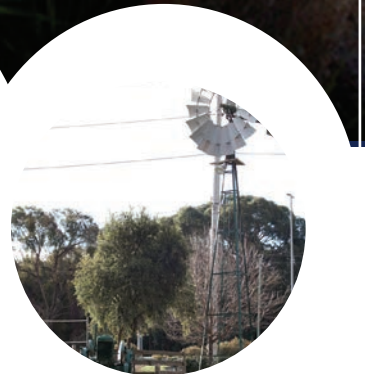
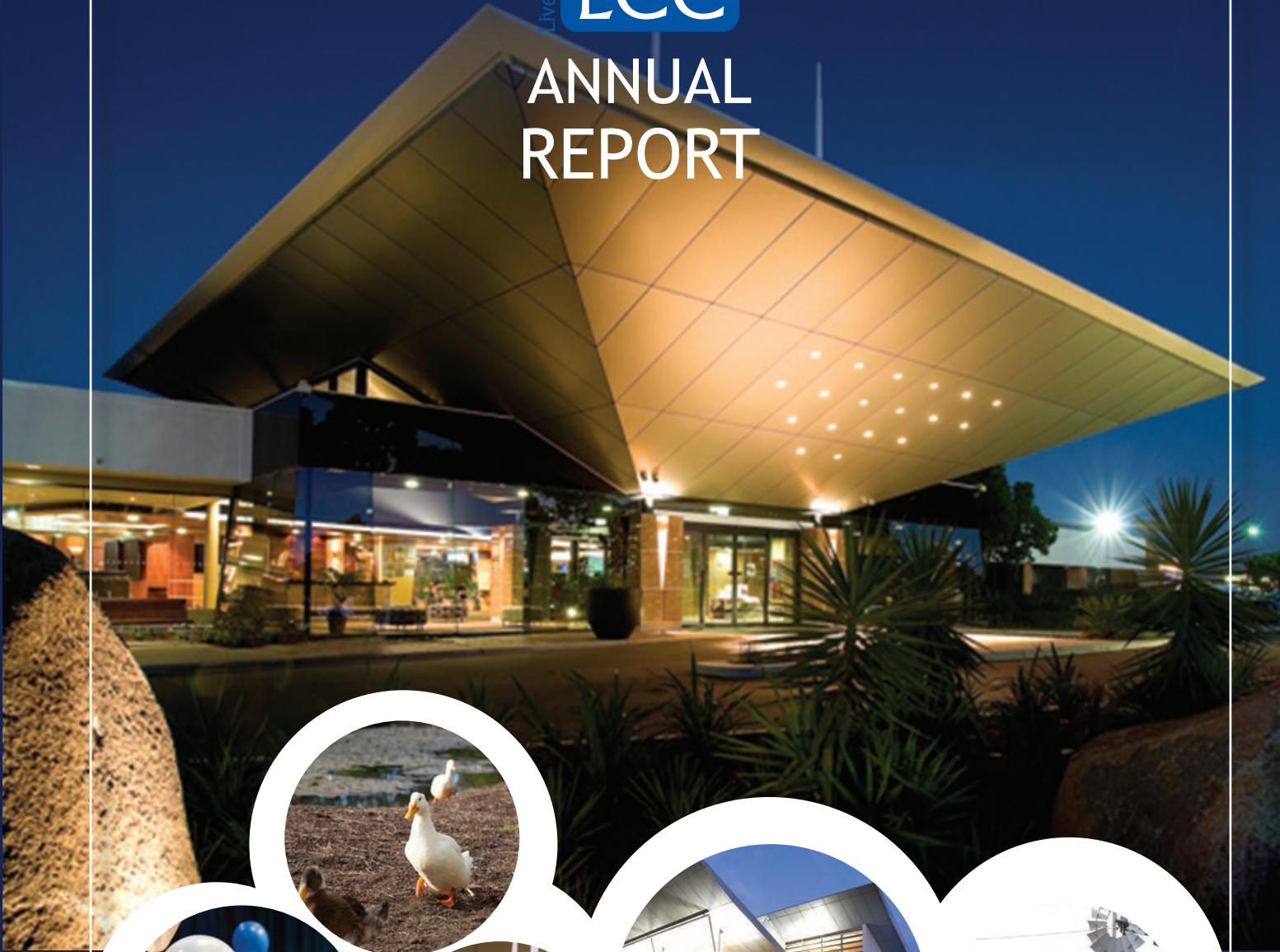


2016

Liverpool Catholic Club



ANNUAL REPORT







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Liverpool Catholic Club Limited
Incorporating
Thurgoona Country Club Resort
ACN 00 874 073
ABN 78 000 874 073

Annual Report 2016

Patron

Most Reverend Bishop David Cremin D.D
Emeritus Auxiliary Bishop of Sydney

Chaplain

Rev. Paul Monkerud P.P.

Board of Directors

President - Michael Coffey OAM
Vice-President - Gregory Richardson
Treasurer - Joseph Mancini

George Ajkay, Anthony Atkins, Phillip Coleman,
Valda Hood Silvio Marucci, Colin Purcell

Chief Executive Officer - John Turnbull

Bankers - Commonwealth Bank of Australia

Solicitors - Pigott Stinson Lawyers

Auditors - BDO Chartered Accountants



Donations 2016

The Trust Funds established by the Club continue to grow with funds invested now

EXCEEDING
\$3.1
MILLION

These Trust Funds are aimed at ensuring the Clubs community support objectives can be met into the future.

Since the Club first opened in 1979,

OVER
\$20.4
MILLION

has been donated to various Schools, parishes, sporting and community groups.

\$1,708,962

donated to our local community in 2016,
an increase of 21.8%
over the prior year.

Organisations we assisted during 2016 included:

All Saints Catholic College	Outer Liverpool Community Services Inc.	Combined Rotary Club
All Saints Catholic Primary School Liverpool	Peoples Shed Incorporated	Sisters of Charity Outreach
All Saints Catholic Senior College, Casula	Sloosh Kidscare Inc.	Youth Off The Streets
Autism Advisory & Support Service	The Salvation Army	Salvation Army
Autism Spectrum Australia	War Widow's Guild of Australia NSW LTD	Community 2168 Project
Catholic Education Foundation	William Carey Christian School	Police Legacy
Clancy Catholic College	Kokoda Challenge	Ingham Institute
Freeman Catholic College	Christmas Carols at the Club	Patrician Brothers Province
Good Shepherd Australia New Zealand	LCC Charitable Trust	Koori Kids
Karitane Parenting Centre Liverpool	St Joseph's Catholic Primary School	James Busby High School
Learning Links	PCYC	Miracle Babies
Liverpool Neighbourhood Connections	Thurgoona Football Club	Lavington Panthers
	Albury Wodonga Equestrian Club	Sacred Heart Parish
		Mother of God Brothers, Thurgoona
		Thurgoona Community Centre

President's Report



It is my pleasure on behalf of the Board to present this, the Annual Report of the Liverpool Catholic Club for the year ending 31 December 2016.

The year in review has been another record year for the Club providing a profit of \$10,240,527 a significant increase on the 2015 result of \$7.6 Million. The details are contained in the financial reports included in this report.

It is noteworthy that the Board's objectives to provide high class facilities for the members both at Liverpool and at Thurgoona, to provide support to the Catholic parishes, schools & the community at large have been achieved.

As a result of the financial performance we have been able to provide support via donations to these areas totalling \$1,708,962 and have continued to provide many sporting facilities and opportunities for our younger community as well as supporting the community in many social activities. We have continued to strive to be a good corporate citizen and have provided non cash support to significant numbers of groups within the community.

A highlight during 2016 was the formation of a research programme with the Ingham Institute to provide, over a four year timeframe, funding for a PhD scholarship investigating a specific area of cancer research.

As is usual for the Club we have continued to expand & improve facilities on both sites. The Hotel extension to provide another 88 rooms to the Mercure Hotel which was reported in the 2015 annual report is nearing completion and is expected to open for business towards the end of this year. The Board is confident that the new Hotel will continue the success of our current Hotel offering.

The new Hotel and the next project we have on the drawing board - an enhanced food court with bars, quiet areas and an extensive children's play area, continues the Board strategy of diversifying the Club's business. The aim of this new development is to provide facilities which reflect the needs of the changing demographic in our area, including young families. The redevelopment of our food offering is expected to commence in the second half of 2017.

Thurgoona Country Club Resort has provided a positive result for which we congratulate the manager Adam Fitzgerald and his team. The golf course at Thurgoona has undergone significant improvement and now rates as one of the top courses on the Murray. Improvement is such that we have been invited to host the NSW Seniors Tournament at the end of 2017.

While gaming revenue will always represent a major contributor to the Club's result the Board remains aware of the potential risk of changes in the regulatory area that may impact Clubs. We therefore continue to seek business opportunities to protect and diversify profitability and have continued to build the Charitable & Ancillary Trusts which now hold funds exceeding \$3.1 million.

Elsewhere in this report we have included a list of our Life Members, all of whom have made significant contributions to the success of the Liverpool Catholic Club either through Board membership or as members of one of the 16 sub clubs offered by Club. The Board members in particular had the foresight to commence the strategy diversifying Club revenues through a variety of initiatives - a strategy which continues as demonstrated above with our 2016 result. The Board is also most grateful to those dedicated members who give freely of their time as committee members, managers and coaches of our various sub clubs.

Thank you to our Life Members who have made great contributions towards the success of our Club

LIFE MEMBERS

Robert Brassell	Noel Hickey **	Colin A. Purcell
Warren F. Williams	Silvio Marucci	Catherine T. Coleman
Leo Sullivan **	Maureen Murray	Peter J. Hurley
Bruce A. Mayberry **	John T. Cairns	Elsie Mallett
Rev. Father R.A. Delaney **	Norman Jones **	Brian Van Der Meer
John H. Mansfield **	Frederick A. Diehm **	Frank Mirarchi
Phillip M. Power **	Denis R. Williams	Julie Bradley
John T. Best **	Phillip V. Coleman	Jan Cleary
John P. Duffy	Anthony M. Atkins	Cheryl Page
Charles C. Gullotta	Valda M. Hood	Antoinette Sultana **
Peter Thomas **	Shelley A. Moretti	** Deceased

The success of the Club is due in no small part to a dedicated management team led by our General Manager John Turnbull & Assistant General Manager David Vidler along with a staff committed to providing first class services to our members both in Liverpool & Thurgoona.

None of our success would be possible without the loyalty and support of you, our members. I thank you for that support in 2016 and can, on behalf of the Board, management & staff assure you we will continue to strive to ensure we deserve that support into the future through first class facilities & services.

In conclusion I thank my fellow directors for their loyalty, support and commitment, via the Board & their various committees, in making Liverpool Catholic Club a leader in the Industry and an employer of choice offering some 330 jobs within our local area.

Michael Coffey OAM
President



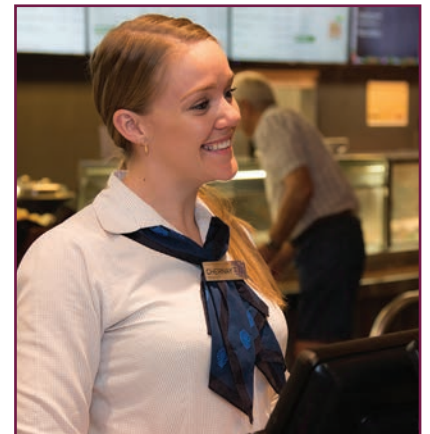
OUR STAFF

Our staff are committed to providing excellent customer service and have been trained through our CARE program, creating attitudes that result in excellence.

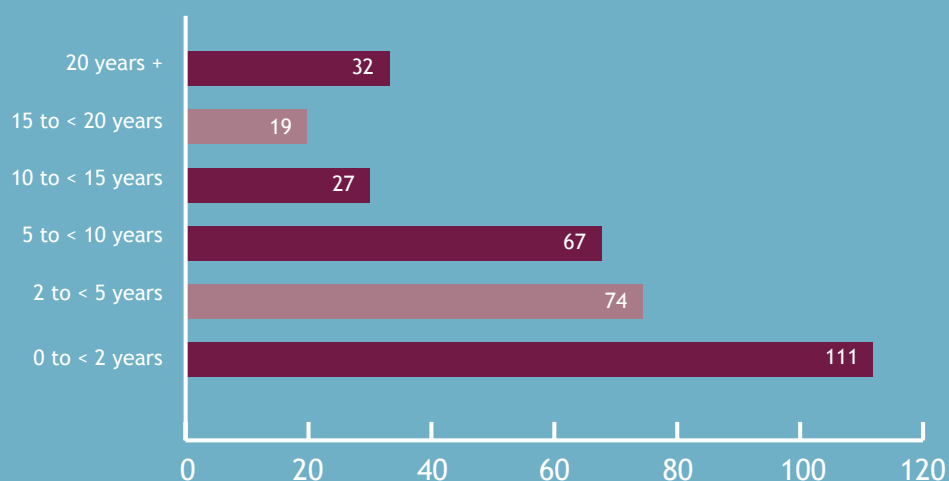
- We currently have 330 employees across our various sites, Liverpool Catholic Club, Mercure Hotel, Sports Complex and the Thurgoona Country Club Resort.
- 44% of our staff have been with us for 5 years or more with 10% now having achieved 20 years plus service with the Club.
- In 2016 \$16.9 million was invested into our staff via wages, training and associated expenses.



The Club has supported a number of employees and school students in taking part in the Kokoda Challenge. Chernay Crumpton and Stephen Anderson are both managers of our Club and participated in the 2016 Kokoda Challenge. Both reported the experience to be very beneficial and rewarding. This was particularly the case for Chernay whose grandfather had served in Kokoda.



Employee years of service



NOTICE OF ANNUAL GENERAL MEETING AND RESOLUTIONS

NOTICE is hereby given of the 46th Annual General Meeting of **LIVERPOOL CATHOLIC CLUB LIMITED** to be held on **Sunday 23 April 2017** commencing at 12:00 noon at the premises of the Club, Hoxton Park Road, Liverpool, New South Wales.

BUSINESS

The business of the meeting will be as follows:

1. Apologies.
2. To confirm the minutes of the 45th Annual General Meeting held on 15th May 2016.

To receive and consider the Statement of Comprehensive Income, Statement of Financial Position and Cash Flow Statement for the year ended 31st December 2016, together with the Reports of Directors and Auditors thereon. *(The Annual Report of the Club for 2016 is now available for viewing on the club website at www.liverpoolcatholic.com.au)*
3. To consider and if thought fit pass the Ordinary Resolutions set out in this Notice.
4. To consider and if thought fit pass the Special Resolution set out in this Notice.
5. To declare the results of the election of Directors.
6. To deal with any other business that may be dealt with at the Annual General Meeting.

NOMINATIONS FOR ELECTION AS DIRECTOR

Notice is also given that nominations for the office of Director close with the Chief Executive Officer on 2nd April 2017.

ORDINARY RESOLUTIONS

[The Ordinary Resolutions are to be read in conjunction with the notes to members set out below]

FIRST ORDINARY RESOLUTION

That the members hereby approve and agree to expenditure by the Club in a sum not exceeding \$250,000 until the next Annual General Meeting of the Club for sponsorship of Intra Clubs.

SECOND ORDINARY RESOLUTION

- (a) That the members hereby approve and agree to expenditure by the Club in a sum not exceeding \$60,000 until the next Annual General Meeting of the Club for Directors' Expenses as follows:
- (i) The reasonable cost of a meal and beverage for each Director immediately before or immediately after a Board or Committee meeting on the day of that meeting when that meeting corresponds with a normal meal time.
 - (ii) Reasonable expenses incurred by Directors in travelling to and from Directors' meetings or other duly constituted committee meetings as approved by the Board from time to time on production of invoices, receipts or other proper documentary evidence of such expenditure.
 - (iii) Reasonable expenses incurred by Directors in relation to such other duties including entertainment of special guests to the Club and other promotional activities performed by Directors which activities and the expenses therefrom are approved by the Board before payment is made on production of receipts, invoices or other proper documentary evidence of such expenditure.
 - (iv) The reasonable cost of Directors and their spouses/partners (if required) attending any club, community or charity function as the representatives of the Club and authorised by the Board to do so.
 - (v) The reasonable cost of Club uniforms being provided to Directors as required.
 - (vi) The provision of a designated car parking space for the exclusive use of each Director.
 - (vii) The reasonable documented expenses incurred by Directors for club related telephone calls.
 - (viii) The provision of a bouquet of flowers or similar gift to the value of \$100 for the spouse or partner of a Director in appreciation of their support of the Director throughout the year.
- (b) That the members acknowledge that benefits in paragraph (a) above are not available to members generally but only for those who are Directors of the Club.

THIRD ORDINARY RESOLUTION

- (a) That the members hereby approve and agree to expenditure by the Club in a sum not exceeding \$65,000 for the professional development and education of Directors until the next Annual General Meeting and being:

- (i) The reasonable cost of Directors attending conferences, seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time;
 - (ii) The reasonable cost of Directors attending other registered clubs for the purpose of viewing and assessing their facilities and methods of operation provided such attendances are approved by the Board as being necessary for the betterment of the Club;
 - (iii) The reasonable cost of Directors and their spouses (if required) attending the Clubs NSW Annual General Meeting and Conference provided however that the expenses in relation to Directors' spouses or partners will be limited to:
 - Economy airfares or other reasonable travel expenses;
 - Accommodation for the duration of the conference only;
 - The cost of tickets to the conference dinner.
- (b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those who are Directors of the Club.

FOURTH ORDINARY RESOLUTION

That the members hereby approve and agree to expenditure by the Club in a sum not exceeding \$20,000 until the next Annual General Meeting of the Club for the reasonable costs of functions (such as wakes) to be held at the Club to honour the memory and work of members of the Club who have served the Club in a voluntary capacity over many years and who die during the course of the year. The holding of such functions and the extent of the expenditure paid or borne by the Club for such functions shall in each case be entirely at the discretion of the Board of Directors.

FIFTH ORDINARY RESOLUTION

- (a) That the members hereby approve the Club providing a complimentary meal to each Honorary member when they attend the Club at a time which coincides with a normal meal time.
- (b) The members acknowledge that the benefits in paragraph (a) are not available for members generally but are only for those who are Honorary members of the Club.

SIXTH ORDINARY RESOLUTION

- (a) That the members hereby approve and agree to expenditure by the Club in the sum not exceeding \$5,500 until the next Annual General Meeting for the reasonable costs as a token of goodwill (such as food, beverage, hospitality or a small gift at Christmas) in recognition of the dedication and assistance of Life members over many years. The extent of the expenditure paid or borne by the Club in respect of the token of goodwill shall be entirely at the discretion of the Board of Directors.
- (b) The members acknowledge that the benefits in paragraph (a) are not available for members generally but are only for those who are Life members of the Club.

NOTES TO MEMBERS ON ORDINARY RESOLUTIONS

First Ordinary Resolution

1. The First Ordinary Resolution is to have the members in General Meeting approve an amount no greater than \$250,000 for sponsorship of the intra-clubs.
2. The amount proposed by the First Ordinary Resolution is unchanged from that approved by members at the Annual General Meeting in 2016.

Second Ordinary Resolution

3. The Second Ordinary Resolution is to have the members in General Meeting approve an amount no greater than \$60,000 for expenses incurred by Directors in the performance of their duties. Included in the resolution is the cost of Directors attending functions as representatives of the Club and the costs of their spouses/partners also attending those functions.
4. The amount to be provided is an increase of \$5,000 over that approved by members at the Annual General Meeting in 2016. The Board believes this increase is necessary to ensure increasing costs can be met. This will be the first increase in over five years.

Third Ordinary Resolution

5. The Third Ordinary Resolution is to have the members in General Meeting approve an amount no greater than \$65,000 for the expenditure by the Club for Directors to attend conferences, seminars, lectures trade displays and other similar events and to visit other clubs to enable the Club's governing body to be kept abreast of current trends and developments which may have a significant bearing on the nature and way in which the Club conducts its business. Also included will be expenditure for Directors and their spouses (if required) to attend the ClubsNSW Annual Meeting and Conference.
6. The amount to be provided is an increase of \$5,000 over that approved by members at the Annual General Meeting in 2016. The Board believes this increase is necessary to ensure increasing costs can be met. This will be the first increase in over five years.

Fourth Ordinary Resolution

7. The Fourth Ordinary Resolution is intended to provide funding over the next twelve months for functions to honour distinguished members of the Club on their death. Without such a resolution it is arguable that the Club is not entitled to provide such functions without someone (normally members of the family of the deceased) being responsible for the cost.

Fifth Ordinary Resolution

8. The Fifth Ordinary Resolution is to have the members in General Meeting approve the Club providing a meal to each Honorary member when they are attending the Club at a time which coincides with a normal meal time. In practice this will happen only by the Honorary member producing his or her Gold Honorary membership card.

Sixth Ordinary Resolution

9. The Sixth Ordinary Resolution is to have members approve expenditure by the Club in a sum not exceeding \$5,500 until the next Annual General Meeting of the Club for reasonable costs towards recognising the dedication and assistance from life members over many years. Such recognition may be in the form of food, beverage, hospitality or a small gift at Christmas as determined by the Board of Directors.
10. The amount to be provided is an increase of \$500 over that approved by members at the Annual General Meeting in 2016.

Procedural matters on Ordinary Resolutions

11. To be passed, an Ordinary Resolution must receive votes from not less than a majority of members who, being eligible to do so, vote in person at the meeting.
12. Proxy voting is prohibited by the Registered Clubs Act.
13. Any member who is an employee of the Club is prohibited from voting by the Registered Clubs Act.
14. The Board of the Club recommends each of the resolutions to members.

SPECIAL RESOLUTION

[The Special Resolution is to be read in conjunction with the notes to members set out below]

That the Memorandum and Articles of Association of Liverpool Catholic Club Limited be amended by:

- (a) **inserting** at the beginning of Article 38 the words *“Subject to Article 39B (which provides for the reduction in the number of directors on the Board to seven (7)),”*.
- (b) **inserting** the following new Article 39B:

“39B Notwithstanding anything contained in these Articles, the number of directors on the Club’s Board shall be reduced from nine (9) to seven (7) when any of the following events occur (or if a particular event occurs on more than one (1) occasion):

- (a) **retiring director not nominating for re-election** - *if, at the close of nominations referred to in Article 40(a), a director (whose term of office as a member of the Board is scheduled to expire) does not nominate for election to the Board, then:*
 - (i) *only two (2) directors will be elected to the Board (as opposed to three (3)); and*
 - (ii) *the number of directors on the Board will be permanently reduced with effect from the results of the election being declared .*
 - (b) **casual vacancy** - *if, pursuant to Article 57, a vacancy occurs in the office of director, the number of directors on the Board will be permanently reduced.*
 - (c) **Paragraphs (a) and (b) of this Article 39B are subject to the following limitations:**
 - (i) *both of those paragraphs will cease to have any force or effect after the Board is reduced to seven (7) directors; and*
 - (ii) *for the purposes of the groups of directors referred to in Article 39A3(2)(c):*
 - (1) *a group cannot consist of less than two (2) directors; and*
 - (2) *once the Board is reduced to seven (7) directors, the groups of directors will be comprised of two (2) groups of two (2) directors and one (1) group of three (3) directors.”*
- (c) **inserting** at the beginning of Article 40(c) the words *“Subject to Article 39B”*
- (d) **deleting** from Article 48 the words *“five (5) members personally present”* and in lieu thereof **inserting** the words *“a majority of the members present”*.
- (e) **inserting** at the beginning of Article 58 the words *“Subject to Article 39B”*.

NOTES TO MEMBERS ON SPECIAL RESOLUTION

1. The Special Resolution proposes to amend the composition of the Board by reducing the number of directors on the Board from nine (9) to seven (7).
2. The Special Resolution proposes for the reduction in the number of directors to take place over time (as opposed to arbitrarily reducing the number of directors on the Board by a specific date).
3. To facilitate the reduction in the number of directors on the Board, the Special Resolution contains two (2) mechanisms (First Mechanism and Second Mechanism - explained in detail below).
4. If the Special Resolution is passed, the Board will consist of nine (9) directors until such time as the number of directors on the Board is reduced to seven (7).

First Mechanism

5. The First Mechanism provides that, in respect of the election of directors that is conducted each year, if one or more of the retiring directors do not re-nominate for election to the Board then:
 - (a) only two (2) directors will be elected to the Board (as opposed to three (3)); and
 - (b) the number of directors will be permanently reduced with effect from the election results being declared.

Second Mechanism

6. The Second Mechanism provides that if a casual vacancy arises on the Board, the position will not be filled and the number of directors will be permanently reduced.

Restrictions on the First Mechanism and Second Mechanism

7. The First Mechanism and Second Mechanism can only be utilised:
 - (a) to reduce the number of positions on the Board to seven (7). After the Board is reduced to seven (7), the mechanisms cease to have any force or effect; and
 - (b) to reduce any group of directors from three (3) to two (2) - discussed in detail below.
8. In relation to the restriction set out in paragraph 7(b), the following additional background information is provided:
 - (a) The Board is elected in accordance with the Triennial Rule.
 - (b) The Triennial Rule requires directors on the Board to be divided into three (3) groups of directors (Group 1, Group 2 and Group 3) and each group must be “as nearly as practicable equal in number”.
 - (c) Group 1, Group 2 and Group 3 each currently consist of three (3) directors.
 - (d) When the number of directors is eventually reduced to seven (7), there will be two (2) groups of two (2) directors and one (1) group of three (3) directors.

Procedural matters on Special Resolution

9. The Special Resolution should be read in conjunction with the explanatory notes which follow the Special Resolution.
 10. To be passed, the Special Resolution must receive votes in favour from not less than three-quarters (75%) of those members who, being eligible to do so, vote in person on the Special Resolution at the meeting.
 11. **Only financial Voting members and Life members shall be entitled to vote on the Special Resolution.**
 12. Under the Registered Clubs Act:
 - (a) members who are employees of the Club are not entitled to vote; and
 - (b) proxy voting is prohibited.
 13. Amendments to the Special Resolution (other than minor typographical corrections which do not change the substance or effect of the Special Resolution) will not be permitted from the floor of the meeting.
 14. The Board of the Club recommends the Special Resolution to members.
-

Dated: 15th March 2017 By direction of the Board



John Turnbull
Chief Executive Officer



DIRECTORS' REPORT

The directors present their report, together with the financial statements of Liverpool Catholic Club Limited (the company) for the year ended 31 December 2016.

INFORMATION ON DIRECTORS

The directors of the company in office at any time during or since the end of the financial year are:



GEORGE ZOLTAN AJKAY
B.Bus (NSWIT) Dip.Tech.Management

Managing Director Beta Trading Co Pty Ltd. Joined Club 1997. Elected to Board April 2004. Member Building and Site Development Committee.



ANTHONY MICHAEL ATKINS,
B.Surv (UNSW)

Registered Surveyor. R.P.S. Group (Consulting Surveyors). Director Rose Atkins Rimmer (Water Infrastructure). Club Director since March 1989. Member Building and Site Development Committee. Vice-President 1998-2003, President 2003-2016, Chairman Risk and Governance Committee.



MICHAEL FRANCIS COFFEY
OAM JP B.Sc (UNSW), FAICD

Company Director. Joined Club June 1998. Appointed Director February 2004. Assistant Treasurer 2004 - 2015. Vice President 2015 to 2016, President 2016 to Current.



PHILLIP VINCENT COLEMAN

Retired. Formerly Technical Officer, Australian Atomic Energy Commission. Foundation Member, Elected to Board June 1982. Vice-President May 1994. Member Finance & Membership Committees. Member Building and Site Development Committee. President 1996-2003. Chairman Intra-Clubs Committee.



VALDA MARION HOOD

Retired Secretary. Member since 1980. Elected to Board May 1989. Chairman Catering and Special Functions.



JOSEPH MANCINI

B.Bus (Charles Sturt), CPA

Accountant. Member since 1990. Appointed Director January 2015. Treasurer 2015 to Current, Member Risk and Governance Committee.



SILVIO MARUCCI

Company Director. Foundation Member. Director since May 1989. Chairman Building Committee. Chairman Site Development Committee. Vice-President 2003-2016.



COLIN ALOYSIUS PURCELL

Retired. Formerly a Manager with South Sydney Council. Joined the Club in 1974. Director 1984-1989. Selected to fill Board vacancy in March 1994. Vice-President 1996. Editor of the Club "What's On Guide".



GREGORY PETER RICHARDSON

Executive Director, Ernst & Young. Member since 1981. Appointed Director September 2003. Member of Intra-Clubs Committee. Member Risk and Governance Committee. Vice President 2016 to Current.

Liverpool Catholic Club Limited

Directors' Report

Information on directors (continued)

Directors' meetings

The number of meetings of the company's Board of Directors (the Board) and of each board committee held during the year ended 31 December 2016, and the number of meetings attended by each director were:

Director	BOARD MEETINGS	
	Number of Meetings Attended	Number of Meetings Held*
Ajkay, George Zoltan	12	12
Atkins, Anthony Michael	11	12
Coffey, Michael Francis	11	12
Coleman, Phillip Vincent	11	12
Hood, Valda Marion	11	12
Mancini, Joseph	11	12
Marucci, Silvio	12	12
Purcell, Colin Aloysius	9	10 **
Richardson, Gregory Peter	11	12

* Number of meetings held during the time the director held office during the year.

** Col Purcell was on a leave of absence for 2 months, March - April

In addition to the Board meetings listed above all Board members attend various Committee meetings which occur at least monthly.

Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 31 December 2016 and the comparison with last year is as follows:

	2016	2015
Ordinary	19,638	18,794
Associate/Social	30,159	31,480
Life	21	21
Honorary	77	147
LCC Sports - Juniors	1,635	2,096
	<hr/>	<hr/>
	51,530	52,538
	<hr/>	<hr/>

Liverpool Catholic Club Limited

Directors' Report

Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter. The total liability in the event of winding up is \$103,060 (2015: \$105,076).

Operating result

The profit after tax of the company for the year ended 31 December 2016 was \$10,240,527 (2015: \$7,607,673).

The table below shows a reconciliation of earnings before interest, income tax, depreciation, amortisation and impairment losses. This is referred to as EBITDA.

	2016 \$	2015 \$
Net profit after income tax expense attributable to members	10,240,527	7,607,673
Add back:		
Depreciation and amortisation expense	6,893,373	6,588,279
Write off of property, plant and equipment	570,538	-
Finance costs	365,093	750,205
	<hr/>	<hr/>
EBITDA	18,069,531	14,946,157
	<hr/>	<hr/>

Objectives

The short and long term objectives of the company are to provide members and guests with high quality social, cultural and sporting facilities whilst maintaining a focus on Catholic education, community needs and sporting activities as described in the company's Constitution.

Strategy for achieving the objectives

Performance is assessed regularly against relevant internal and industry benchmark enabling assessment as to whether strategic initiatives have been effective in achieving the Club's short and long term objectives.

Principal activities

The principal activities of the company during the year were to operate licensed social clubs and hotel operations.

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

Liverpool Catholic Club Limited

Directors' Report

Performance measurement and key performance indicators

Financial performance is measured by:

- Comparison of actual results against budget;
- Monitoring key performance indicators (KPIs) in various areas including wage costs and gross profit margins;
- Monitoring cashflows; and
- Calculating and comparing EBITDA performance.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 23.

Signed in accordance with a resolution of the directors.

Dated at Liverpool this 15th day of March 2017.

A handwritten signature in dark ink, appearing to read 'M. Coffey', followed by the letters 'o a m'.

M. Coffey
Director



Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY PAUL CHEESEMAN TO THE DIRECTORS OF LIVERPOOL CATHOLIC CLUB LIMITED

As lead auditor of Liverpool Catholic Club Limited for the year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in dark ink, appearing to read 'P. Cheeseman', is written over a light grey rectangular background.

Paul Cheeseman
Partner

BDO East Coast Partnership

Liverpool, 15th March 2017

INDEPENDENT AUDITOR'S REPORT

To the members of Liverpool Catholic Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Liverpool Catholic Club Limited (the Company), which comprises the statement of financial position as at 31 December 2016, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Liverpool Catholic Club Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2016 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards 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 *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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 on the other information obtained prior to the date of this auditor's report, 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 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 related 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 has 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_files/ar1.pdf.

This description forms part of our auditor's report.

BDO East Coast Partnership

A handwritten signature in dark ink, appearing to read 'P Cheeseman', is written over a faint, larger 'BDO' logo.

Paul Cheeseman
Partner

Liverpool, 15th March 2017

Liverpool Catholic Club Limited

Directors' Declaration

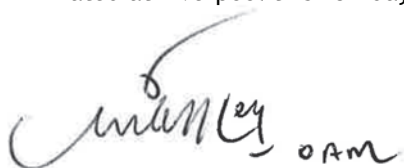
The directors of the company declare that:

- (a) In the directors' opinion the financial report and notes set out on pages 27 to 46, are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the company's financial position as at 31 December 2016 and of its performance, for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 295 (5)(a) of the *Corporations Act 2001*.

On behalf of the directors

Dated at Liverpool this 15th day of March 2017.

A handwritten signature in dark ink, appearing to read 'M. Coffey', with a stylized flourish extending from the end.

M. Coffey
Director

Liverpool Catholic Club Limited

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2016

	Note	2016 \$	2015 \$
Revenue	1	65,487,033	58,218,432
Other income	1	11,957	5,537
		<hr/>	<hr/>
		65,498,990	58,223,969
		<hr/>	<hr/>
Expenses			
Raw materials and consumables used		(5,215,414)	(4,950,810)
Depreciation expense	2	(6,893,373)	(6,588,279)
Donations		(1,708,962)	(1,402,881)
Employee benefits expense	2	(16,910,369)	(15,858,583)
Entertainment, marketing and promotional costs		(3,501,467)	(3,426,219)
Poker machine licences and taxes		(11,221,693)	(9,364,816)
Occupancy expenses		(3,192,571)	(3,180,589)
Repairs and maintenance		(1,961,414)	(1,721,460)
Write off of property, plant and equipment		(570,538)	-
Other expenses		(3,727,663)	(3,383,780)
		<hr/>	<hr/>
Total operating expenses		(54,903,465)	(49,877,417)
		<hr/>	<hr/>
Operating profit before interest and income tax		10,595,525	8,346,552
		<hr/>	<hr/>
Interest income		10,095	11,326
Interest expense		(365,093)	(750,205)
		<hr/>	<hr/>
Net interest expense		(354,998)	(738,879)
		<hr/>	<hr/>
Profit before income tax		10,240,527	7,607,673
Income tax expense	3	-	-
		<hr/>	<hr/>
Net profit after income tax expense attributable to members		10,240,527	7,607,673
		<hr/>	<hr/>
Other comprehensive income for the year, net of tax		-	-
		<hr/>	<hr/>
Total comprehensive income for the year attributable to members		10,240,527	7,607,673
		<hr/>	<hr/>

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 31 to 46.

Liverpool Catholic Club Limited
Statement of Financial Position
As at 31 December 2016

	Note	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	4,418,859	1,768,983
Trade and other receivables		177,173	307,727
Inventories		524,299	573,062
Prepayments		222,260	182,715
Total Current Assets		5,342,591	2,832,487
Non-Current Assets			
Property, plant and equipment	5	125,481,139	113,394,463
Intangible assets	7	3,054,840	1,900,840
Total Non-Current Assets		128,535,979	115,295,303
Total Assets		133,878,570	118,127,790
LIABILITIES			
Current liabilities			
Trade and other payables	8	1,843,987	1,995,958
Employee benefits	10	2,551,333	2,475,025
Deferred revenue		408,408	396,691
Total Current Liabilities		4,803,728	4,867,674
Non-Current Liabilities			
Financial liabilities	9	16,559,590	11,000,000
Employee benefits	10	238,494	223,885
Total Non-Current Liabilities		16,798,084	11,223,885
Total Liabilities		21,601,812	16,091,559
Net Assets		112,276,758	102,036,231
Members' Funds			
Retained profits		112,276,758	102,036,231
Total Members' Funds		112,276,758	102,036,231

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 31 to 46.

Liverpool Catholic Club Limited
Statement of Changes in Equity
For the Year Ended 31 December 2016

	Retained profits \$	Total Members' Funds \$
Balance at 1 January 2015		
Net profit after income tax expense for the year	7,607,673	7,607,673
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	7,607,673	7,607,673
	<hr/>	<hr/>
Balance at 31 December 2015	102,036,231	102,036,231
	<hr/>	<hr/>
Net profit after income tax expense for the year	10,240,527	10,240,527
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	10,240,527	10,240,527
	<hr/>	<hr/>
Balance at 31 December 2016	112,276,758	112,276,758
	<hr/>	<hr/>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes set out on pages 31 to 46.

Liverpool Catholic Club Limited
Statement of Cash Flows
For the Year Ended 31 December 2016

	Note	2016 \$	2015 \$
Cash Flows From Operating Activities			
Receipts from customers (inclusive of GST)		72,195,589	64,155,108
Payments to suppliers and employees (inclusive of GST)		(54,041,289)	(48,501,155)
Interest received		10,095	11,326
Finance costs paid	2	(365,093)	(750,205)
Net cash inflow from operating activities		17,799,302	14,915,074
Cash Flows From Investing Activities			
Proceeds from sale of property, plant and equipment		138,866	128,126
Payment for property, plant and equipment	5	(19,552,737)	(4,836,795)
Payment for intangibles		(1,154,000)	-
Finance costs paid on qualifying assets	2	(171,144)	-
Net cash outflow from investing activities		(20,709,015)	(4,708,669)
Cash Flows From Financing Activities			
Proceeds from borrowings		6,559,589	-
Repayment of borrowings		(1,000,000)	(10,000,000)
Net cash inflow/(outflow) from financing activities		5,559,589	(10,000,000)
Net increase in cash and cash equivalents		2,649,876	206,404
Cash and cash equivalents at the beginning of the financial year		1,768,983	1,562,579
Cash and cash equivalents at the end of the financial year	4	4,418,859	1,768,983

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 31 to 46.

Liverpool Catholic Club Limited

Notes to the Financial Statements

For the Year Ended 31 December 2016

About this report

Liverpool Catholic Club Limited is a company limited by guarantee, incorporated and domiciled in Australia and is a non-for-profit entity for the purposes of preparing the financial statements. The financial statements are for Liverpool Catholic Club Limited as a standalone legal entity.

The financial statements were approved for issue by the Directors on 15 March 2017.

The financial statements are general purposes financial statements which:

- Have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australia Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board ('AASB');
- Have been prepared under the historical cost convention;
- Are presented in Australian dollars;
- Where necessary comparative information has been restated to conform with changes in presentation in the current year;
- Adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Company and effective for reporting periods beginning on or after 1 January 2016; and
- Have been prepared on a going concern basis.

The Notes to the Financial Statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the company. Information is considered material and relevant if, for example:

- The amount in question is significant because of its size or nature;
- It is important for understanding the results of the company;
- It helps to explain the impact of significant changes in the company's business - for example, acquisitions and impairment write downs; and
- It relates to an aspect of the Company's operations that is important to its future performance.

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

Critical Accounting Judgements, Estimates and Assumptions

In the process of applying the company's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates that are material to the financial statements are detailed further in Note 16(b) and include:

Impairment of assets	Note 5
Estimation of useful lives of assets	Note 5
Intangible Assets	Note 7
Long service leave liability	Note 10

Change in Accounting Policy - Adoption of AASB 2015-2

The Company adopted AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure initiative: Amendments to AASB 101 with a date of initial application of 1 January 2016.

Liverpool Catholic Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2016

	2016 \$	2015 \$
1 Revenue and Other Income		
Sale of goods	12,682,915	12,344,542
Rendering of services	52,804,118	45,873,890
	<hr/>	<hr/>
	65,487,033	58,218,432
	<hr/>	<hr/>
Other income		
Net gain on sale of property, plant and equipment	11,957	5,537
	<hr/>	<hr/>
Total Revenue and Other Income	65,498,990	58,223,969
	<hr/>	<hr/>

Recognition and Measurement

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sale of Goods

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods and is recognised (net of rebates, returns, discounts and other allowances) on the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods.

Rendering of Services

Revenue from rendering services comprises revenue from gaming facilities together with other services to members and other patrons of the club and is recognised when the services are provided.

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Other Income

Sale of Property, Plant and Equipment

The gain or loss on disposal of property, plant and equipment is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs) and is recognised as other income at the date control of the asset passes to the buyer.

Liverpool Catholic Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2016

	2016 \$	2015 \$
2 Expenses		
Profit before income tax includes the following specific expenses:		
Employee benefits expense		
Wages and salaries	12,534,701	11,661,035
Contributions to defined contribution plans	1,153,733	1,020,276
Increase in liabilities for employee benefits	90,918	204,075
Other associated expenses	3,131,017	2,973,197
	<hr/>	<hr/>
	16,910,369	15,858,583
	<hr/>	<hr/>
Depreciation and amortisation		
Buildings and improvements	2,535,649	3,051,220
Plant and equipment	4,357,724	3,537,059
	<hr/>	<hr/>
	6,893,373	6,588,279
	<hr/>	<hr/>
Finance costs		
Expensed to profit and loss	365,093	750,205
Capitalised to work in progress	171,144	-
	<hr/>	<hr/>
	536,237	750,205
	<hr/>	<hr/>

Recognition and Measurement

Finance Costs

Finance costs include interest, premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges.

Finance costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use or sale. In these circumstances, finance costs are capitalised to the cost of the assets. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of finance costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, finance costs are capitalised using a weighted average capitalisation rate.

Liverpool Catholic Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2016

	2016 \$	2015 \$
3 Income tax expense		
The amount set aside for income tax in profit or loss has been calculated as follows;		
Proportion of net taxable income attributable to non-members	6,272,906	4,526,238
Less: Proportion of expenses attributable to non-members	(4,829,415)	(3,527,396)
	<hr/> 1,443,491	<hr/> 998,842
Add: Other taxable income	<hr/> 7,340,866	<hr/> 6,289,722
Less: Other deductible expenses	<hr/> (7,408,748)	<hr/> (7,288,564)
Taxable income	<hr/> 1,375,709	<hr/> -
Tax losses utilised	<hr/> (1,375,709)	<hr/> -
Net income subject to tax	<hr/> -	<hr/> -
Deferred tax assets have not been recognised in respect of the following items:		
Deductible temporary differences	93,403	72,301
Tax losses	1,362,280	1,774,992
	<hr/> 1,455,683	<hr/> 1,847,293

Recognition and Measurement

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates that are enacted or substantively enacted. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Liverpool Catholic Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2016

3 Income tax expense (continued)

Mutuality Principle

The company calculates its income in accordance with the mutuality principle which excludes from income, any amounts of subscriptions and contributions from members, and payments received from members for particular services provided by the club or association, eg. poker machines, bar and dining room service in the case of social clubs. The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised clubs and associations.

Amendments to the Income Tax Assessment Act 1997 ensure social clubs continue not to be taxed on receipts from contributions and payments received from members.

4 Cash and Cash Equivalents

Reconciliation of Cash

Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2016 \$	2015 \$
Cash at bank	2,560,384	173,616
Cash on hand	1,858,475	1,595,367
	<hr/>	<hr/>
Cash and cash equivalents	4,418,859	1,768,983
	<hr/>	<hr/>

Recognition and Measurement

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities 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.

Liverpool Catholic Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2016

	2016 \$	2015 \$
5 Property, Plant and Equipment		
Freehold land		
<i>At cost</i>	<u>11,410,256</u>	<u>11,410,256</u>
Buildings and improvements		
<i>At cost</i>	108,210,691	108,613,885
<i>Accumulated depreciation</i>	<u>(29,283,038)</u>	<u>(27,756,543)</u>
	<u>78,927,653</u>	<u>80,857,342</u>
Leasehold improvements		
<i>At cost</i>	389,027	422,087
<i>Accumulated depreciation</i>	<u>(232,534)</u>	<u>(228,171)</u>
	<u>156,493</u>	<u>193,916</u>
Holiday units		
<i>At cost</i>	509,200	509,200
<i>Accumulated depreciation</i>	<u>(219,396)</u>	<u>(207,794)</u>
	<u>289,804</u>	<u>301,406</u>
Motel - Thurgoona		
<i>At cost</i>	1,980,675	1,779,334
<i>Accumulated depreciation</i>	<u>(648,536)</u>	<u>(649,092)</u>
	<u>1,332,139</u>	<u>1,130,242</u>
Furniture, plant and equipment		
<i>At cost</i>	25,625,325	37,862,886
<i>Accumulated depreciation</i>	<u>(13,201,319)</u>	<u>(25,335,816)</u>
	<u>12,424,006</u>	<u>12,527,070</u>
Poker machines and accessories		
<i>At cost</i>	12,926,211	13,809,513
<i>Accumulated depreciation</i>	<u>(7,548,310)</u>	<u>(8,898,425)</u>
	<u>5,377,901</u>	<u>4,911,088</u>
Assets under lease		
<i>At cost</i>	198,923	198,923
<i>Accumulated amortisation</i>	<u>(198,923)</u>	<u>(198,923)</u>
	<u>-</u>	<u>-</u>
Capital work in progress		
<i>At cost</i>	<u>15,562,886</u>	<u>2,063,143</u>
Total property, plant and equipment net book value	<u><u>125,481,139</u></u>	<u><u>113,394,463</u></u>

Liverpool Catholic Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2016

5 Property, Plant and Equipment (continued)

Reconciliations

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:

	2016 \$	2015 \$
Buildings and improvements		
Carrying amount at beginning of year	80,857,342	83,447,096
Additions	1,413,598	359,898
Disposals	(394,609)	-
Depreciation	(2,948,678)	(2,949,652)
Carrying amount at end of year	<u>78,927,653</u>	<u>80,857,342</u>
Leasehold improvements		
Carrying amount at beginning of year	193,916	229,566
Disposals	(1,826)	-
Amortisation	(35,597)	(35,650)
Carrying amount at end of year	<u>156,493</u>	<u>193,916</u>
Holiday units		
Carrying amount at beginning of year	301,406	313,543
Depreciation	(11,602)	(12,137)
Carrying amount at end of year	<u>289,804</u>	<u>301,406</u>
Motel-Thurgoona		
Carrying amount at beginning of year	1,130,243	1,176,573
Additions	263,625	7,450
Depreciation	(61,729)	(53,781)
Carrying amount at end of year	<u>1,332,139</u>	<u>1,130,242</u>
Furniture, plant and equipment		
Carrying amount at beginning of year	12,527,070	13,441,618
Additions	2,275,395	1,245,988
Disposals	(107,216)	(4,621)
Depreciation	(2,271,243)	(2,155,915)
Carrying amount at end of year	<u>12,424,006</u>	<u>12,527,070</u>
Poker machines and accessories		
Carrying amount at beginning of year	4,911,088	4,918,432
Additions	2,241,520	1,482,794
Disposals	(211,311)	(112,783)
Depreciation	(1,563,396)	(1,377,355)
Carrying amount at end of year	<u>5,377,901</u>	<u>4,911,088</u>

Liverpool Catholic Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2016

5 Property, Plant and Equipment (continued)

	2016 \$	2015 \$
Capital work in progress		
Carrying amount at beginning of year	2,063,143	322,478
Additions	13,499,743	1,740,665
Carrying amount at end of year	<u>15,562,886</u>	<u>2,063,143</u>

Independent Valuation

The independent valuation of the company's property, plant and equipment was carried out on 31 August 2015 by Ben Hill (RGD No.24135) and P.L. Warren (RGD No.1578) of Global Valuation Services on the basis of open market value for existing use resulted in a valuation of land at \$35,000,000, buildings and improvements at \$112,900,000 and plant and equipment at \$7,828,050. As property, plant and equipment is held at cost the valuation has not been brought to account. The directors do not believe that there has been a material movement in the fair value since the valuation date.

Recognition and Measurement

All property, plant and equipment is stated at historical cost less depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings and Improvements	40 years
Leasehold Improvements	40 years
Holiday Units	40 years
Motel - Thurgoona	40 years
Motel - Liverpool	25 years
Furniture, Plant and Equipment	6 - 40 years
Poker Machine and Accessories	4 - 20 years
Assets under lease	7 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss. When revalued assets are sold the amounts included in the revaluation reserve relating to those assets are transferred to retained earnings.

Liverpool Catholic Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2016

	2016 \$	2015 \$
6 Core and non-core properties		
Pursuant to section 41J of the Registered Clubs Amendment Act 2006, the club defines property as follows:		
Core property	116,303,427	103,411,765
Non-core property	9,177,712	9,982,698
	<hr/>	<hr/>
	125,481,139	113,394,463
	<hr/>	<hr/>

7 Intangible Assets

Poker machine entitlements <i>At cost</i>	2,853,488	1,699,488
	<hr/>	<hr/>
Water rights <i>At cost</i>	201,352	201,352
	<hr/>	<hr/>
Total intangibles	3,054,840	1,900,840
	<hr/>	<hr/>

Movements in Carrying Amounts

Movements in the carrying amounts for each class of intangible asset the beginning and the end of the current financial year are set out below:

Poker machine entitlements		
Carrying amount at beginning of year	1,699,488	1,699,488
Additions	1,154,000	-
	<hr/>	<hr/>
Carrying amount at end of year	2,853,488	1,699,488
	<hr/>	<hr/>
Water Rights		
Carrying amount at beginning of year	201,352	212,073
Disposal	-	(10,721)
	<hr/>	<hr/>
Carrying amount at end of year	201,352	201,352
	<hr/>	<hr/>

Liverpool Catholic Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2016

7 Intangible Assets (continued)

Recognition and Measurement

(i) Poker Machine Entitlements

Poker machine entitlements are administrated by the state government who restrict the number of poker machines that can be installed by the license club holder. The entitlements which may be transferred or acquired and sold do not have an expiration date and are therefore deemed to have an indefinite useful life. Poker machine entitlements are internally generated and therefore are only recognised when acquired and are valued at cost.

(ii) Water Rights

Water rights are not amortised as they are deemed to have an indefinite useful life. They have an indefinite useful life as they do not expire and under current government legislation there is no plan to remove such entitlements. As a result, water rights are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and are carried at cost less accumulated impairment losses.

Impairment tests for poker machine entitlement

The company has adopted the policy of valuing the poker machine entitlements using the value-in-use or discounted cash flow method.

The following key assumptions were used in the discounted cash flow model for the poker machine entitlements:

- a. 3.6% pre-tax discount rate;
- b. 3.8% per annum projected revenue growth rate;
- c. 4.9% per annum increase in operating costs and overheads.

Management believes that reasonable changes in the key assumptions on which the recoverable amount of gaming division's poker machine entitlements is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

8 Trade and Other Payables

	2016 \$	2015 \$
Trade payables	401,848	451,598
Goods and Services Tax (GST) payable	169,625	402,948
Other payables and accrued expenses	1,272,514	1,141,412
	<hr/>	<hr/>
	1,843,987	1,995,958
	<hr/>	<hr/>

Recognition and Measurement

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Liverpool Catholic Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2016

	2016 \$	2015 \$
9 Financial Liabilities		
Non-Current		
Secured Bank Bill	16,559,590	11,000,000
	<hr/>	<hr/>
	16,559,590	11,000,000
	<hr/>	<hr/>
Financing Arrangements		
The company has access to the following lines of credit:		
Total facilities available:		
Bank overdraft	200,000	200,000
Bank guarantee	10,000	10,000
Commercial bill facility	-	15,000,000
Market Rate Loan (Club Loan Facility)	10,000,000	-
Market Rate Loan (Construction of Stage II Hotel)	25,000,000	-
	<hr/>	<hr/>
	35,210,000	15,210,000
	<hr/>	<hr/>
Facilities utilised at reporting date:		
Bank guarantee	10,000	10,000
Market Rate Loan (Club Loan Facility)	10,000,000	-
Market Rate Loan (Construction of Stage II Hotel)	6,559,590	-
Commercial bill facility	-	11,000,000
	<hr/>	<hr/>
	16,569,590	11,010,000
	<hr/>	<hr/>
Facilities not utilised at reporting date		
Bank overdraft	200,000	200,000
Commercial bill facility	-	4,000,000
Market Rate Loan (Construction of Stage II Hotel)	18,440,410	-
	<hr/>	<hr/>
	18,640,410	4,200,000
	<hr/>	<hr/>

The market rate loan was extended on 29 October 2015 with interest only repayments. The facility expires on the 28 October 2018 and bears interest at a rate of 2.24% p.a. (2015: 2.24%).

Liverpool Catholic Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2016

9 Financial Liabilities (continued)

Security

Registered Equitable Mortgage over the Company assets and undertakings including uncalled capital.

Registered Mortgage over Non-residential real property located at 424-458 Hoxton Park Road, Liverpool West NSW.

Registered Mortgage over Non-residential real property located at Thurgoona Golf Club situated at Thurgoona Road, Albury NSW.

Recognition and Measurement

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of borrowings using the effective interest method.

Borrowings are classified as non-current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

	2016 \$	2015 \$
10 Employee Benefits		
Current		
Liability for annual leave	1,132,127	1,131,712
Liability for long-service leave	1,419,206	1,343,313
	<hr/>	<hr/>
	2,551,333	2,475,025
	<hr/>	<hr/>
Non-current		
Liability for long-service leave	238,494	223,885
	<hr/>	<hr/>

The present value of employee benefits not expected to be settled within 12 months of reporting date has been calculated using the following weighted averages:

	2016	2015
Assumed rate of increase in wage and salary rates:		
Inflation rate	1.25%	1.30%
Discount rates	4.25%	2.25%

Superannuation Plans

Contributions

The company is under a legal obligation to contribute 9.5% of each employee's base salary to a superannuation fund.

Liverpool Catholic Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2016

10 Employee Benefits (continued)

Recognition and Measurement

Wages and Salaries, Annual Leave and Sick Leave

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

Long Service Leave

The provision for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the market yields on national government bonds at reporting date which most closely match the terms of maturity with the expected timing of cash flows. The unwinding of the discount is treated as long service leave expense.

11 Commitments

	2016 \$	2015 \$
Capital commitments		
Within one year	19,270,311	10,454,573
One year or later and no later than five years	-	19,270,311
	<hr/>	<hr/>
Total capital commitments	19,270,311	29,724,884
	<hr/>	<hr/>

Capital commitments

Capital commitments relate to outstanding payments due on contracted building works in relation to the Hotel Development.

Liverpool Catholic Club Limited

Notes to the Financial Statements

For the Year Ended 31 December 2016

12 Key Management Personnel Details

(a) Directors

The following persons were non-executive directors of the company during the financial year:

George Zoltan	Ajkay
Anthony Michael	Atkins
Michael Francis	Coffey
Phillip Vincent	Coleman
Valda Marion	Hood
Joseph	Mancini
Silvio	Marucci
Colin Aloysius	Purcell
Gregory Peter	Richardson

The directors did not receive any remuneration for their services during the current or prior year.

(b) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly during the financial year:

Name	Position
John Turnbull	General Manager
David Vidler	Assistant General Manager
Benjamin Atkins	Gaming and Payroll Manager

(c) Key Management Personnel Compensation

	2016 \$	2015 \$
Benefits and payments made to Key Management Personnel	1,416,782	1,274,445

13 Related Parties

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 12.

Transactions with Related Parties

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers.

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

Liverpool Catholic Club Limited

Notes to the Financial Statements

For the Year Ended 31 December 2016

13 Related Parties (continued)

Director related employees

The Company employs a number of relatives of current directors and key management personnel, as follows:

Anthony Atkins	Director
Joseph Mancini	Director
Phil Coleman	Director
Valda Hood	Director
Greg Richardson	Director
John Turnbull	General Manager

The terms of employment for each of these individuals are in accordance with a normal employee relationship with the Company. These individuals received no conditions more favourable than those which are reasonable to expect that they would have received if there had been no relationship with a Director.

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

Receivable From and Payable to Related Parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

14 Company Details

The Club is incorporated and domiciled in Australia as a company limited by guarantee. At 31 December 2016 there were 51,530 members.

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter.

The registered office of the company is 466 Hoxton Park Road, Liverpool NSW 2170.

15 Events Subsequent to Reporting Date

There are no other matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

Liverpool Catholic Club Limited

Notes to the Financial Statements

For the Year Ended 31 December 2016

16 Summary of Other Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Goods and Services Tax

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

Receivables and payables in the Statement of Financial Position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(b) Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimation of Useful Lives of Assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Long Service Leave Provision

As discussed in Note 10, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect to all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Intangible Assets

As discussed in Note 7, impairment of poker machine entitlements is recognised based on a value in use calculations and is measured at the present value of the estimated future cash inflows available to the company from the use of these licenses. In determining the present value of the cash inflows, growth rates and appropriate discount factors have been considered.

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