	443,980
Total current assets		15,942,688	7,004,179
Non-current assets			
Property, plant and equipment	10	129,300,370	130,005,266
Intangible assets	11	8,227,949	6,646,382
Derivative assets	17	27,951	178,299
Total non-current assets		137,556,270	136,829,947
Total assets		153,498,958	143,834,126
Liabilities			
Current liabilities			
Trade and other payables	12	5,071,214	5,504,334
Income tax payable		376,474	344,446
Provisions	13	2,102,382	2,117,712
Other and derivative liabilities	15	316,147	331,403
Total current liabilities		7,866,217	8,297,895
Non-current liabilities			
Provisions	13	528,468	418,000
Interest-bearing loans and borrowings	14	15,000,000	15,000,000
Other and derivative liabilities	15	467,783	326,209
Total non-current liabilities		15,996,251	15,744,209
Total liabilities		23,862,468	24,042,104
Net assets		129,636,490	119,792,022
Equity			
Retained earnings	16	125,923,288	115,968,178
Reserves	16	3,713,202	3,823,844
Total equity		129,636,490	119,792,022

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 2016	Retained earnings \$	Cash flow hedges (note 16) \$	Amalgamation reserve (note 16) \$	Total equity \$
At 1 July 2015	115,968,178	(52,900)	3,876,744	119,792,022
Profit for the year	9,955,110	–	–	9,955,110
Gain/(loss) in fair value of cash flow hedge	–	(110,642)	–	(110,642)
Total comprehensive income for the year	9,955,110	(110,642)	–	9,844,468
At 30 June 2016	125,923,288	(163,542)	3,876,744	129,636,490
At 1 July 2014	103,160,330	–	3,876,744	107,037,074
Profit for the year	12,807,848	–	–	12,807,848
Other comprehensive income	–	(52,900)	–	(52,900)
Total comprehensive income for the year	12,807,848	(52,900)	–	12,754,948
At 30 June 2015	115,968,178	(52,900)	3,876,744	119,792,022

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 2016	Note	2016 \$	2015 \$
Operating activities			
Receipts from customers		99,179,034	90,014,029
Payments to suppliers and employees		(77,994,281)	(69,488,084)
Interest received		76,834	106,777
Interest paid		(821,983)	(625,968)
Income tax paid (net of refund)		(1,155,392)	(548,510)
Net cash flows from operating activities		19,284,212	19,458,244
Investing activities			
Proceeds from sale of property, plant and equipment		24,476	17,605
Purchase of property, plant and equipment		(8,851,066)	(20,872,142)
Purchase of intangible assets	11	(1,581,567)	(3,706,245)
Net cash flows used in investing activities		(10,408,157)	(24,560,782)
Financing activities			
Repayments of borrowings – other		–	–
Proceeds from Sale of other financial assets		–	–
Proceeds from borrowings – other		–	5,900,863
Net cash flows used in financing activities		–	5,900,863
Net (decrease) / increase in cash and cash equivalents		8,876,055	798,325
Cash and cash equivalents at 1 July		6,205,091	5,406,766
Cash and cash equivalents at 30 June	6	15,081,146	6,205,091

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 2016

1. Corporate Information

The financial report of DOOLEYS Lidcombe Catholic Club Ltd (the "Club") for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the directors on 23 August 2016.

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 2016. 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.

(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 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 a 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 the 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.

Notes to Financial Statements

4. Revenue And Expenses

	2016 \$	2015 \$
(a) Sale of goods and services		
Gaming machines	75,292,054	67,431,498
Bars	3,206,662	3,177,892
Bistro	5,458,808	5,951,308
Cafe	1,143,152	1,071,815
Functions	1,330,286	1,126,377
Subscriptions and joining fees	193,756	181,464
Keno and Tab commissions	266,550	265,860
Health and Fitness	1,371,970	1,184,977
Gift shop	166,731	253,022
Other	619,665	551,839
Total sale of goods and services	89,049,634	81,196,052
(b) Other revenue		
Rental	1,031,576	597,100
Interest received	76,834	106,777
Total other revenue	1,108,410	703,877
(c) Other income		
GST Rebate	51,540	51,540
Gains on disposal of property, plant and equipment	5,041	5,269
Other	20,600	10,636
Total other income	77,181	67,445
(d) Employee benefits expense		
Wages and salaries	15,546,455	15,172,981
Workers' compensation costs	294,827	152,758
Defined contribution superannuation expense	1,507,185	1,485,014
Payroll tax	771,569	823,339
Other employee benefit expense	1,662,263	1,600,916
Total employee benefits expense	19,782,299	19,235,008
(e) Finance costs		
Bank loans	821,983	626,347
Fair value movement on interest rate cap not designated as a hedge instrument	117,498	(379)
Total finance costs	939,481	625,968

	2016 \$	2015 \$
(f) Depreciation and amortisation expense		
Depreciation and amortisation expense	6,097,712	5,880,773
Impairment of property, plant and equipment	3,303,451	151,606
Total depreciation and amortisation expense	9,401,163	6,032,379
(g) Other expenses		
Audit Fees - Internal and External	131,591	148,718
Bank charges	114,613	273,777
Contract wages	177,749	583,737
Compliance expense	386,240	323,379
Consultant and legal expense	379,774	237,766
Loss on disposal of property, plant and equipment	141,273	79,547
Members amenities	398,435	350,150
Telephone, internet and pay TV expense	322,377	310,092
Other expense	2,369,193	2,291,638
Total other Expenses	4,421,245	4,598,804

5. Income Tax

	2016 \$	2015 \$
a) Income tax expense		
The major components of income tax expense are:		
Statement of comprehensive income		
<i>Current income tax</i>		
Current income tax charge	1,170,000	887,000
Adjustments in respect of current income tax of previous years	17,420	4,381
Income tax expense reported in the statement of comprehensive income	1,187,420	891,381

(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.

	2016 \$	2015 \$
Accounting profit before income tax	11,142,530	13,699,229
At the Club's statutory income tax rate of 30% (2015: 30%)	3,342,759	4,109,769
Non-temporary differences	39,539	41,502
Member only income	(469,718)	(409,932)
Member only expenses	1,484,061	1,491,923
Effect of mutuality	(5,331,760)	(4,717,335)
Other items (net)	2,105,119	371,073
Under/(Over) provision of previous year	17,420	4,381
Aggregate income tax expense	1,187,420	891,381

6. Cash And Cash Equivalents

	2016 \$	2015 \$
Cash at bank and in hand	15,081,146	6,205,091
	15,081,146	6,205,091

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.

	2016 \$	2015 \$
Cash at bank and in hand	15,081,146	6,205,091
	15,081,146	6,205,091

7. Trade And Other Receivables (Current)

	2016 \$	2015 \$
Trade receivables	28,658	40,133
Other receivables	20,103	19,284
Carrying amount of trade and other receivables	48,761	59,417

8. Inventories (Current)

	2016 \$	2015 \$
At cost	317,872	295,691
Total inventory at the lower of cost and net realisable value	317,872	295,691

9. Other Assets (Current)

	2016 \$	2015 \$
Prepayments	494,909	443,980
	494,909	443,980

10. Property, Plant And Equipment

	Land and buildings \$	Plant and equipment \$	Work in progress \$	Total \$
At 30 June 2016				
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)
Net carrying amount	114,835,800	14,211,257	253,313	129,300,370
At 30 June 2015				
Cost	127,069,962	31,811,517	570,816	159,452,295
Accumulated depreciation and impairment	(12,503,282)	(16,943,747)	-	(29,447,029)
Net carrying amount	114,566,680	14,867,770	570,816	130,005,266

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

	Land and buildings \$	Plant and equipment \$	Work in progress \$	Total \$
Year ended 30 June 2016				
At 1 July 2015 net of accumulated depreciation	114,566,680	14,867,770	570,816	130,005,266
Additions	5,954,641	3,679,606	-	9,634,247
Disposals	(777,272)	(160,708)	-	(937,980)
Transfers	-	317,503	(317,503)	-
Impairment	(3,148,830)	(154,621)	-	(3,303,451)
Depreciation charge for the year	(1,759,419)	(4,338,293)	-	(6,097,712)
At 30 June 2016 net of accumulated depreciation	114,835,800	14,211,257	253,313	129,300,370

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 DOOLEYS Lidcombe Catholic Club Ltd, as at 30 June 2016, 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
- 100 Kingsland Road, Regents Park
- 3 Ann Street, Lidcombe
- 5 Ann Street, Lidcombe
- 7 Ann Street, Lidcombe
- 9 Ann Street, Lidcombe
- 11 Ann Street, Lidcombe
- 17 Ann Street, Lidcombe

Core properties:

- 18-30 John Street, Lidcombe (DOOLEYS Lidcombe Catholic Club licensed premises)
- 1 Church St, Lidcombe
- 1A Church St, Lidcombe
- 3 Church St, Lidcombe
- 3A Church St, Lidcombe
- 5-5A Church St, Lidcombe
- 7-9 Church St, Lidcombe
- 11-15 Church St, Lidcombe
- 13 Board St, Lidcombe
- 15 Board St, Lidcombe
- 17 Board St, Lidcombe
- 19 Board St, Lidcombe
- 21 Board St, Lidcombe
- 23 Board St, Lidcombe
- 25 Board St, Lidcombe
- 1 Clyde Street, Silverwater (DOOLEYS Waterview Club at Silverwater licensed premises)
- 96 Kingsland Rd, Regents Park (DOOLEYS Regents Park Sports Club at Regents Park licensed premises)

11. Intangible Assets

	2016 \$	2015 \$
<i>Gaming machine entitlements at cost</i>		
Cost (gross carrying amount)	8,227,949	6,646,382
Net carrying amount	8,227,949	6,646,382
(a) Reconciliation of carrying amount at beginning and end of the year		
<i>Gaming machine entitlements at cost</i>		
Balance at the beginning of the year		
Cost (gross carrying amount)	6,646,382	
Carrying amount - opening	6,646,382	
Additions	1,581,567	
Carrying amount - closing	8,227,949	

(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)

	2016 \$	2015 \$
Trade payables	1,329,400	1,480,337
Gaming machine tax	1,650,699	1,650,183
Community support payable	402,998	562,183
Other payables and accrued expenses	1,688,117	1,811,631
	5,071,214	5,504,334

(a) Fair value

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

(b) Trade payables

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

(c) Other payables

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

13. Provisions

	2016 \$	2015 \$
Current		
Employee entitlements	2,102,382	2,117,712
	2,102,382	2,117,712
Non current		
Employee entitlements	528,468	418,000
	528,468	418,000

14. Interest-Bearing Loans And Borrowings

	2016 \$	2015 \$
Non-current		
Loan from Westpac	15,000,000	15,000,000
	15,000,000	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 2016 (2015: \$15m). The Club has additional lines of credit in the form of a bank overdraft facility of \$2m and credit card facilities of \$250,000 which remain unused as at 30 June 2016. 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

	2016 \$	2015 \$
Current		
Revenue received in advance	169,364	218,609
Derivative Liabilities 17	146,783	112,794
	316,147	331,403
Non Current		
Revenue received in advance	305,197	208,183
Derivative Liabilities 17	162,586	118,026
	467,783	326,209

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 Reserve

	2016 \$	2015 \$
(a) Retained earnings		
Balance at 1 July	115,968,178	103,160,330
Profit for the year	9,955,110	12,807,848
Balance at 30 June	125,923,288	115,968,178

	Cashflow Hedge Reserve \$	Amalgamation reserve \$	Total \$
(b) Reserve			
At 1 July 2014	-	3,876,744	3,876,744
At 30 June 2015	(52,900)	3,876,744	3,823,844
Cash flow hedges - effective portion of changes in fair value	(110,642)	-	(110,642)
At 30 June 2016	(163,542)	3,876,744	3,713,202

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.

Cashflow 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

	2016 \$	2015 \$
Financial assets at fair value through other comprehensive income		
Cash flow hedges		
Interest rate swap	27,951	178,299
	27,951	178,299
Financial liabilities at fair value through other comprehensive income		
Cash flow hedges		
Interest rate swaps - current	146,783	112,794
Interest rate swaps - non-current	162,586	118,026
	309,369	230,820

Interest rate swaps are classified as Level 2 financial instruments.

Cash Flow Hedges

Interest Rate Swaps and Interest Rate Caps

Market comparison technique 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 2016 the Club had entered into a contract for the bistro renovation at Dooleys Lidcombe to the sum of \$2.26 million.

Contingencies

There were no contingent liabilities as at 30 June 2016 (2015: \$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:

	2016 \$	2015 \$
	1,413,908	1,221,817

Interest rate swaps are classified as Level 2 financial instruments.

(a) Honorarium to Directors

The Chairman's honorarium is capped at the amounts approved each year by the members at the Annual General Meeting, (2016: \$44,000; 2015: \$36,000). During the year, the Club paid a total of \$44,000 (2015: \$36,000) to the Chairman for his role in the Club. The Directors other than Chairman are capped at the amounts approved each year by the Members at the Annual General Meeting (2016: \$12,000; 2015: \$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 (2015: \$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 \$52,474 (2015: \$48,357).

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

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 2016 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 2016 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



Michael Renshaw
Director

Sydney, 23 August 2016



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