



ANNUAL REPORT 2017





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

Annual Report 2017

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

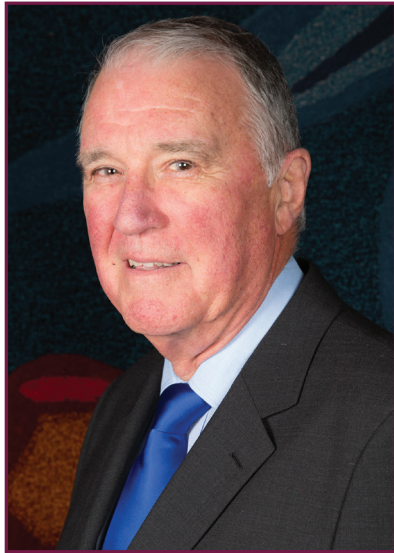
Chief Executive Officer - John Turnbull

Bankers - Commonwealth Bank of Australia

Solicitors - Pigott Stinson Lawyers

Auditors - BDO East Coast Partnership

President's Report



Welcome to our 2017 Annual Report. It is a privilege to look back on another very successful year for the Club, one in which we continued to deliver against our strategic objectives. For the year in review the Club has delivered a profit of \$9,043,852 details of which follow in this Annual Report.

The Club continued to support our Catholic parishes, schools and the wider community providing a total of \$1,540,795 in donations. At the same time support of our youth via the provision of our various sporting facilities and Intra Clubs continued. The Club also provided non cash support to a significant number of groups within our community. We also continue to provide for the future via our Trusts which are aimed to assist meet community needs and donation requests in the future. There is currently over \$3.2 million invested in our two Trusts.

The provision of the research grant through the Ingham Institute, being - announced in 2016, has continued, and the successful PhD researcher has been active in her investigation of the DNA of cancer cells.

The expansion of our Mercure Hotel was completed in late 2017, which added another 88 rooms to our offering, bringing the total available rooms to 192 in the Hotel. In addition 10 additional function rooms were created within this building to cater towards various corporate and social events. In these early stages the new facilities have been very well received and supported.

In our 2016 Report we announced the development of an upgraded food offering, bar, lounge areas and a state of the art children's play area. In addition our back of house facilities will also be upgraded. Council approval was received in late 2017 and after a tender process we have appointed Kane Constructions as the builder for this project. The development is now scheduled to commence in April 2018 and we look forward to offering these facilities to members in the future.

As indicated earlier, the Board and management have continued to focus on the Club's strategic objectives to ensure we offer first rate facilities for our members. The Board are planning a further strategic planning meeting in the second half of 2018 to ensure we continue to meet the needs of our Club membership.

Our amalgamated Club, the Thurgoona Country Club Resort, has enjoyed a very successful 2017 and I would like to thank our manager, Adam Fitzgerald and his team for their ongoing efforts. The Board has continued to support



improvement to the Golf Course at Thurgoona to ensure it retains its status as one of the top courses in the Murray River region. A highlight of the year at Thurgoona was the hosting of the NSW Men's Senior Golf Open in November 2017. This event, which attracted many of the top senior players, was well supported by Albury Council and the local community and has further enhanced the reputation of the Club and course at Thurgoona. Of particular note was the support of the members of Thurgoona, many of whom volunteered and assisted during the Tournament. We will again host the event in 2018.

The ongoing success of the Club is due to the leadership of our General Manager, John Turnbull and our Assistant General Manager, Dave Vidler along with their dedicated staff who continue to provide outstanding service to our members.

I thank all members for their support throughout the year and I can assure you that we will continue to strive to ensure that we deserve that support into the future through the provision of first class service and facilities.

In conclusion, I thank my fellow Directors for their loyalty, support and commitment via the Board and various Committee's in continuing to make Liverpool Catholic Club an industry leader and employer of choice offering 330 jobs within the local Liverpool and Albury areas.

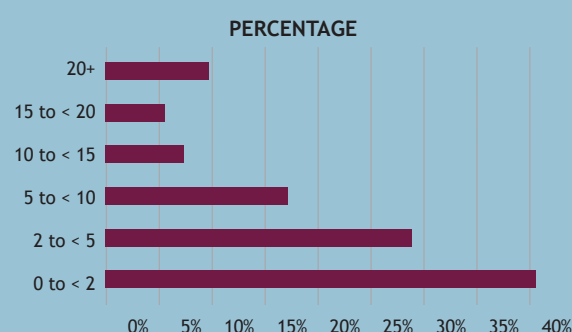
Michael Coffey OAM
President



Our People

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.
- 41% 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 2017 \$17.4 million was invested into our staff via wages, training and associated expenses.
- The majority of our staff our residents within our local community.



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

Life Members

Robert Brassell
Warren F. Williams
Leo Sullivan **
Bruce A. Mayberry **
Rev. Father R.a.
Delaney **
John H. Mansfield **
Phillip M. Power **
John T. Best **
John P. Duffy
Charles C. Gullotta
Peter Thomas **

Noel Hickey **
Silvio Marucci
Maureen Murray
John T. Cairns
Norman Jones **
Frederick A. Diehm **
Denis R. Williams **
Phillip V. Coleman
Anthony M. Atkins
Valda M. Hood
Shelley A. Moretti
Colin A. Purcell

Catherine T. Coleman
Peter J. Hurley
Elsie Mallett
Brian Van Der Meer
Frank Mirarchi
Julie Bradley
Jan Cleary
Cheryl Page
Antoinette Sultana **
** Deceased



OVER \$1.5 MILLION
donated to our local community in 2017

Organisations we assisted included:

Albury Wodonga Equestrian Ctr	LCC Bocce Club
Albury Wodonga Stroke Recovery	LCC Intra Clubs
All Saints Catholic Primary School	Learning Links
All Saints Catholic Senior College	Liverpool Council Seniors Concert
All Saints Parish	Melkite Catholic Welfare Association
All Saints Senior College	Mother of God (Brothers)
Autism Advisory and Support Service	Police Legacy
Catholic Care	Road safety Education Limited
City of Albury RSL sub branch	Sloosh Kidscare Inc
Clancy Catholic College	St Vincent de Paul Society
Diabetes NSW & ACT	St Vincents Clinic
Eggtober Foundation	Thurgoona Community Centre
Freeman Catholic College	Thurgoona Football Club
Good Shepherd Parish	Thurgoona Lions Club
Good Shepherd Primary School	Thurgoona Progress Assoc.
Holy Spirit Parish	Thurgoona Toastmasters
Ingham Institute	University & School Scholarships (Various)
Karitane	Youth Off The Streets
Lake Hume Rotary Club	
LCC Ancilliary Trust	

Since the Club opened in 1979,
OVER \$22 MILLION

has been donated to various schools, parishes and community groups.

Our new Hotel is now open





The Liverpool Catholic Club together with architects Wood+Day Partnership and builders Taylor Construction Group completed its \$34 million expanded Mercure Hotel development in late 2017, officially opening for business in December. The brand-new state of the art facility adds a further 88 hotel rooms to the existing offering bringing the Club's total inventory of guest rooms to 192. New room types have been incorporated into the development including a number of self-contained Deluxe Apartments, spacious Executive Suites and Two Bedroom Penthouses with sweeping views towards Liverpool and Sydney.

Contained within the facility, two floors of modular function and meeting rooms complement the Club's existing function spaces and hotel facilities creating a seamless experience for business meetings, conferencing and leisure groups and weddings.

The expansion makes Mercure Sydney Liverpool the largest hotel in South Western Sydney, providing the local community with quality accommodation offering both scale and comprehensive facilities not available elsewhere. The Club has long been aware of the growing demand for accommodation in South Western Sydney, driven by unprecedented growth which has far outpaced new supply. The project demonstrates the Club's commitment to servicing the needs of members and the local community as well as undertaking responsible, strategic investments that have synergy with the broader business and provide stability for the future through the diversification of revenue streams.

The project has already created several new employment opportunities both directly in the hotel and throughout the rest of the business in order to accommodate the increase in demand. This job creation is set to continue into the future as the hotel ramps up towards full capacity. Early indications have been extremely positive, with strong demand already filling the hotel nearly to capacity for much of the month of February.

The iconic development is representative of the ongoing transformation of South Western Sydney, and is an asset of which members and the local community can be proud.

NOTICE OF ANNUAL GENERAL MEETING AND RESOLUTIONS

NOTICE is hereby given of the 47th Annual General Meeting of LIVERPOOL CATHOLIC CLUB LIMITED to be held on Sunday 22 April 2018 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:

Apologies.

To confirm the minutes of the 46th Annual General Meeting held on 23rd April 2017.

To receive and consider the following reports in respect of the Club for the year ended 31 December 2017:

the directors report;

the financial report;

the auditors report

(Note: The Club's Annual Report for the year ended 31 December 2017 containing these reports is available on the Club website (www.liverpoolcatholic.com.au). A copy will also be provided either in hard copy or by email to any member who makes a written request to the Club for a copy of the Annual Report.)

To consider and if thought fit pass each of the Seven Ordinary Resolutions set out in Annexure A to this Notice.

To declare the results of the election of Directors.

(Note: If an election for Directors is to be held, it will be conducted at the Annual General Meeting.)

To deal with any other general business that may be dealt with at the Annual General Meeting.

NOMINATIONS FOR ELECTION AS DIRECTOR

Notice is given that nominations for the office of Director must be lodged with the Secretary/Chief Executive Officer by 5.00pm on 1st April 2018 being the closing time for nominations.

Dated: 14th March 2018

By direction of the Board



John Turnbull
Secretary / Chief Executive Officer

This and the following 4 pages is the Annexure “A” referred to in the Notice of Annual General Meeting of Liverpool Catholic Club to be held on 22 April 2018.

ORDINARY RESOLUTIONS

[The Ordinary Resolutions are to be read in conjunction with the notes to members set out on page 3 following the Seventh Ordinary Resolution]

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 the benefits in paragraph (a) above are not available to members generally but only for those who are Directors of the Club and the spouses/partners of Directors.

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 and the spouses/partners of Directors.

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

- (c) 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.
- (d) 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.

SEVENTH ORDINARY RESOLUTION

That the members hereby approve the Club paying honorariums for Directors in recognition of their services as Directors of the Club from the date of this Annual General Meeting until the date of the Annual General Meeting in 2019 as follows:

President	\$15,000	(inclusive of the Superannuation Guarantee Charge)
Ordinary Board members	\$10,000 each	(inclusive of the Superannuation Guarantee Charge)

Such honorariums to be payable by quarterly instalments in arrears.

NOTES TO MEMBERS ON THE SEVEN ORDINARY RESOLUTIONS

First Ordinary Resolution

The First Ordinary Resolution is to have the members approve an amount no greater than \$250,000 for sponsorship of the intra-clubs.

The amount proposed by the First Ordinary Resolution is unchanged from that approved by members at the Annual General Meeting in 2017.

Second Ordinary Resolution

The Second Ordinary Resolution is to have the members 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.

The amount to be provided is the same as that approved by members at the Annual General Meeting in 2017.

Third Ordinary Resolution

The Third Ordinary Resolution is to have the members 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.

The amount is the same as that approved by members at the Annual General Meeting in 2017.

Fourth Ordinary Resolution

The Fourth Ordinary Resolution is to have the members approve the Club providing funding until the next Annual General Meeting for functions (such as wakes) 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

The Fifth Ordinary Resolution is to have the members 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

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.

The amount to be provided is the same as that approved by members at the Annual General Meeting in 2017.

Seventh Ordinary Resolution

The Seventh Ordinary Resolution is to have members approve honorariums for the President and ordinary Directors. This is the first time that honorariums for directors have been proposed. The reason for doing so is to make the time, work and responsibilities involved in being a Director not without some material reward so that members, hopefully with appropriate skills and experience, will be more likely to put themselves forward for election or appointment to the Board in the future. Most large registered clubs provide for honorariums for Directors for this purpose.

Procedural matters on Ordinary Resolutions

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.

Proxy voting is prohibited by the Registered Clubs Act.

Any member who is an employee of the Club is prohibited from voting by the Registered Clubs Act.

The Board of the Club recommends each of the resolutions to members.

Dated: 14th March 2018

By direction of the Board

A handwritten signature in black ink, appearing to read 'J Turnbull', written in a cursive style.

John Turnbull
Secretary / Chief Executive Officer

Liverpool Catholic Club Limited

ABN 78 000 874 073

Annual Financial Report 31 December 2017

Liverpool Catholic Club Limited

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 2017.

Directors

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

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

Information on directors

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, CLO

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

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 2017, and the number of meetings attended by each director were:

Director	BOARD MEETINGS	
	Number of Meetings Attended	Number of Meetings Held *
Ajkay, George Zoltan	11	12
Atkins, Anthony Michael	11	12
Coffey, Michael Francis	11	12
Coleman, Phillip Vincent	9	12
Hood, Valda Marion	7	12
Mancini, Joseph	12	12
Marucci, Silvio	8	12
Purcell, Colin Aloysius	10	12
Richardson, Gregory Peter	10	12

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 2017 and the comparison with last year is as follows:

	2017	2016
Ordinary	20,177	19,638
Associate/Social	31,039	30,159
Life	21	21
Honorary	83	77
LCC Sports - Juniors	1,303	1,635
	<hr/>	<hr/>
	52,623	51,530
	<hr/>	<hr/>

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 \$105,246 (2016: \$103,060).

Liverpool Catholic Club Limited

Directors' Report

Operating result

The profit after tax of the company for the year ended 31 December 2017 was \$9,043,852 (2016: \$10,240,527).

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

	2017 \$	2016 \$
Net profit after income tax expense attributable to members	9,043,852	10,240,527
Add back:		
Depreciation and amortisation expense	7,300,358	6,893,373
Write off of property, plant and equipment	879,806	570,538
Net finance costs	314,196	354,998
	<hr/>	<hr/>
EBITDA	17,538,212	18,059,436
	<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 5.

Signed in accordance with a resolution of the directors.

Dated at Liverpool this 14th day of March 2018.



G. Richardson
Director

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

As lead auditor of Liverpool Catholic Club Limited for the year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

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



Paul Cheeseman
Partner

BDO East Coast Partnership

Liverpool, 14 March 2018

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 2017, the statement of profit or loss and other comprehensive income, the statement of changes in members' funds 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 2017 and of its financial performance for the year ended on that date; and
- (ii) 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 *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_responsibilities/ar4.pdf.

This description forms part of our auditor's report.

BDO East Coast Partnership



Paul Cheeseman
Partner

Liverpool, 14 March 2018

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 9 to 28, 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 2017 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 14th day of March 2018.



G. Richardson
Director

Liverpool Catholic Club Limited

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2017

	Note	2017 \$	2016 \$
Revenue	1	66,196,120	65,487,033
Other income	1	12,273	11,957
		<hr/>	<hr/>
		66,208,393	65,498,990
		<hr/>	<hr/>
Expenses			
Raw materials and consumables used		(5,193,325)	(5,215,414)
Depreciation expense	2	(7,300,358)	(6,893,373)
Donations		(1,540,795)	(1,708,962)
Employee benefits expense	2	(17,441,707)	(16,910,369)
Entertainment, marketing and promotional costs		(3,506,525)	(3,501,467)
Poker machine licences and taxes		(11,444,235)	(11,221,693)
Occupancy expenses		(3,686,877)	(3,192,571)
Repairs and maintenance		(2,057,794)	(1,961,414)
Write off of property, plant and equipment		(879,806)	(570,538)
Other expenses		(3,798,923)	(3,727,663)
		<hr/>	<hr/>
Total operating expenses		(56,850,345)	(54,903,465)
		<hr/>	<hr/>
Operating profit before interest and income tax		9,358,048	10,595,525
		<hr/>	<hr/>
Interest income		5,435	10,095
Interest expense		(319,631)	(365,093)
		<hr/>	<hr/>
Net interest expense		(314,196)	(354,998)
		<hr/>	<hr/>
Profit before income tax		9,043,852	10,240,527
Income tax expense	3	-	-
		<hr/>	<hr/>
Net profit after income tax expense attributable to members		9,043,852	10,240,527
		<hr/>	<hr/>
Other comprehensive income for the year, net of tax		-	-
		<hr/>	<hr/>
Total comprehensive income for the year attributable to members		9,043,852	10,240,527
		<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 13 to 28.

Liverpool Catholic Club Limited
Statement of Financial Position
As at 31 December 2017

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	3,389,277	4,418,859
Trade and other receivables		570,159	177,173
Inventories		524,369	524,299
Prepayments		200,977	222,260
Total Current Assets		4,684,782	5,342,591
Non-Current Assets			
Property, plant and equipment	5	151,054,937	125,481,139
Intangible assets	7	3,054,840	3,054,840
Total Non-Current Assets		154,109,777	128,535,979
Total Assets		158,794,559	133,878,570
LIABILITIES			
Current liabilities			
Trade and other payables	8	2,011,614	1,843,987
Employee benefits	10	2,805,527	2,551,333
Deferred revenue		416,620	408,408
Total Current Liabilities		5,233,761	4,803,728
Non-Current Liabilities			
Financial liabilities	9	32,000,000	16,559,590
Employee benefits	10	240,188	238,494
Total Non-Current Liabilities		32,240,188	16,798,084
Total Liabilities		37,473,949	21,601,812
Net Assets		121,320,610	112,276,758
Members' Funds			
Retained profits		121,320,610	112,276,758
Total Members' Funds		121,320,610	112,276,758

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 13 to 28.

Liverpool Catholic Club Limited

Statement of Changes in Members' Funds

For the Year Ended 31 December 2017

	Retained profits \$	Total Members' Funds \$
Balance at 1 January 2016		
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/>
Net profit after income tax expense for the year	9,043,852	9,043,852
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	9,043,852	9,043,852
	<hr/>	<hr/>
Balance at 31 December 2017	121,320,610	121,320,610
	<hr/> <hr/>	<hr/> <hr/>

The Statement of Changes in Members' Funds should be read in conjunction with the accompanying notes set out on pages 13 to 28.

Liverpool Catholic Club Limited
Statement of Cash Flows
For the Year Ended 31 December 2017

	Note	2017 \$	2016 \$
Cash Flows From Operating Activities			
Receipts from customers (inclusive of GST)		72,448,890	72,195,589
Payments to suppliers and employees (inclusive of GST)		(54,861,260)	(54,041,289)
Interest received		5,435	10,095
Finance costs paid	2	(319,631)	(365,093)
		<hr/>	<hr/>
Net cash inflow from operating activities		17,273,434	17,799,302
		<hr/>	<hr/>
Cash Flows From Investing Activities			
Proceeds from sale of property, plant and equipment		108,374	138,866
Payment for property, plant and equipment	5	(33,271,614)	(19,522,737)
Payment for intangible assets		-	(1,154,000)
Finance costs paid on qualifying assets	2	(580,186)	(171,144)
		<hr/>	<hr/>
Net cash outflow from investing activities		(33,743,426)	(20,709,015)
		<hr/>	<hr/>
Cash Flows From Financing Activities			
Proceeds from borrowings		18,440,410	6,559,589
Repayment of borrowings		(3,000,000)	(1,000,000)
		<hr/>	<hr/>
Net cash inflow from financing activities		15,440,410	5,559,589
		<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents		(1,029,582)	2,649,876
Cash and cash equivalents at the beginning of the financial year		4,418,859	1,768,983
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	4	3,389,277	4,418,859
		<hr/> <hr/>	<hr/> <hr/>

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 13 to 28.

Liverpool Catholic Club Limited

Notes to the Financial Statements

For the Year Ended 31 December 2017

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 14 March 2018.

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 2017; 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:

Estimation of useful lives of assets	Note 5
Recoverability of intangible assets	Note 7

Liverpool Catholic Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2017

	2017 \$	2016 \$
1 Revenue and Other Income		
Sale of goods	12,837,271	12,682,915
Rendering of services	53,358,849	52,804,118
	<hr/>	<hr/>
	66,196,120	65,487,033
	<hr/>	<hr/>
Other income		
Net gain on sale of property, plant and equipment	12,273	11,957
	<hr/>	<hr/>
Total Revenue and Other Income	66,208,393	65,498,990
	<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 2017

	2017 \$	2016 \$
2 Expenses		
Profit before income tax includes the following specific expenses:		
Employee benefits expense		
Wages and salaries	13,045,468	12,534,701
Contributions to defined contribution plans	1,190,957	1,153,733
Increase in liabilities for employee benefits	255,887	90,918
Other associated expenses	2,949,395	3,131,017
	<hr/>	<hr/>
	17,441,707	16,910,369
	<hr/>	<hr/>
Depreciation and amortisation		
Buildings and improvements	2,420,382	2,535,649
Plant and equipment	4,879,976	4,357,724
	<hr/>	<hr/>
	7,300,358	6,893,373
	<hr/>	<hr/>
Finance costs		
Expensed to profit and loss	319,631	365,093
Capitalised to work in progress	580,186	171,144
	<hr/>	<hr/>
	899,817	536,237
	<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 2017

	2017 \$	2016 \$
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	3,956,607	6,272,906
Less: Proportion of expenses attributable to non-members	(3,155,932)	(4,829,415)
	<hr/> 800,675	<hr/> 1,443,491
Add: Other taxable income	<hr/> 7,620,110	<hr/> 7,340,866
Less: Other deductible expenses	<hr/> (7,411,114)	<hr/> (7,408,748)
Taxable income	<hr/> 1,009,671	<hr/> 1,375,709
Tax losses utilised	<hr/> (1,009,671)	<hr/> (1,375,709)
Net income subject to tax	<hr/> -	<hr/> -
Deferred tax assets have not been recognised in respect of the following items:		
Deductible temporary differences	64,143	93,403
Tax losses	1,095,487	1,362,280
	<hr/> 1,159,630	<hr/> 1,455,683

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 2017

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:

	2017 \$	2016 \$
Cash at bank	1,390,276	2,560,384
Cash on hand	1,999,001	1,858,475
	<hr/>	<hr/>
Cash and cash equivalents	3,389,277	4,418,859
	<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 2017

	2017 \$	2016 \$
5 Property, Plant and Equipment		
Freehold land		
<i>At cost</i>	<u>11,958,868</u>	<u>11,410,256</u>
Buildings and improvements		
<i>At cost</i>	137,862,645	108,210,691
<i>Accumulated depreciation</i>	<u>(31,754,368)</u>	<u>(29,283,038)</u>
	<u>106,108,277</u>	<u>78,927,653</u>
Leasehold improvements		
<i>At cost</i>	389,028	389,027
<i>Accumulated depreciation</i>	<u>(260,608)</u>	<u>(232,534)</u>
	<u>128,420</u>	<u>156,493</u>
Holiday units		
<i>At cost</i>	509,200	509,200
<i>Accumulated depreciation</i>	<u>(232,126)</u>	<u>(219,396)</u>
	<u>277,074</u>	<u>289,804</u>
Motel - Thurgoona		
<i>At cost</i>	2,142,509	1,980,675
<i>Accumulated depreciation</i>	<u>(719,522)</u>	<u>(648,536)</u>
	<u>1,422,987</u>	<u>1,332,139</u>
Furniture, plant and equipment		
<i>At cost</i>	36,486,676	25,625,325
<i>Accumulated depreciation</i>	<u>(15,127,531)</u>	<u>(13,201,319)</u>
	<u>21,359,145</u>	<u>12,424,006</u>
Poker machines and accessories		
<i>At cost</i>	14,098,304	12,926,211
<i>Accumulated depreciation</i>	<u>(8,480,271)</u>	<u>(7,548,310)</u>
	<u>5,618,033</u>	<u>5,377,901</u>
Assets under lease		
<i>At cost</i>	170,505	198,923
<i>Accumulated amortisation</i>	<u>(170,505)</u>	<u>(198,923)</u>
	<u>-</u>	<u>-</u>
Capital work in progress		
<i>At cost</i>	<u>4,182,133</u>	<u>15,562,886</u>
Total property, plant and equipment net book value	<u>151,054,937</u>	<u>125,481,139</u>

Liverpool Catholic Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2017

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:

	2017 \$	2016 \$
Freehold land		
Carrying amount at beginning of year	11,410,256	11,410,256
Transfer from capital works in progress	548,612	-
Carrying amount at end of year	<u>11,958,868</u>	<u>11,410,256</u>
Buildings and improvements		
Carrying amount at beginning of year	78,927,653	80,857,342
Additions	1,118,998	1,413,598
Transfer from capital works in progress	29,925,696	-
Disposals	(837,684)	(394,609)
Depreciation	(3,026,386)	(2,948,678)
Carrying amount at end of year	<u>106,108,277</u>	<u>78,927,653</u>
Leasehold improvements		
Carrying amount at beginning of year	156,493	193,916
Disposals	-	(1,826)
Amortisation	(28,073)	(35,597)
Carrying amount at end of year	<u>128,420</u>	<u>156,493</u>
Holiday units		
Carrying amount at beginning of year	289,804	301,406
Depreciation	(12,730)	(11,602)
Carrying amount at end of year	<u>277,074</u>	<u>289,804</u>
Motel-Thurgoona		
Carrying amount at beginning of year	1,332,139	1,130,243
Additions	161,834	263,625
Depreciation	(70,986)	(61,729)
Carrying amount at end of year	<u>1,422,987</u>	<u>1,332,139</u>
Furniture, plant and equipment		
Carrying amount at beginning of year	12,424,006	12,527,070
Additions	2,151,255	2,275,395
Transfer from capital works in progress	9,065,776	-
Disposals	(16,939)	(107,216)
Depreciation	(2,264,953)	(2,271,243)
Carrying amount at end of year	<u>21,359,145</u>	<u>12,424,006</u>

Liverpool Catholic Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2017

5 Property, Plant and Equipment (continued)

	2017 \$	2016 \$
Poker machines and accessories		
Carrying amount at beginning of year	5,377,901	4,911,088
Additions	2,260,382	2,241,520
Disposals	(120,043)	(211,311)
Depreciation	(1,900,207)	(1,563,396)
Carrying amount at end of year	<u>5,618,033</u>	<u>5,377,901</u>
Capital work in progress		
Carrying amount at beginning of year	15,562,886	2,063,143
Additions	27,579,145	13,328,599
Capitalised interest	580,186	171,144
Transfers to buildings and improvements	(29,925,696)	-
Transfers to furniture, plant & equipment	(9,065,776)	-
Transfers to freehold land	(548,612)	-
Carrying amount at end of year	<u>4,182,133</u>	<u>15,562,886</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. This valuation was performed prior to the significant capital works undertaken on Stage II of the Hotel Development. 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	40 years
Furniture, Plant and Equipment	3 - 20 years
Poker Machine and Accessories	4 - 20 years
Assets under lease	7 years

Liverpool Catholic Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2017

5 Property, Plant and Equipment (continued)

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.

Key Estimate and Judgement: 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.

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

- (i) Defined premises (licensed premises of the Club) at Hoxton Park Road, Liverpool, NSW;
- (ii) Defined premises (licensed premises of the Club) at Thurgoona Drive, Thurgoona; and
- (iii) Golf course at Thurgoona Drive, Thurgoona.

Non-core Property

All other property including the:

- (iv) Sports complex at Hoxton Park Road, Liverpool;
- (v) Motel at Thurgoona Drive, Thurgoona;
- (vi) Tennis courts at Thurgoona Drive, Thurgoona; and
- (vii) Property at Hoxton Park Road Liverpool (other than the defined/licensed premises of the Club).

7 Intangible Assets

Poker machine entitlements
At cost

2017
\$

2016
\$

2,853,488

2,853,488

Water rights
At cost

201,352

201,352

Total intangibles

3,054,840

3,054,840

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.

Liverpool Catholic Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2017

7 Intangible Assets (continued)

Recognition and Measurement (continued)

(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.

Key Estimate and Judgement: Recoverability of Intangible Assets

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.

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

- a. 3.8% pre-tax discount rate;
- b. 4.3% per annum projected revenue growth rate;
- c. 5.6% 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.

	2017 \$	2016 \$
8 Trade and Other Payables		
Trade payables	621,914	401,848
Goods and Services Tax (GST) payable	393,677	169,625
Other payables and accrued expenses	996,022	1,272,514
	<hr/> 2,011,614 <hr/>	<hr/> 1,843,987 <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 2017

	2017 \$	2016 \$
9 Financial Liabilities		
Non-Current		
Secured Market Rate Loans	32,000,000	16,559,590
	<hr/>	<hr/>
	32,000,000	16,559,590
	<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
Market Rate Loan (Club Loan Facility)	8,000,000	10,000,000
Market Rate Loan (Construction of Stage II Hotel)	25,000,000	25,000,000
	<hr/>	<hr/>
	33,210,000	35,210,000
	<hr/>	<hr/>
Facilities utilised at reporting date:		
Bank guarantee	10,000	10,000
Market Rate Loan (Club Loan Facility)	7,000,000	10,000,000
Market Rate Loan (Construction of Stage II Hotel)	25,000,000	6,559,590
	<hr/>	<hr/>
	32,010,000	16,569,590
	<hr/>	<hr/>
Facilities not utilised at reporting date		
Bank overdraft	200,000	200,000
Market Rate Loan (Club Loan Facility)	1,000,000	-
Market Rate Loan (Construction of Stage II Hotel)	-	18,440,410
	<hr/>	<hr/>
	1,200,000	18,640,410
	<hr/>	<hr/>

The market rate loan matures three years from drawdown date, as such expiring on 31 May 2019. The loan bears interest at the indicative BBSY for a reset period of 3 months which at balance date was approximately 1.83%.

Liverpool Catholic Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2017

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.

	2017 \$	2016 \$
10 Employee Benefits		
Current		
Liability for annual leave	1,148,014	1,132,127
Liability for long-service leave	1,657,513	1,419,206
	<hr/>	<hr/>
	2,805,527	2,551,333
	<hr/>	<hr/>
Non-current		
Liability for long-service leave	240,188	238,494
	<hr/>	<hr/>

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.

Liverpool Catholic Club Limited

Notes to the Financial Statements

For the Year Ended 31 December 2017

10 Employee Benefits (continued)

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:

	2017	2016
Assumed rate of increase in wage and salary rates:		
Inflation rate	1.30%	1.25%
Discount rates	2.25%	4.25%

Superannuation Plans

Contributions

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

11 Commitments

	2017 \$	2016 \$
Capital commitments		
Within one year	685,293	19,270,311
One year or later and no later than five years	-	-
	<hr/>	<hr/>
Total capital commitments	685,293	19,270,311
	<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 2017

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

	2017 \$	2016 \$
Benefits and payments made to Key Management Personnel	1,549,930	1,416,782

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 2017

13 Related Parties (continued)

Director and key management personnel related employees

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

Anthony Atkins	Director
Joseph Mancini	Director
Valda Hood	Director
Benjamin Atkins	Gaming and Payroll 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.

Receivables from and Payables 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 2017 there were 52,623 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

On 13 March 2018, the Club signed a letter of offer from Commonwealth Bank of Australia to modify the terms of lending as disclosed in Note 9 Financial Liabilities. The modification provided an additional \$26,000,000 Market Rate Loan to fund the Club Redevelopment noted below. The repayment terms of the new facility are 3 years from the date of drawdown. No other changes were noted to the original terms.

On 13 March 2018, the Club signed a contract with Kane Constructions Pty Ltd for the Club Redevelopment occurring in 2018, to the value of \$36,870,000.

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 2017

16 Summary of Other Accounting Policies

(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) Trade and Other Receivables

Trade debtors and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful debt accounts. Trade and other receivables are non-interest bearing loans and generally on 30-day payment terms. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at balance date using the weighted average basis.

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