



2017/2018
**ANNUAL
REPORT**



- Bringing people together -

FOCUSING ON THE FOOD EXPERIENCE



At DOOLEYS we have a dedicated team of chefs and F&B employees who are passionate about providing the highest quality food experience for our Members and guests. In 2017/18 we served 279,580 main meals across our three venues.



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CHAIRMAN'S REPORT



JOHN MUNCE

Looking Back

On behalf of the Board of Directors I submit for your approval and adoption the Annual Report for the year ending 30 June 2018. 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.

The Club measures success by focussing on three key areas:

- Financial performance of the Club
- The level of engagement and satisfaction achieved amongst its employees
- To make a contribution to the community

The Club's focus is to always manage its finances responsibly so that the Club remains successful well into the future. With great support from our loyal Members and the sustained focus by our CEO and Senior Management Team, the desired outcome has been achieved during the financial year.

During the last 12 months Member feedback for our development of The Concourse at Lidcombe has been considered and along with community, government agencies and other stakeholders offering their input, the development of the proposed leisure and tourism element has been reduced to reflect feedback received during the consultation process.

As a result the State Significant Development application has been withdrawn until the design stage of the development cycle is complete. In the meantime the purchase of Board Street is progressing slowly with Cumberland Council submitting an application to register the title. The purchase of the street has been a long and difficult process with a number of government agencies involved, however completion of the whole process is expected soon.

Corporate Social Responsibility

Our commitment to our local community and beyond continued throughout the last financial year. Our direct community contribution which includes ClubGRANTS, donations, sponsorship, community expenditure, in-kind support, and much more, amounted to \$3.34 million up from \$3.27 million in 2016/2017. This is a magnificent effort.

DOOLEYS staff contributed over 1,400 hours of volunteering in our local community during the last financial year. A large number of community projects were supported by staff including Vinnies Night Patrol – feeding the homeless in the city, Fitted for Work – a program supporting women to gain skills in finding employment, and Parramatta Mission – feeding the homeless in the Parramatta area.

Another example came from our staff and Members. A team of 16 DOOLEYS staff and Health & Fitness Members took part in the Bob “Tug” Wilson Walk for Kids with Cancer, a fundraiser initiative of the Cancer Centre for Children at The Children’s Hospital at Westmead. This is the second occasion that the group have walked and this year raised \$3,000 through their personal fundraising and many generous donations. Because of their great effort, the Board matched their amount with the total donation reaching \$6,000. This is a great example of the community spirit embedded in our staff and Members, and I congratulate them in leading by example.

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.

Director Training and Duties

During the last financial year your Board has participated in briefings, conferences and courses conducted by the Australian Institute of Company Directors (AICD), Governance Institute of Australia (GIA) and the Clubs Directors Institute (CDI) to fulfil our duties as Directors. Each year the Board conducts an external third party review on its performance, this includes the Board as a whole and each Director. This financial year the review was carried out by the CDI which is integral in identifying appropriate areas for improvement for each Board Member.

DOOLEYS Board takes director 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

While gaming revenue remains a strong contributor to the Club’s profitability, your Board is cognisant of the danger of not diversifying our business. It would be prudent to insulate our business against any further Federal or State regulations on gaming machines, so your Board is committed to have the development of the Lidcombe site under way as soon as possible. There are a few “hurdles” to overcome, but further consultation with key stakeholders hopefully will allow the project to move forward in the near future. DOOLEYS Board is also committed to continue providing Members with excellent facilities and service at our three club sites. As a major contributor to our local community, the Board has a responsibility to secure the future of the Club, our employees, and Member assets. With a revenue base of \$92 million and as a major employer in the area, DOOLEYS is a stimulant to the economy of Western Sydney. Many businesses rely on trade with DOOLEYS such as suppliers, contractors, trades persons, and utility services, who themselves invest in the local area thus ensuring the economic health of the community.

With the proposed development, jobs will follow in the building of the project, and jobs when completed, which will be an invaluable asset for the Club and the local community.

Finally

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

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

Yours Sincerely,



John Munce
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT



DAVID MANTLE

Members,

It is with pleasure that I provide an overview and commentary on the DOOLEYS performance for the 2017/2018 financial year.

Further to this, I will advise of a number of projects that are in various stages of progress or planning for the 2018/2019 financial year.

Finance

The 2017/2018 financial year continued the trend of growth and success of previous years. A snapshot of the key financial indicators are noted below.

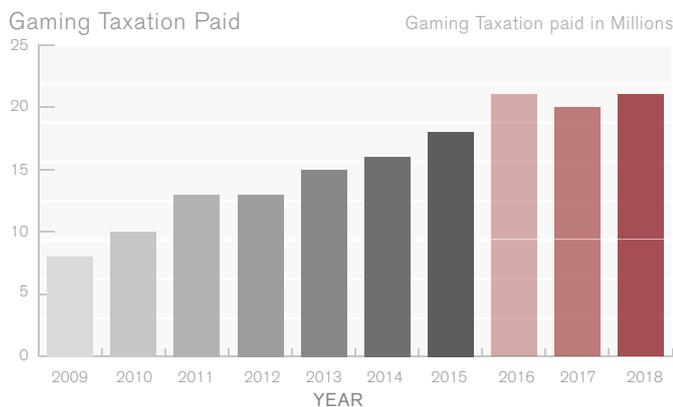
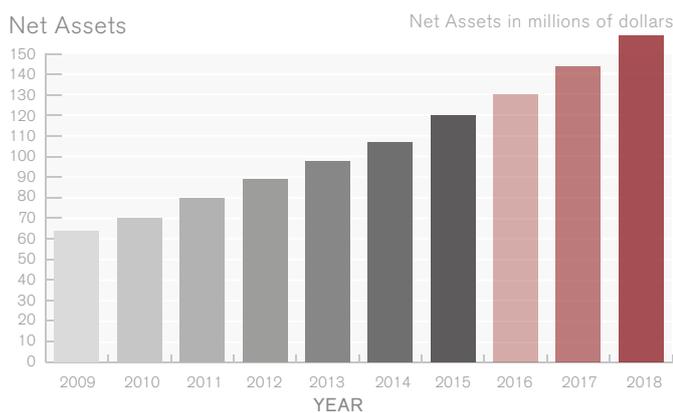
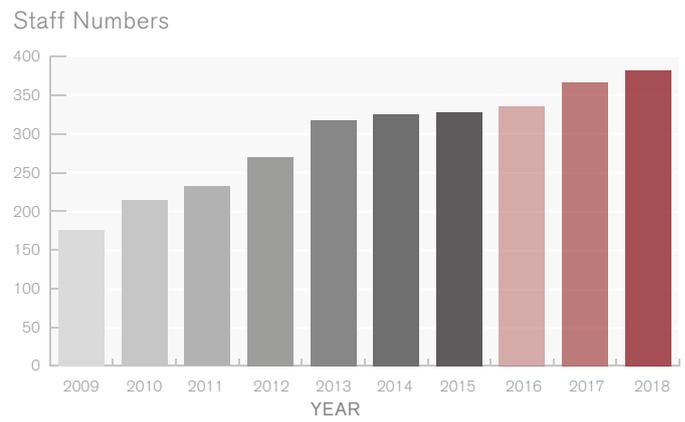
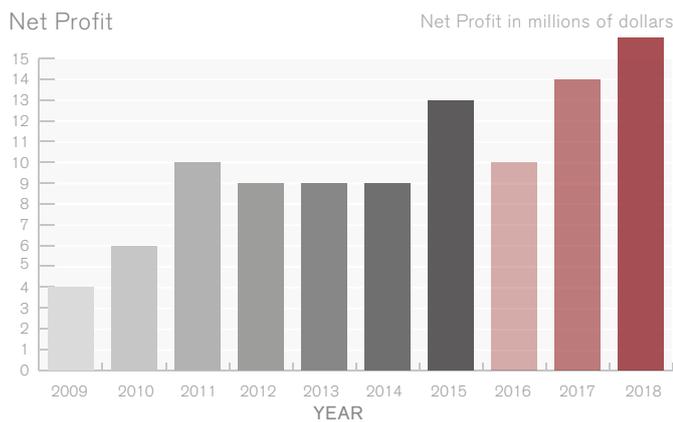
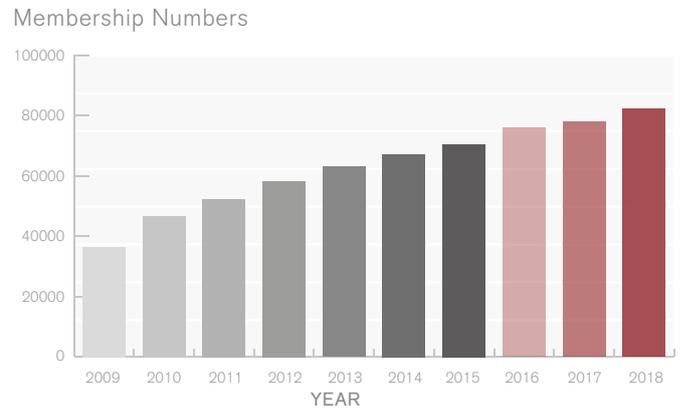
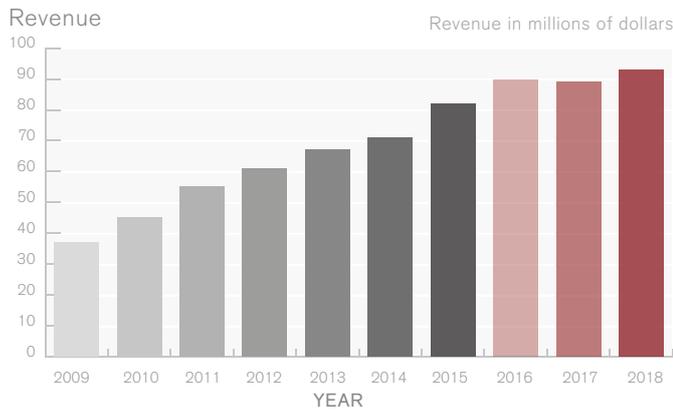
Indication	Total	Increase (Decrease)
Revenue	93.076M	4%
Profit	15.796M	14%
Cash flow	22.054M	7%
Total Assets	167.948M	0%
Net Assets	159.311M	11%
Membership	82,189	5%
Marketing & Member Services	6.364M	9%
Community Support & Corporate Social Responsibility	3.827M	4%

Regents Park made a profit of \$173K, compared to the previous year's loss (\$111K).

Waterview made a loss of (\$205K), compared to the previous year's profit of \$100K.

Lidcombe made a profit of \$15.828M, up on last year's \$13.889M.

The graphs below highlight the success and achievements of DOOLEYS over the last 10 years.



Strategic Objectives

- 1. High quality facilities** – constantly improve the standard and range of the Clubs, facilities, products and services
- 2. High performance culture** – develop our people and systems to improve services, business processes, governance and performance
- 3. Core profitability** – ensure profitability to reinvest in the Club's strategic objectives
- 4. Diversification** – provide profitable new services, businesses and revenue streams, lessen the Clubs reliance on gaming
- 5. Corporate social responsibility** – invest in programs and services to support Members, community and stakeholders

Lidcombe

The Concourse at Lidcombe

The delays on this project continued throughout 2017/2018.

The Club withdrew its State Significant Development Application (SSDA) with the Department of Planning. This occurred as a result of design and demand changes that reduced both the scale and cost of the hotel, which meant the project no longer met the SSDA criteria.

As the Development Application will now need to be submitted through Cumberland Council, design changes are underway to ensure compatibility with Councils LEP.

The Club is confident the negotiations to acquire Board Street Lidcombe will be completed sometime in 2018, after 4 years of negotiation. This acquisition is critical to allow the Club to stage any expansion to minimise inconvenience to Members.

Current retail demand studies indicated a reduction in the retail component of the plans which has led to changes of the design and scale of the proposal.

This is a long and at times frustrating process, however the priority must be to achieve the best outcome for the Club and community.

Members will be updated as to when plans progress.

Regents Park

The Club has engaged architects to provide a Masterplan for the Club site. While it is in the early stages, the plan will include either a new or renovated Club, bowling green, independent living and possibly health and fitness, allied health services and assisted living.

As plans and feasibility evolve, Members will be provided with more information. It is anticipated that we will be able to provide more detail at the Club's AGM.

Waterview

Minor refurbishment works were completed in July 2017 to rejuvenate this wonderful amenity and have been well received by Members.

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

Amalgamations

During the year DOOLEYS had the opportunity to consider several amalgamation opportunities, however only 1 met the Club's robust assessment criteria set by the Board. That was Lidcombe Bowling Club. DOOLEYS lodged an expression of interest to amalgamate. The Bowling Club has decided against an amalgamation at this stage.

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

Community Partnerships and Corporate Social Responsibility

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

A few of the notable achievements through the year are:

- 1,412 community volunteer hours undertaken by DOOLEYS employees;
- Over \$207,000 funding provided to local youth engagement and development initiatives;
- \$54,000 funding to Auburn Hospital for the purchase of vital life-saving equipment;
- Over \$230,000 funding to support the Cancer Centre for Children at The Children's Hospital at Westmead;
- \$88,000 provided to local welfare and emergency assistance organisations to support local families who are struggling.

DOOLEYS contributed \$3.34 million directly to local community services and projects, in-kind support and harm minimisation initiatives and \$3.83 million as a total corporate social responsibility commitment. The Club's community commitment is well above the minimum contributions required through the ClubGRANTS Scheme.

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

Board of Directors and Corporate Governance

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

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

During the year there were 47 Board and Committee meetings held.

Your Board constantly strives to expand its learning in these critical areas and to that end is committed to ongoing education through AICD (Australian Institute of Company Directors), Governance Institute and CDI (Club Director's Institute). The Board also strives to improve its governance processes and uses the ASX Corporate Governance Principles as a guide and benchmark.

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 and form genuine, caring relationships with our Members.

This has long been one of our key points of differentiation and an entrenched part of DOOLEYS culture and is recognised by Members in our high annual satisfaction scores. Member satisfaction is one of our key benchmarks and this year it has risen 1% to 83.5%, a wonderful result.

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

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

We don't claim to be perfect and occasionally do get it wrong, but we will certainly strive to be the best we can 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

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

KEY ACHIEVEMENTS

OUR PEOPLE



382
employees



51%
female



49%
male

48%

part-time

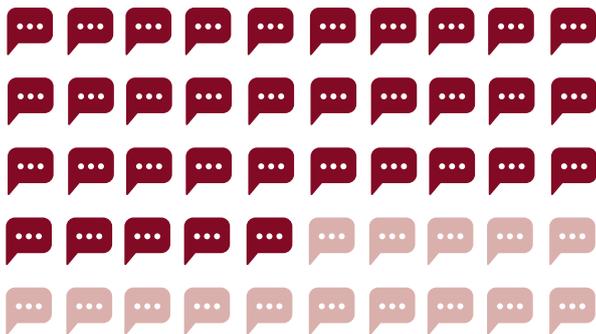
39%

full-time

13%

casual
group exercise
instructors

35 Different Languages Spoken



OUR MEMBERS



82,189
Members



53%
male



47%
female

Visitors to DOOLEYS Venues

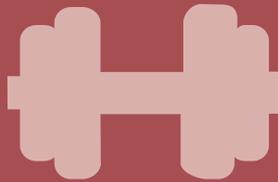


3,798
every day



120,900
every month

DOOLEYS Health & Fitness



139,323
visitors



1,945
Members

Cultural Diversity
OVER **84** nationalities
represented
in our membership





SERVING OUR MEMBERS



279,580
main meals served



2,316
functions held



182,711
drinks served
from our cafes



412,090
visits to our website

DOOLEYS IN THE COMMUNITY



Support for
over **150** local community
organisations,
schools, charities & events



1,412 Hours of
community volunteering
by DOOLEYS employees



over **\$207k** invested
in local youth engagement
& development initiatives



over **\$265k**
invested in projects to
support local families

DEVELOPING OUR PEOPLE



DOOLEYS has a strong commitment to our people and ensuring we facilitate their growth and development at every opportunity. Our people and their ongoing commitment to service excellence is our unique point of difference as a business.

BEN GABRIEL

BOARD OF DIRECTORS



JOHN MUNCE

CHAIRMAN, KSS, FAICD
B.ED, B.TCH, ADV DIP EE, JP

A Life Member of DOOLEYS, John joined the club in 1970 and has been a Board Member since October 1998.

Elected President and Chair of the Board in November 2009 (now titled Chairperson) he is also a Member of the Remuneration Committee, Property and Development Committee, and ex-officio of the Audit and Risk Committee, Chair of both the Disciplinary Committee and Nominations Committee, and Patron of the Dancesport and Lawn Bowls Intra Clubs.

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

John is committed for the Board to have a strong ongoing strategic plan in place to secure the Club's future. He also 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 13 years, 9 of which as Vice Chairman of the Board and also holds the position of Chairman of the Property and Development Committee, Member of the Nominations Committee, Graduate of the Australian Institute of Company Directors, Member of the Club Directors Institute, Patron of DOOLEYS Mixed Indoor Bowls, and a DOOLEYS Life Member.

Kevin finds it extremely satisfying to be involved in the decisions which benefit Members, churches, schools, sporting groups and the community in general.

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

Kevin grew up in Lidcombe and has 42 years of DOOLEYS Membership. His wife and 4 sons are also Members and enjoy the facilities. As a Scentre Group Site Manager constructing Westfield and AMP shopping centres throughout Australia, Kevin's construction experience is an asset during the continuing upgrade and expansion of the three DOOLEYS properties.



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 47 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 41 years and has been on the Board for 20 years. He is proudly a Life Member of DOOLEYS, an honour which he cherishes.

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

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

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



CHRISTOPHER CASSIDY
LL.B, MAICD

Chris was appointed to the Board in 2002 and has served continuously from that time. Chris served two (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 following Board Committees: Nominations Committee; Property and Development Committee; Audit and Risk Committee and the Remuneration Committee.

He is a Patron of the Camera Club and the Walking DOOLEYS, and greatly appreciates the value that these Intra Clubs make to the continued success of our great Club. Chris is a lawyer by profession and has practiced in a Public and Private capacity.

Chris has lived in the LGA for over 30 years and has seen the Community change and evolve. DOOLEYS is highly

regarded as a responsible Corporate and community citizen. DOOLEYS manifests that responsibility by contributing to the community in a variety of ways by direct donations, sponsorships and the ClubsGrants Scheme. Chris sees the Club as an integral part of the community.

After ceasing full time work, Chris has involved himself in voluntary work seeking to assist the more vulnerable members of the community.

Chris sees it as an honour and a privilege to be a Director on the Board at DOOLEYS. 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.



MICHAEL RENSHAW
FAICD, FIPA FIFA, GIA (CERT)

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

Michael is the Chairman of the Remuneration and Audit and 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 past Governor of the Catholic Metropolitan Cemeteries Trust (CMCT) and was Chairman of its Audit Committee and a Member of its Remuneration Committee.

At an executive level, Michael is a Chief Financial Officer working full time in the Not-for-Profit sector. Earlier this year Michael was reappointed as a Member of the Australian Tax Office Small Business Stewardship Group. 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.

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.



TERRY KENNY
MAICD

Terry was honored with Life Membership of DOOLEYS in 1986 and has been a serving Board Member for 20 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 and still is passionate about the future of the Club and the welfare of its Members for over 50 years. He is a regular contributor to the Sports Report in the Club Magazine, YOURS. Terry has been the Treasurer of the DOOLEYS Social Golf Club since 1969 and is presently the Patron of the Travel and Ten Pin Bowling Clubs. He has also been a coach for the Max Potential Program

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

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

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



MARGARET CROUCHER
GAICD

Margaret was elected to the Board in October 2013, has been a Member of DOOLEYS for 15 years and has lived in Berala for 43 years. She has 18 years' experience in the insurance and banking sectors, including both the Commonwealth and State Banks. For the past 31 years, Margaret has been working in education for the Catholic, State and Independent sectors.

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

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

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

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

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



DOOLEYS VALUES



courage



respect



humility



integrity



professionalism

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 and 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 at 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. Note, some Principles are specific to listed companies.

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.

2.1-3 The Board are all independent Directors.

2.4 The Board has a Nominations Committee. The Nominations Committee Charter is approved by the Board, reviewed annually and is available on the DOOLEYS website at www.dooleys.com

2.5 The Board performance is reviewed annually by the Chairman, Committee performance is reviewed annually by the Committee Chairman and Board Chairman evaluates the individual performance of the Board.

2.6 The Board, Committee and individual Directors are reviewed using a skills matrix.

As of 30 June 2018 the DOOLEYS Board comprised of seven Directors.

The Board elect the Chair and 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 and 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 and 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 and stakeholders. The Code of Conduct & Business Principles outline the Club's approach to all of its stakeholders. DOOLEYS expects all of its personnel to act with the utmost integrity with all stakeholders.

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

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

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

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

As at 30th May 2018 the Club's proportion of women in the business is noted below.

Position	Number 30/5/18	% of total	Number 30/5/17	% of total
Board	1	14	1	8
Exec./Snr. Management	2	25	2	29
Other Management	12	25	10	23
Staff	180	50	152	50

The Workplace Gender & Equality Report is available on the Clubs website at www.dooleys.com

Principle 4

Safeguard integrity in corporate reporting.

4.1-3 DOOLEYS has an Audit & Risk Committee. The Audit & Risk Committee Charter is approved by the Board, is reviewed annually and is available on the DOOLEYS website at www.dooleys.com. The Audit & Risk Committee comprises of 3 independent Directors.

4.4 The Audit & Risk meetings and attendees are disclosed in the Club's Annual Report, which is sent to Members or available on the website. The Club's external auditors Ernst & Young attend Club's Annual General Meeting and are 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 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 Magazines 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:

- Board of Directors
- Board Committees
- Management Reporting on Risk
- DOOLEYS Code of Conduct & 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
- Whistle-blower 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 written assurance from the Chief Executive Officer and the Chief Financial & Information 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 & Information 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 & Information Officer have also represented that, to the best of their knowledge, the Clubs risk management, and internal compliance and control system, to be operating efficiently and effectively in all material respects.

The representation by the Chief Executive Officer and Chief Financial & Information 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 Board honorariums are recommended by resolution to the Club's Annual General Meeting, the detail of which is sent to all Members. Top Executive Remuneration is determined by the full Board as required under the Act.

Remuneration of Top Executives and Board honorariums are noted as required in the Club's Annual Report and made available as required under the Act.

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. The Remuneration Committee developed and recommended a Remuneration Strategy to the Board as a framework for the Club's Remuneration practices. 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 Remuneration Committee Charter, which is published on the DOOLEYS website, is reviewed annually to ensure it is in line with market practices.

DOOLEYS HELPING HANDS



As a community club, DOOLEYS actively encourages our employees to be regularly involved in our local community through the DOOLEYS Helping Hands volunteer program. In 2017/18 DOOLEYS employees invested 1,412 hours of their own time undertaking volunteer activities.

DOOLEYS DEVELOPMENT UPDATE

The DOOLEYS development team continues its work, in collaboration with architects PTW, to finalise the master plan for the Lidcombe site. In this instance the development process has been particularly complicated. The land is affected by numerous constraints, including differing planning controls, both existing and proposed, as well as operational constraints centred on the continued ability to operate existing Club facilities without compromise. Changing market conditions have led to a reconsideration of the scale of the core elements of the previous proposal and our master planning work reflects this.

The revised scheme, including expanded Club facilities, a new and improved Health and Fitness Centre, hotel, functions and conferencing centre, retail outlets and residential development reflects the Club's vision to provide members with first-class facilities and a member experience second to none, whilst contributing positively to the local community.



DOOLEYS Regents Park Sports Club

A rigorous due diligence process is being adopted to ensure that the project is delivered successfully and meets the needs of stakeholders as much as possible. The acquisition stage is drawing towards a conclusion as the Club assembles the land required to deliver the development proposals and will culminate in the acquisition of Board Street from Cumberland Council during the final quarter of 2018.

The remainder of the year will see our master planning conclude as we work towards a new development application during 2019. We look forward to engaging with Members to help develop design principles and are confident that together, we will ensure a development that Members and the local community can be proud of.

Additionally, the Club proposes to redevelop the Regents Park Sports Club site, and has appointed Thomson Adsett and Cullinan Ivanov as project architects. Following extensive market research and feasibility studies, a concept design has been developed that includes an exciting new Club and bowls facility. The project will also see a range of

much needed Seniors Independent Living and Assisted Living apartments.

We are confident that a collaborative design process will yield a development reflective of the DOOLEYS brand, with a strong sense of community and much improved Member offer. In order to progress the development of the Regents Park site, we are seeking a Member resolution to declare the land identified for Seniors Living development as non-core property.

The Club remains committed to improving Member amenity through carefully considered development strategy and whilst the development process is time consuming and complex, we thank you for your patience and look forward with genuine excitement at the prospect of working with Members to deliver the facilities that maintain DOOLEYS reputation at the forefront of the Club industry.



DOOLEYS Lidcombe Catholic Club

DOOLEYS IN THE COMMUNITY



Developing our Local Youth

Supporting our local youth to become confident community leaders of tomorrow is a particular passion of ours here at DOOLEYS. Working alongside young people and helping them to develop life skills such as resilience and self-confidence are key elements of the Max Potential Program which DOOLEYS participates in each year in both the Cumberland and Parramatta areas.

Supporting People with Disabilities

Each year, DOOLEYS partners with many different community organisations who provide essential support services for people living with a disability. Recreational and social inclusion activities are also vital to maintain positive health and well-being. Organisations such as Blues Wheelchair Basketball aim to ensure those living with a disability have the opportunity to also address their physical activity, social connection and sports recreation needs.



Supporting Local Grassroots Sport

Leading an active lifestyle promotes positive social interaction and as well as many health and well-being benefits. Central to this is the importance of grassroots sports and facilitating opportunities for all local children to access and participate in local sports activities. DOOLEYS is a proud long-term supporter of a wide range of local sports including cricket, netball, cycling, basketball, soccer, rugby league, swimming and wheelchair sports.

DOOLEYS Helping Hands

DOOLEYS Helping Hands is our employee volunteering program, providing all DOOLEYS staff with the opportunity to volunteer at various community organisations and events throughout the year. During 2017/18, DOOLEYS staff donated 1,412 hours of their own time to assist with community activities in our local area.



Access to Quality Education

Education is a key element of local community capacity building as it gives people the skills and tools they need to navigate the world. Each year, DOOLEYS invests significantly in education through partnerships with our local schools, universities and community based education programs.



OUR CORPORATE SOCIAL RESPONSIBILITY

5 KEY STRATEGIC PRIORITIES

DOOLEYS Corporate Social Responsibility Program highlights five key strategic priorities:

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

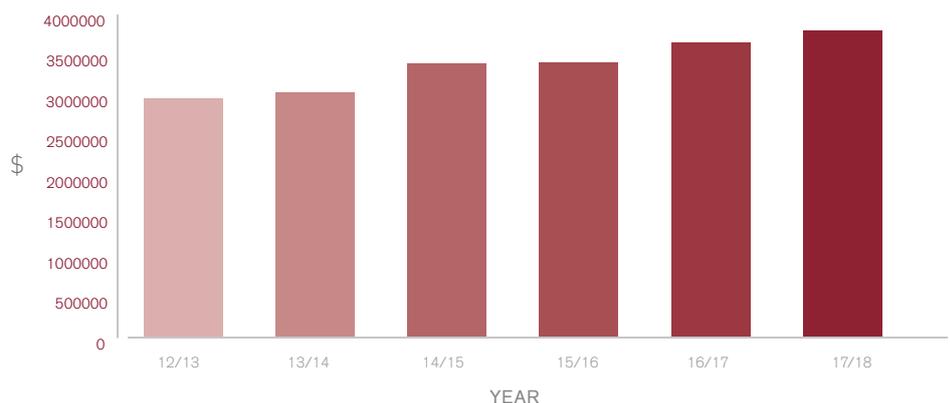
DOOLEYS is a proud and active local community club. We work hard every year to actively contribute to the economic and social development of our local community. Here at DOOLEYS we are dedicated to the health, well-being and development of our employees as well as improving quality of life for our Club Members and our local community as a whole.

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

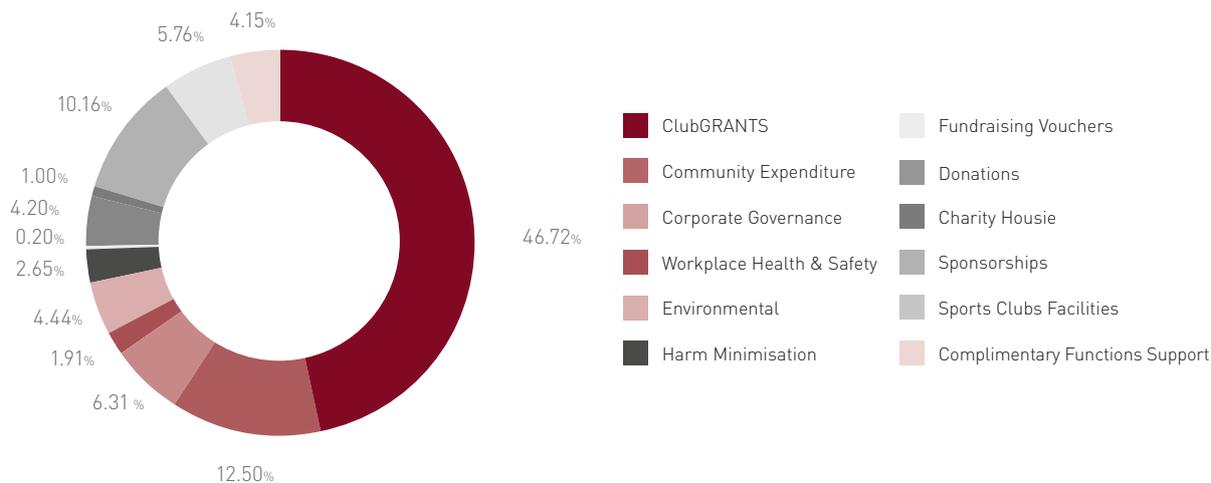
- > Social Inclusion and Cohesion
- > Community Health and Active Lifestyles
- > Education and Employment
- > Supporting Families
- > Community Safety
- > Aged Care and Disability Support
- > Youth Engagement and Development
- > Environmental Sustainability

During 2017/18, DOOLEYS contributed over \$3.3 million directly to our local community through ClubGRANTS funding, sponsorships, local projects, charity support, in-kind assistance and harm minimisation initiatives. Our Governance and Sustainability expenditure, including environmental initiatives, workplace health and safety and corporate governance, sees our total CSR expenditure reach over \$3.8 million. Well over 150 organisations have been assisted in some way by DOOLEYS funding and support in the last 12 months.

Total Corporate Social Responsibility Contribution



Total Corporate Social Responsibility Contribution Breakdown



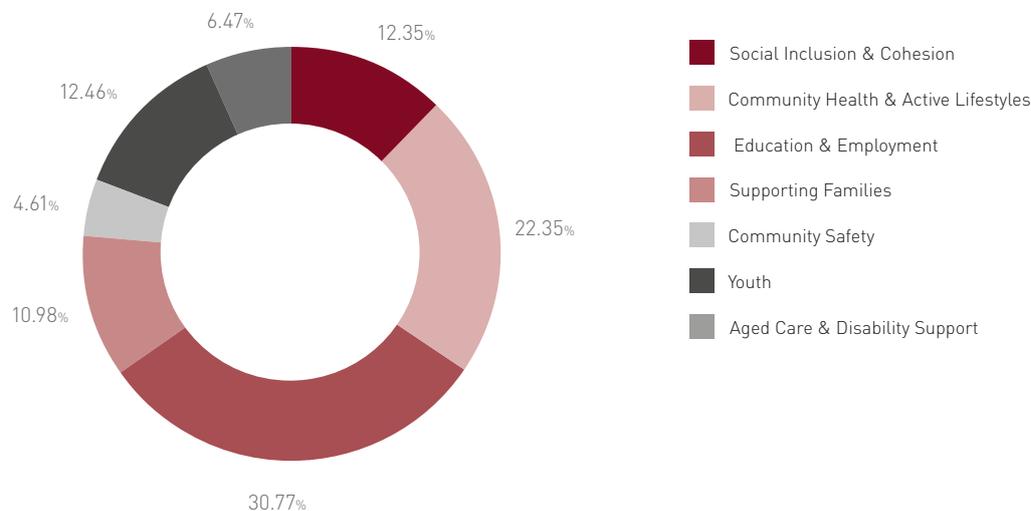
ClubGRANTS Scheme

Each year, DOOLEYS supports a wide range of local community service providers, charities and schools through the 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 2017/18, DOOLEYS supported 50 community organisations through this Scheme.

Total ClubGRANTS Spend Breakdown



OUR CORPORATE SOCIAL RESPONSIBILITY

KEY COMMUNITY PARTNERS

Cumberland Council

Catholic Education Foundation

Auburn Youth Centre

Netball NSW

Lidcombe Auburn Cycle Club

Auburn District Cricket Club

Charitable Works Fund

Australian Catholic University

Multiple Sclerosis Limited

The Future Leader Group
– Max Potential Programs

Lidcombe RSL Sub-Branch

St Vincent de Paul Society

The Children's Hospital at Westmead

ClubGRANTS Category 1

Auburn Diversity Services Inc.	\$9,900
Auburn Small Community Organisation Network (ASCON) Incorporated	\$51,198
Australian Red Cross	\$19,600
Barnardos Australia	\$11,001
CareFlight Limited	\$21,944
Catholic Education Foundation	\$68,000
Cerebral Palsy Alliance	\$15,574
Charitable Works Fund Trust	\$3,560
Future Achievement Australia Foundation	\$118,940
Granville South Public School	\$9,900
Heartbeat Community Care	\$49,000
Holroyd Community Aid	\$39,395
Horn of Africa Relief & Development Agency Inc.	\$9,580
Learning Links	\$32,258
Mercy Works	\$35,700
Multiple Sclerosis Limited	\$15,792
Project Futures	\$12,000
SHINE For Kids Co-operative Limited	\$21,000
StreetMed Incorporated	\$3,420
The Leukaemia Foundation of Australia Limited	\$16,000
The Salvation Army Auburn	\$21,400
The Salvation Army Follow-On Youth Recovery Support Team	\$5,904
The Shepherd Centre	\$16,540
Trinity Catholic College	\$5,000
CATEGORY 1 TOTAL	\$612,606

ClubGRANTS Category 2	
Auburn Diversity Services Inc.	\$5,500
Auburn Hospital	\$54,508
Auburn Small Community Organisation Network	\$5,492
Barnardos Australia	\$15,620
CareFlight Limited	\$9,974
Cumberland Council	\$60,855
Heartbeat Community Care	\$38,090
Human Care Welfare	\$30,029
Immaculate Heart of Mary Catholic Primary School Sefton	\$30,000
Learning Links	\$23,685
Life Education NSW	\$7,900
Multiple Sclerosis Limited	\$11,988
Parramatta Basketball Association	\$15,000
Parra United Inc.	\$2,700
Police Citizens Youth Clubs NSW Ltd	\$1,712
Probus Club of Regents Park	\$1,908
SHINE for Kids	\$34,000
Somali Welfare and Cultural Association	\$16,846
Spinal Cord Injuries Australia	\$17,850
St Joachim's Catholic Primary School	\$30,000
St John's Catholic Primary School	\$30,000
St Joseph the Worker Catholic Primary School	\$32,000
St Peter Chanel Catholic Primary School	\$30,000
St Vincent de Paul Society	\$30,000
The Children's Hospital at Westmead	\$230,000
The Parramatta College	\$30,000
The Shepherd Centre	\$14,000
Western Sydney Community Centre	\$7,150
Wheelchair Sports NSW	\$5,634
Youth off the Streets	\$37,394
CATEGORY 2 TOTAL	\$859,835
CATEGORY 3 TOTAL*	\$315,959

Direct Community Contributions	
ClubGRANTS Contributions	\$1,788,400
Harm Minimisation	\$101,296
Complimentary Functions Support	\$158,910
Community Expenditure	\$478,421
Charity Housie	\$38,300
Fundraising Vouchers	\$7,800
Sports Clubs Facilities	\$220,580
Sponsorships	\$388,934
Donations	\$160,925
TOTAL	\$3,343,565

Governance & Sustainability Expenditure	
Environmental Initiatives	\$169,864
Workplace Health & Safety	\$73,027
Corporate Governance	\$241,441
TOTAL	\$484,332
TOTAL CSR EXPENDITURE	\$3,827,896

*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.

ENVIRONMENTAL SUSTAINABILITY

OUR ACHIEVEMENTS

Environmental Sustainability Results FY17-18

 **Electricity Productivity**
3.5 kilowatt-hours per visitor
– up 3%

 **Gas Productivity**
3.7 Megajoules per visitor
– down 5%

 **Water Productivity**
24.7 litres per visitor
– down 3%

 **Recycling**
Recycling Rate of 57%
– down 3%

 **Total waste generated per visitor**
329 grams per visitor
– up 2%



DOOLEYS commitment to Environmental Sustainability is outlined in our Smart Club Green Community Strategy guided by its four principles:

BUILDGREEN

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

LIVEGREEN

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

ENCOURAGEGREEN

- Assisting our community partners and members with their sustainability performance

COMMUNICATEGREEN

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

DOOLEYS acknowledges that there is more work that can be done to ensure we improve our sustainability performance across all venues. We believe in our responsibility in maintaining sustainable business practices and demonstrating leadership in this area in the locally community as well as the broader Club Industry.



OUR PEOPLE



Left - Right

Rosie Vranic, Operations Manager
John Jansen, Functions Manager
Guy Welton, Development Manager
Ray Liu, Sustainability Project Manager



Left - Right

Gaby Tannous, Food & Beverage Manager
Quang Ta, Duty Manager
Steve Austin, Customer Insights Manager
Paul Jury, Executive Chef



Left - Right

Mark McRae, Chief Financial & Information Officer
Naomi Myers, Executive Manager
 – Organisational Development
David Mantle, Chief Executive Officer
Helen Yiangou, Executive Assistant to the
 CEO & Board



Left - Right

Barjinder Sadiura, Customer Service Manager
Steve Rodrigues, General Manager,
 DOOLEYS Waterview Club
Angivin Gunasehar, Executive Manager
 – Member Services



Left - Right

Tomasz Pytraczyk, General Manager,
DOOLEYS Regents Park Sports Club

Oliver Liwanag, Brand Manager



Left - Right

Michael Moulang, Commercial Manager

Tim Gebran, Assistant Operations Manager

Sanjay Kadwadkar, Group Finance Manager



Left - Right

Susan Lahood, Gym Operations Manager

Justin Corcoran, Security Manager

Nathan Titmuss, Chief Operating Officer

Kshitiz Rajkarnikar, Gaming Manager



Left - Right

Julie Milsom, Executive Manager
- Marketing & Community

Colin Eisenhuth, Executive Manager
- Building & Services



Left - Right

Michael Nguyen, Duty Manager

Peter Denmead, Quality, Safety
& Compliance Manager

Amulya Sthapit, Customer Service Manager

DIRECTORS' REPORT

Your Directors submit their report for the year ended 30 June 2018.

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	20 years
Kevin Morgan	Site Manager	13 years
Christopher Cassidy	Solicitor	16 years
Peter Kennedy	Packaging Manager	20 years
Terry Kenny	Retired Public Servant	20 years
Michael Renshaw	Accountant	15 years
Margaret Croucher	Laboratory Technician	4 years

Company Secretary

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

Dividends

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

Corporate Information

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

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

Principal Activities

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

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

Measurement of Success

The Club measures success by focussing on three key areas:

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

In 2017-18, DOOLEYS provided over \$1.79 million through the ClubGRANTS Scheme to local front-line community development projects that support areas of identified community need. DOOLEYS employees also actively contributed 1,412 hours of their time, volunteering for a variety of community organisations, projects and events through the DOOLEYS Helping Hands Program.

Operating and Financial Review

Operating results for the year

The total comprehensive income of the Club for the year ended 30 June 2018 was \$15,796,194 (2017: \$13,878,371).

	2018	2017
Lidcombe	15,828,005	13,889,950
Waterview	(204,682)	99,531
Regents Park	172,871	(111,110)
Total	15,796,194	13,878,371

Significant Changes in the State of Affairs

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

Significant Events After the Balance Date

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

Likely Developments and Expected Results

The Club has development plans to transform our Lidcombe Club and surrounding precinct. Given the size and complexity of this development significant time and effort is required in the planning stage to ensure the long term sustainable future of the Club for its Members. It is the Club's intention to modernise, grow and diversify its operations in order to provide quality services to our Members and the community. This is a significant development which will create in excess of one thousand jobs.

The Club is also developing plans for a development at Regents Park with the aim of improving Members amenity and securing the long term sustainability of the Club. As part of these plans the Club has entered into a contract to purchase of No. 102 Kingsland Road Regents Park for \$2.2M, settlement will be January 2019.

Environmental Regulation

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

Indemnification and Insurance of Directors and Officers

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

Indemnification of Auditors

To the extent permitted by law, the club has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year end.

Membership

The Club is a company limited by guarantee and without a share capital. The number of Members as at 30 June 2018 and the comparison with last year is as follows:

	2018	2017
Life	19	19
Ordinary	82,170	78,050
Total	82,189	78,069

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	
	Held	Attended
John Munce	13	13
Kevin Morgan	13	12
Christopher Cassidy	13	11
Margaret Croucher	13	13
Peter Kennedy	13	11
Terry Kenny	13	13
Michael Renshaw	13	13
Total number of meetings held during the year	13	

Board Committee Meetings

Director	Disciplinary		Audit & Risk		Property & Development		Nomination		Remuneration	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
John Munce	13	12	4	4	10	10	4	4	3	3
Kevin Morgan	-	-	-	-	10	10	4	3	-	-
Christopher Cassidy	-	-	4	3	10	10	4	4	3	3
Margaret Croucher	13	13	-	-	2	2	-	-	-	-
Peter Kennedy	13	11	-	-	2	2	1	1	-	-
Terry Kenny	3	3	4	4	5	5	1	1	-	-
Michael Renshaw	-	-	4	4	10	9	4	4	3	3
Total Number of meetings held during the year	13		4		10		4		3	

Auditor Independence

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

Signed in accordance with a resolution of the directors.



John Munce
Director and Chairman



Michael Renshaw
Director
Sydney, 28 August 2018

AUDITOR'S INDEPENDENCE DECLARATION



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

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 2018, 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
28 August 2018

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2018	Note	2018 \$	2017 \$
Revenue			
Sale of goods and services	4(a)	92,093,109	88,476,149
Other revenue	4(b)	982,843	775,579
Total Revenue		93,075,952	89,251,728
Other income	4(c)	193,332	151,911
Expenses			
Cost of sales		(3,875,012)	(3,777,200)
Employee benefits expenses	4(d)	(23,334,679)	(21,937,241)
Gaming machine taxes		(21,067,627)	(20,253,564)
Entertainment, marketing and promotions		(5,939,284)	(5,380,183)
Community services		(2,542,896)	(2,306,740)
Repairs and maintenance		(2,051,313)	(2,177,049)
Security expenses		(1,685,255)	(1,740,827)
Cleaning expenses		(1,398,079)	(1,250,894)
Electricity and gas expenses		(1,094,000)	(856,484)
Rent and rates		(532,530)	(649,795)
Insurance expenses		(274,809)	(296,406)
Printing and stationery		(168,695)	(167,589)
Strategic and master planning expenses		(384,246)	(1,762,546)
Donations		(161,075)	(179,059)
Finance costs	4(e)	(722,306)	(711,882)
Depreciation and amortisation expenses	4(f)	(6,671,020)	(6,597,075)
Other expenses	4(g)	(4,632,793)	(4,584,717)
Profit before income tax		16,733,665	14,774,388
Income tax expense	5	(1,034,070)	(962,960)
Profit for the year		15,699,595	13,811,428
Other comprehensive income			
Gain in fair value of cash flow hedges		96,599	66,943
Other comprehensive income for the year, net of tax		96,599	66,943
Total comprehensive income for the year		15,796,194	13,878,371

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2018	Note	2018 \$	2017 \$
Assets			
Current assets			
Cash and cash equivalents	6	15,312,783	10,501,422
Term deposits		-	8,000,000
Trade and other receivables	7	112,864	36,075
Inventories	8	354,847	354,861
Income tax receivables		-	141,006
Other assets	9	284,500	285,948
Total current assets		16,064,994	19,319,312
Non-current assets			
Property, plant and equipment	10	139,272,310	137,957,138
Intangible assets	11	12,610,791	10,254,512
Derivative assets	17	-	23,823
Total non-current assets		151,883,101	148,235,473
Total assets		167,948,095	167,554,785
Liabilities			
Current liabilities			
Trade and other payables	12	4,852,555	5,664,266
Income tax payable		35,602	-
Provisions	13	2,769,871	2,206,583
Other and derivative liabilities	15	152,907	273,305
Total current liabilities		7,810,935	8,144,154
Non-current liabilities			
Provisions	13	506,525	587,935
Interest-bearing loans and borrowings	14	-	15,000,000
Other and derivative liabilities	15	319,580	307,835
Total non-current liabilities		826,105	15,895,770
Total liabilities		8,637,040	24,039,924
Net assets		159,311,055	143,514,861
Equity			
Retained earnings	16	155,434,310	139,734,716
Reserves	16	3,876,744	3,780,145
Total equity		159,311,055	143,514,861

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

STATEMENT OF CHANGE IN EQUITY

For the year ended 30 June 2018	Retained earnings \$	Cash flow hedges (note 16) \$	Amalgamation reserve (note 16) \$	Total equity \$
At 1 July 2017	139,734,716	(96,599)	3,876,744	143,514,861
Profit for the year	15,699,595	-	-	15,699,595
Gain in fair value of cash flow hedge	-	96,599	-	96,599
Total comprehensive income for the year	15,699,595	96,599	-	15,796,194
At 30 June 2018	155,434,311	-	3,876,744	159,311,055
At 1 July 2016	125,923,288	(163,542)	3,876,744	129,636,490
Profit for the year	13,811,428	-	-	13,811,428
Gain in fair value of cash flow hedge	-	66,943	-	66,943
Total comprehensive income for the year	13,811,428	66,943	-	13,878,371
At 30 June 2017	139,734,716	(96,599)	3,876,744	143,514,861

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 2018	Note	2018 \$	2017 \$
Operating activities			
Receipts from customers		102,159,432	98,238,833
Payments to suppliers and employees		(78,833,740)	(75,399,926)
Interest received		320,284	108,295
Interest paid		(734,423)	(817,642)
Income tax paid (net of refund)		(857,462)	(1,480,440)
Net cash flows from operating activities		22,054,091	20,649,120
Investing activities			
Proceeds from sale of property, plant and equipment		215,894	204,765
Purchase of property, plant and equipment		(8,102,345)	(15,407,046)
Purchase of intangible assets	11	(2,356,279)	(2,026,563)
Investment in term deposits		8,000,000	(8,000,000)
Net cash flows used in investing activities		(2,242,730)	(25,228,844)
Financing activities			
Repayments of borrowings – other		(15,000,000)	–
Proceeds from sale of other financial assets		–	–
Proceeds from borrowings – other		–	–
Net cash flows used in financing activities		(15,000,000)	–
Net increase/ (decrease) in cash and cash equivalents		4,811,361	(4,579,724)
Cash and cash equivalents at 1 July		10,501,422	15,081,146
Cash and cash equivalents at 30 June	6	15,312,783	10,501,422

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 2018

1. Corporate Information

The financial report of DOOLEYS Lidcombe Catholic Club Ltd (the "Club") for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the directors on 28 August 2018.

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 2018. The Directors have not early adopted any of these new or amended standards or interpretations. The Directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Club) and interpretations.

(d) Comparatives

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

(e) Cash and cash equivalents

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

(f) Trade and other receivables

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

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

(g) Inventories

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

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

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

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

(h) Property, plant and equipment

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

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

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

Land – not depreciated

Buildings – over 40 years

Plant and equipment – over 2 to 40 years

Derecognition

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(i) Leases

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

(i) Club as a lessee

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

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

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

(ii) Club as a lessor

Leases in which the Club retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income.

(j) Impairment of non-financial assets

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

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

(k) Intangible assets

Intangible assets acquired are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated impairment losses. Intangible assets with indefinite useful lives are tested for impairment annually either individually

or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(l) Trade and other payables

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

(m) Interest-bearing loans and borrowings

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

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

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

(n) Borrowing costs

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

capitalised (including any other associated costs directly attributable to the borrowing and temporary investment income earned on the borrowing).

(o) Provisions

General

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

Wages, salaries, annual leave and sick leave

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

Long service leave

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

(p) Revenue recognition

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

(i) Sale of goods

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

(ii) Rendering of services

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

(iii) Interest income

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

(iv) Rental revenue

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

(v) Revenue received in advance

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

(q) Income tax

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

(r) Other taxes

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

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

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

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

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

(s) Members' mortality benefits

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

(t) Derivative financial instruments and hedge accounting

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

Cash flow hedges

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

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

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

3. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Club's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

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

Operating lease commitments – Club as lessor

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

Estimates and assumptions

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

Impairment of non-financial assets

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

Taxes

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

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

4. Revenue & Expenses

	2018 \$	2017 \$
(a) Sale of goods and services		
Gaming machines	77,310,841	74,516,385
Bistro	5,779,455	5,599,417
Bars	3,314,162	3,231,829
Cafe	1,287,087	1,228,668
Functions	1,323,791	1,063,266
Health and fitness	1,824,324	1,600,303
Ticket sales	339,679	308,068
ATM & other commissions	309,023	300,925
Keno and TAB commissions	271,503	265,536
Subscriptions and joining fees	216,676	207,477
Gift shop	103,124	145,933
Bowling fees	13,444	8,342
Total sale of goods and services	92,093,109	88,476,149
(b) Other revenue		
Rental	662,559	667,284
Interest received	320,284	108,295
Total other revenue	982,843	775,579
(c) Other income		
GST rebate	51,540	51,540
Gains on disposal of property, plant and equipment	118,703	88,676
Miscellaneous income	23,089	11,695
Total other income	193,332	151,911
(d) Employee benefits expense		
Wages and salaries	18,203,164	17,228,035
Defined contribution superannuation expenses	1,749,194	1,713,204
Payroll tax	1,019,341	922,928
Workers' compensation costs	304,107	219,160
Other employee benefit expenses	2,058,873	1,853,914
Total employee benefits expense	23,334,679	21,937,241
(e) Finance costs		
Bank loans	734,423	817,642
Fair value movement on interest rate cap not designated as a hedge instrument	(12,117)	(105,760)
Total finance costs	722,306	711,882

	2018 \$	2017 \$
(f) Depreciation and amortisation expense		
Depreciation and amortisation expense	6,104,089	5,903,873
Impairment of property, plant and equipment	566,931	693,202
Total depreciation and amortisation expense	6,671,020	6,597,075
(g) Other expenses		
Compliance expenses	484,229	442,391
Members amenities	359,004	352,057
Consultant and legal expenses	341,158	337,007
Telephone, internet and pay TV expenses	384,559	326,218
Requisites	390,149	440,799
Contract wages	220,897	242,306
Bank charges	129,795	118,129
Audit fees - internal and external	117,343	116,465
Bowling green maintenance direct cost	66,192	66,310
Loss on disposal of property, plant and equipment	18,962	37,115
Other expenses	2,120,505	2,105,920
Total	4,632,793	4,584,717

5. Income Tax

	2018 \$	2017 \$
(a) Income tax expense		
The major components of income tax expense are:		
Statement of comprehensive income		
Current income tax		
Current income tax charge	1,041,000	840,000
Adjustments in respect of current income tax of previous years	(6,930)	122,960
Income tax expense reported in the statement of comprehensive income	1,034,070	962,960

(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.

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

5. Income tax (cont.)

	2018 \$	2017 \$
Accounting profit before income tax	16,733,6645	14,774,388
At the Club's statutory income tax rate of 30% (2017: 30%)	5,020,100	4,432,316
Non-temporary differences	33,569	42,235
Member only income	(612,300)	(542,334)
Member only expenses	1,582,914	1,488,316
Effect of mutuality	(5,010,549)	(4,966,836)
Other items (net)	27,266	386,303
(Over)/Under provision of previous year	(6,930)	122,960
Aggregate income tax expense	1,034,070	962,960

6. Cash & Cash Equivalents

	2018 \$	2017 \$
Cash at bank and in hand	15,312,783	8,501,422
Short term deposits	-	2,000,000
	15,312,783	10,501,422

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.

	2018 \$	2017 \$
Cash at bank and in hand	15,312,783	10,501,422
	15,312,783	10,501,422

7. Trade And Other Receivables (Current)

	2018 \$	2017 \$
Trade receivables	58,027	11,728
Other receivables	54,837	24,347
Carrying amount of trade and other receivables	112,864	36,075

8. Inventories (Current)

	2018 \$	2017 \$
Total inventory at the lower of cost and net realisable value	354,847	354,861

9. Other Assets (Current)

	2018 \$	2017 \$
Prepayments	284,500	285,948

10. Property, Plant And Equipment

	Land and buildings \$	Plant and equipment \$	Work in progress \$	Total \$
At 30 June 2018				
Cost	140,381,827	37,994,168	3,359,572	181,735,567
Accumulated depreciation and impairment	(17,607,182)	(24,856,075)	-	(42,463,257)
Net carrying amount	122,774,645	13,138,093	3,359,572	139,272,310
At 30 June 2017				
Cost	136,461,305	35,050,126	4,073,646	175,585,077
Accumulated depreciation and impairment	(15,850,456)	(21,777,483)	-	(37,627,939)
Net carrying amount	120,610,849	13,272,643	4,073,646	137,957,138

(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 2018				
At 1 July 2017 net of accumulated depreciation	120,610,849	13,272,643	4,073,646	137,957,138
Additions	3,653,952	4,387,232	61,161	8,102,345
Disposals	-	(116,153)	-	(116,153)
Transfers	673,556	101,679	(775,235)	-
Impairment	(406,986)	(159,945)	-	(566,931)
Depreciation charge for the year	(1,756,726)	(4,347,363)	-	(6,104,089)
At 30 June 2018 net of accumulated depreciation	122,774,645	13,138,093	3,359,572	139,272,310

(b) Core and non-core land

With reference to section 41J of the Registered Clubs Act, the properties owned or occupied by the DOOLEYS Lidcombe Catholic Club Ltd, as at 30 June 2018, are as follows:

Non-core properties:

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

Core properties:

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

11. Intangible Assets

	2018 \$	2017 \$
Gaming machine entitlements at cost		
Cost (gross and net carrying amount)	12,610,791	10,254,512
(a) Reconciliation of carrying amount at beginning and end of the year		
Gaming machine entitlements at cost		
Carrying amount – opening	10,254,512	
Additions	2,356,279	
Carrying amount – closing	12,610,791	

(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)

	2018 \$	2017 \$
Trade payables	986,029	1,264,936
Gaming machine tax	1,730,357	1,672,805
Community support payable	200,000	397,046
Other payables and accrued expenses	1,936,169	2,329,479
	4,852,555	5,664,266

(a) Trade payables

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

(b) Other payables

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

13. Provisions

	2018 \$	2017 \$
Current		
Employee entitlements	2,769,871	2,206,583
Non-current		
Employee entitlements	506,525	587,935

14. Interest-Bearing Loans And Borrowings

	2018 \$	2017 \$
Non-current		
Loan from Westpac	-	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 \$0 is drawn down as at 30 June 2018 (2017: \$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 2018. These facilities are available to the Club till 2019 and are classified as non-current liabilities when drawn down and are secured by a floating charge on all core properties.

15. Other Liabilities

	2018 \$	2017 \$
Current		
Revenue received in advance	152,907	140,766
Derivative liabilities	-	132,539
	152,907	273,305
Non-Current		
Revenue received in advance	319,580	307,835
Derivative liabilities	-	-
	319,580	307,835

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

16. Retained Earnings And Reserves

	2018 \$	2017 \$
(a) Retained earnings		
Balance at 1 July	139,734,716	125,923,288
Profit for the year	15,699,595	13,811,428
Balance at 30 June	155,434,311	139,734,716

	Cash Flow Hedge Reserve \$	Amalgamation Reserve \$	Total \$
(b) Reserve			
At 1 July 2016	(163,542)	3,876,744	3,713,202
At 30 June 2017	(96,599)	3,876,744	3,780,145
Cash flow hedges – effective portion of changes in fair value	96,599	-	96,599
At 30 June 2018	-	3,876,744	3,876,744

Nature and purpose of reserve

Amalgamation Reserve

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

Cash flow Hedge Reserve

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

17. Financial Instruments

	2018 \$	2017 \$
Financial assets at fair value through other comprehensive income		
Cash flow hedges		
Interest rate swap	-	23,823
	-	23,823
Financial liabilities at fair value through other comprehensive income		
Cash flow hedges		
Interest rate swaps – current	-	132,539
Interest rate swaps – non-current	-	-
	-	132,539

Interest rate swaps are classified as Level 2 financial instruments.

Cash Flow Hedges

Interest Rate Swaps and Interest Rate Caps

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

18. Commitments And Contingencies

Commitments

There were no commitments as at 30 June 2018 (2017: \$3,330,000)

Contingencies

There were no contingent liabilities as at 30 June 2018 (2017: \$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:

	2018 \$	2017 \$
	1,285,223	1,337,359

(a) Honorarium to Directors

The Chairman's honorarium is capped at the amounts approved each year by the Members at the Annual General Meeting, (2018: \$48,000; 2017: \$48,000). During the year, the Club paid a total of \$48,000 (2017: \$48,000) to the Chairman for his role in the Club. The Directors other than Chairman is capped at the amounts approved each year by the Members at the Annual General Meeting (2018: \$12,000; 2017: \$12,000). During the year, the Club paid each Director a total of \$12,000 as a honorarium except for the Director Peter Kennedy who did not accept any honorarium from the Club. The Club also paid \$1,000 per month (2017: \$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 \$42,387 (2017: \$48,269).

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

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

20. Events After Balance Date

The Club has entered into a contract to purchase of No. 102 Kingsland Road, Regents Park for \$2.2m settlement will be January 2019.

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 2018 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 2018 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, 28 August 2018

INDEPENDENT AUDITOR'S REPORT



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

Opinion

We have audited the financial report of DOOLEYS Lidcombe Catholic Club Ltd (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

The Directors are responsible for the other information. The other information is the Directors' report accompanying the financial report.

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

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

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



Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

A handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young

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

Daniel Cunningham
Partner
Sydney
28 August 2018



- Bringing people together -

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