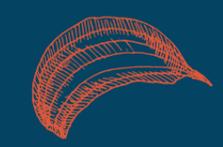




# ANNUAL REPORT 2018-19



# A WORD FROM DANNY ON OUR BRAND-NEW DINING OUTLET, ARTISAN!



“Continued development and innovation is essential if Clubs are to remain relevant and attractive to their communities. That is why it is incredibly important that the new dining offering, ambience and menu is intricately aligned to the needs and preferences of our members and patrons. We were so grateful to work alongside our patrons to gather their input into enhancing the clubs offering. All of their recommendations and preferences have been considered in the design and development of this project.”

**DANIEL MUNK** CEO



**ARTISAN**  
EATERY + BAR + LOUNGE



port kembla  
golf club

Happily  
ever after

WEDDING PACKAGES  
STARTING FROM  
**\$90**

Book your  
Wedding  
with us  
today!

"We would love to thank Teagan, Courtney, Ashleigh and the rest of the amazing staff at Port Kembla Golf Club for organising our Wedding. Nothing was ever too much trouble. They were always very professional and helped out whenever they could. At our Wedding Reception the service was impeccable. Everyone was saying how good the food was and in general was one of the best wedding's they had attended. Thanks again to all the amazing staff at Port Kembla Golf Club."

— NAOMI AND JASON



Golf Day  
packages

ENJOY PLAYING ON  
THE ILLAWARRA'S  
PREMIER COURSE

Get together with friends or a corporate day out and enjoy one of our golf day packages. All games are planned around a shotgun start and are played as a 4 person Ambrose.

"Fore" Fun package	\$45 per person
"Fairway" Package	\$55 per person
"Par-Tee" Package	\$107 per person
"Hole in One" Package	\$160 per person

Illawarra's Premier  
Golf Course!

Contact our events team on 4239 5805 or email  
events@astergroup.com.au for further information.

www.portkemblagolfclub.com.au



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# CEO'S REPORT



**"WE ARE ALWAYS FOCUSED ON BEING ABLE TO PRIDE OURSELVES ON A POSITIVE CULTURE AND CREATING THE BEST CUSTOMER EXPERIENCE IN THE ILLAWARRA."**

## A REWARDING YEAR

As I am writing this report, I reflect that this is my fifth annual report. A lot has happened at Wests Illawarra and Port Kembla Golf Club during this time, and more will evolve over the coming 5 years.

This report is being written as we enter the midpoint of the first quarter of 2019/20, the reflection again is a positive one. We have continued to regularly improve and upgrade our services at both properties for our members and their guests, and I am excited about the planning of what is to come. We finished the 2018/2019 year opening "Artisan - Eatery - Bar Lounge" at Wests Illawarra, a project that has been a long time coming and one that the team were really excited to deliver.

The Group EBITDA for 2018/2019 was \$3.46 million

(excluding the profit on sale of gaming entitlements and write-backs on buildings from the demolition of the T&S area) in comparison to \$3.34 million (excluding Corrimal Leagues) for 2018.

We have seen continued growth in the year. Although small, in the current climate, positive growth is to be applauded. This has allowed the significant investment into Artisan, along with the sale of the surplus gaming entitlements that had been transferred to Wests Illawarra from Corrimal Leagues on its closing.

We have and will continue our commitment to investing in our staff: through training, upgraded uniforms, well-being initiatives and the continuing provision of some unique opportunities as part of working for the Aster Group. Our Customer Service Managers have taken on portfolios within their leadership roles and are taking a more active role within the organisation as a whole. A number of

staff within the organisation have also taken on speciality support roles within the administrative team whilst they are studying at University. These experiences provide great real-world work experience to overlay with their studies. We really enjoy watching all of our teams prosper - they and the business grow from these opportunities.

Our focus on property maintenance continues, regardless of the larger projects the club is committed to. Our aim is to provide venues that are always maintained to a standard that both our staff and our members would be proud of.

Part of our financial and strategic goals is to refresh our properties on a 10-year cycle, this sets the organisation and our team of leaders a significant challenge. We have purposely set our depreciation rates at a level to reflect these goals. Our focus is to have continual property and services improvement, and our goal is to have our EBITDA outstrip our depreciation and amortisation accounts on an annual basis. We still have a way to go, but I expect this to be an achievable target within the next few years. Simply, our strategy is being able to have a business that can re-invent itself every 10 years.

We are a not-for-profit business; however this does not mean we do not make profits. I have said this in previous years and I repeat so people are reminded that to reinvest into our business in order to meet the expectation of our membership, and to support our local community in a way that we believe meets our values, we need to have a healthy and growing business.

The year has seen a lot happening outside the club as much as within. Two elections, not only in the one year but within months of each other, certainly distracted a lot of people. The constant negative conversations by our State and Federal parties started to reflect in the confidence of our communities. This has certainly been reflected within the retail and entertainment space in the Illawarra, as much as NSW in general. Strangely the continuing low interest rates are not necessarily being as positive as the government would have hoped for. Certainly, people with mortgages are pleased but many people depending on interest

rates to give a secure return are wondering what has happened with their income. This has certainly reflected during the year when we saw several months lighter than expected on visitations by members.

We commenced work on our new food area, Artisan - Eatery, Bar, Lounge in February 2019, a project approved by the Wests Illawarra Board in the strategic planning session of 2018. The name Artisan means "skilled tradesperson who makes things by hand" and "made in a traditional or non-mechanised way using high quality ingredients". The Artisan brand was developed to compliment The Craft, our Café offering. Creating this project involved setting up a temporary area in the space that had been the previous Buffet. The kitchen team under the leadership of Yianni Barthelmess (F&B Executive) and Ben Couvee (Head Chef) have been working on the area, from layouts to menus since late 2018. The design and construction team were led by Matt Demos (Operations Executive) and Stacey Corbeski (Brand & Marketing Strategy) in conjunction with Daniel Wilsdon from Abeo Architects and Mark Waldock and the New England Construction team.

During the lead in and in the construction phase the customer service teams, and training were led by Alisha Musker (People and Culture Executive) and Dominic Monti (Gaming Executive). The lead in, during construction plus follow up was a holistic team and leadership effort. The project was delivered within the expected time frame and budget (outside of issues relating to Building Code of Australia issues which needed to be done as part of the club's overall upgrade). The finished product both visually, and the quality of the food offering is very pleasing indeed. The reaction from members, their guests and from staff to the new area is very positive. In some ways the response is far greater than we could have hoped for.

The impact of increased visitation has led to short term wait times slightly longer than expected, this is due to the numbers of people coming in to dine at Artisan. If I could ask, when you arrive if it looks busy, please find a table, order a drink and look at the menu to decide on your choices, so that when you go to order you have already started to

relax instead of waiting to order. We are actively focusing on the times of service and the times of delivery. If at any time you believe that your order has taken longer than you expected or the quality of your order is not up to expectation, please mention this to the staff on the floor, they will raise your concerns with a team leader who will address you. Our goal is to create an experience that you are proud to share with family and friends. We appreciate all feedback and constructive input that helps us improve and deliver the experience our members want.

The menu in Artisan will be changed seasonally, we aim to keep your dining experience fresh and exciting.

If at any time you wish to make a comment, suggestion or bring something to our attention on any area of service within the club please send an email to [info@astergroup.com.au](mailto:info@astergroup.com.au), you will receive a response within 24 hours. All comments and suggestions are appreciated.

## PORT KEMBLA GOLF CLUB YEAR IN REVIEW (PKGK)

Port Kembla Golf Club has seen continuing improvement on the playing course, and we have also seen continued improvements in events and functions at PKGC. The events team is led by Courtney Miles (Event Sales Co-Ordinator) and supported by Teagan Bagoly (Functions Co-Ordinator). You can expect exceptional service and outcomes from the teams led by Courtney and Teagan. If you are thinking of anything from a simple family event, major family event such as a wedding, or a corporate event from a training session to a major golf day, give our team the opportunity to make your event a very special occasion.

The continuing property and course improvements at PKGC have also resulted in the growth of our golf membership, even with a membership fee increase during 2019 (which will occur again in 2020). The fee increases are to maintain the financial viability of PKGC, as the cash loss impact on the group

must be reduced. We saw in this financial year the EBITDA loss drop below \$200,000, with our targets for 2019/2020 to achieve below this again. The membership fees are starting to reflect the value and quality of the course our golfers wish to use. If we want to maintain PKGC as "the premium course in the Illawarra", and players want to play on a course of this standard, the fees then must be relative to this standard.

## PORT KEMBLA GOLF CLUB GO FORWARD

As previously communicated, we have been working on the concept DA for a Manufactured Housing Estate (MHE) at PKGC targeted at the over 50 years of age market. This process has taken far longer than originally expected with Wollongong Council requiring more information. Part of our process was an EOI for interested parties for the MHE development. We only received one detailed conceptual proposal from the 10 groups that were approached. Unfortunately, the proposal received did not align with our aim to create a sustainable future of PKGC.

We are currently now looking at the option of upgrading the current Driving Range and adjacent land into an all-weather and night-time Driving Range.

The other outcome of this exercise is that due to the complexities with developing the PKGC site, the valuation of the overall property (including the Golf Course) is substantially less than has been noted. This will be reassessed during our upcoming revaluation process.

As stated earlier in the communication, the cash situation at PKGC is not cash flow positive, it is not possible for Wests Illawarra to maintain an indefinite cash loss support. 2019 has seen an improvement and we need to see further improvement in 2020. Our intent is to continue to head PKGC into a positive direction - the Management team, Wests Illawarra Board and the PKGC Advisory Committee are all focused on this.

## WESTS ILLAWARRA GO FORWARD

In the 2018 Annual Report it was communicated that we would commence work on the Table & Spoon Dining area, which we did. As noted earlier in the report, the area was rebranded to reflect the expectation of service and food as the "Artisan". In 2019/2020 we intend to do smaller projects depending on budgets. The first area we will approach will be the current snooker area. The current 4 snooker tables have been moved to the old Buffet area and expanded by 2 tables to a total of 6 tables - these 2 additional tables are from the old Corrimal Leagues Club and have been refurbished. The area has been upgraded to reflect its use as a leisure area, we may also have the potential to see if Darts can be re-introduced, but it will depend on space.

With the snooker tables moved, there will be more lounge and seating furniture in the space, creating more leisure and seating area near the Craft and the front of the club. This space will provide the opportunity for an alternative entertainment area on Friday and Saturday nights, plus more seating for our members on raffle nights.

During the year we communicated to the membership that Foxtel had increased their fees to a level that could not be justified commercially. After regular communication with Foxtel, who at the time saw no reason to reconsider their fees to us, we initially ceased the service at PKGC and then this year at Wests Illawarra. We have stayed in communication with Foxtel and continued discussions, like all parts of our business we constantly review our operations. Currently the impact of removing Foxtel is difficult to quantify, so at their previous suggested fees it would make it very difficult to reconsider the service. The prime issue was how Foxtel rated us on their pay table, they treated Wests Illawarra at the same level they treated a club like Mount Pritchard, a top 3 club in NSW, and this never made any sense to us. If the options with Foxtel were to change, we will communicate this to the membership. At this stage I would not foresee a change prior to early

2020. As a management team, we will always look at what is best for the members and the business.

During the year we will be designing an upgrade to our central club toilets, between the Bask Lounge and Artisan. We will be increasing their footprint, significantly upgrading and also adding in a parent's room. Once these plans are completed and costed a DA will be lodged with Wollongong Council. I expect that we will start communicating more details during the first half of 2020, construction will be budget and business progress dependent. The latest I see these works happening will be in 2020/2021. During 2019/2020 we will also be reviewing our current plans for stage 2 and stage 3 of Artisan, as well as updating the Wests Illawarra site Master plan. We also hope to settle on the first parcels of leased land on the Wests Illawarra site from Wollongong Council, which we have been working on over the past few years.

Again, our community support has continued to be positive and we have continued our corporate community partnerships. We have actively set out to enhance these relationships beyond monetary contributions and ensure that we have active community engagement with each of them. We are proud of our major community partnerships with the Flagstaff Group, Lifeline, Youth off the Streets, the Disability Trust and St Vincent De Paul. As part of the developing relationships with our partners, Flagstaff invited our CFO, Renata Garnero onto their Board, bringing her expertise of finance and governance. This is a wonderful recognition for the fine contribution Renata makes to our own organisation in these areas.

The Vinnies CEO Sleepout has been a continuing project for the Aster Group - our first year of involvement was in 2015 when I had the pleasure of doing the sleepout. It is a very hard night, and it constantly reminds me how privileged I am and how hard day to day life is for many of our fellow Australians. Through this relationship, Vinnies also gives the staff of the Aster Group the opportunity to participate in the operation of the Vinnies Food Van. This is a unique experience, it gives the staff an opportunity to understand what others in our community face every day, as well as

understanding their place in society. It gives all of us a very different perspective, we continued this relationship during 2019 and will continue into 2020.

The team has supported me to raise nearly \$29,000 in 2019 for the Vinnies CEO Sleepout. The group has raised over \$130,000 over the last 5 years. An awesome achievement, thanks to all who have supported this great cause, staff who have been fundraising, also our suppliers and members. Our sporting bodies, including the Wests Devils who ran their own sleepout the Saturday before the actual event - 20 boys experienced firsthand what being out in the cold was like in Wollongong, and they have committed to do it again in 2020. The lady golfers at PKGC raised funds and other clubs in the area, including the Berkeley Sports Club got involved. I must thank the Board of Wests Illawarra for allowing myself and our team to participate and support such a worthy cause.

In addition to corporate community partners, our support is very much at the grass roots of sport and our team in Rugby League, the Wests Devils. Our relationship with Rugby League has seen some fantastic results in 2019 across both our juniors and seniors, the committees of both these great bodies must be congratulated for an excellent 2019.

## THANK YOU

To our members, thank you again for the privilege of joining us throughout the past year and the many prior to this. Every Club in the current climate needs the support of its members, and we need to be listening to the member's concerns and wants. We are fortunate to have your on-going support and feedback throughout the changes and improvements that occur at Wests Illawarra and Port Kembla Golf Club.

Our staff and leadership teams are deserving of ongoing thanks, they achieve so much and often deliver beyond what is asked. Nothing more can exemplify this than the efforts of all concerned

with the design, construction and delivery of Artisan. The first 8 weeks of operation has seen the front of house and back of house teams do an amazing job. Our customer service reputation is delivered by our staff every day, the efforts by many in the launch and the running of Artisan cannot be understated. I hope you have had the opportunity to experience the new area, and in turn had the opportunity to meet the staff who make Wests Illawarra a special place to be a member of.

As I enter year six at Wests Illawarra and Port Kembla Golf Club, I must again say thanks to Trevor Castle and his fellow Directors for the support and investment of time they give the leadership team and business. Without a Board that supports the direction of Wests Illawarra, (a business driven on values, and a culture that is focused on the customer experience) we would not be able to move forward the way we are.

We are always focused on being able to pride ourselves on a positive culture and creating the best customer experience in the Illawarra. I have been fortunate to see many of the team grow within the organisation over the years into higher roles, which is reflective of the business we are growing.

I wrap this report up with best wishes to all members and staff leading into the Christmas season. I hope you enjoy time with family and friends, and may 2020 be good for you.

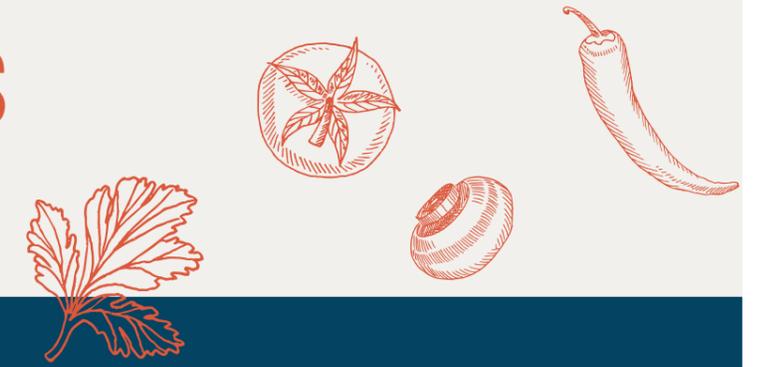
*Kind Regards,*



**DANIEL MUNK**

CEO

# CHAIRMAN'S REPORT



**"AS OUR CLUB'S GROWTH AND SUCCESS CONTINUES, SO TOO WILL THE SUPPORT THE CLUB CAN PUT BACK INTO OUR COMMUNITY."**

On behalf of the Board of Directors I present the Annual Report of Western Suburbs Leagues Club Illawarra Ltd for the 2018-2019 financial year.

This report will be put to the members for consideration and approval at the Annual General Meeting on Sunday 3rd November, 2019 at 10am.

The trading year under review included, as part of our ongoing investments in the Master Plan at Wests Illawarra, the construction and completion of the upgrade to our Table and Spoon area transforming it into our new dining experience the "Artisan".

We are extremely happy with the reaction from our members and increased trade, which reinforces the worth of the research and effort put in by our management team in planning designing and implementing this improvement project. I would like to thank our members and guests for your

patience and support during the construction phase.

At Port Kembla Golf Club, we have continued to progress the club facility and course improvements. Our functions and events business also continues to improve and an increase in golf club memberships is very encouraging and reflective of the efforts of our staff and the Golf Advisory Committee.

Danny's CEO report outlines the update on Manufactured Housing that has been previously communicated, along with options for the Driving Range.

I would like to convey thanks to the Port Kembla Golf Club Advisory Committee for their focus on the golfing initiatives, and look forward to our Management and Board working with the Committee on ongoing improvements at the Golf Club.

Again, on behalf of the Board of Directors, I thank members and staff for your patience and ongoing support in improving our facilities and offerings to our members and guests.

Our staff in particular who have at times, been very stretched to deliver the improvements in facilities and services, have responded professionally and put in a lot of effort to ensure positive outcomes for our group.

## FULL YEAR FINANCIAL RESULT

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Whilst we continue with our capital expenditure, the group has delivered continued growth and reasonable EBITDA (cash flow outcome), a credit to our Executive Team, our staff's diligence and the ongoing support of our members. *(Our CEO's report details the projects that have occurred across the Aster Group and the financial result in more detail).*

## CONTINUED FOCUS ON MASTER PLANNING AND CULTURE OF SERVICE

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As mentioned above, we continue to progress with staged improvements at Wests Illawarra and Port Kembla Golf Club. You will see in our CEO's report more detail on the steps, progress and benefits these initiatives are designed to deliver.

Our focus remains on our goal of making our culture of service a feature of our group, supporting our vision to provide lifestyle options and facilities that enhance and benefit our community. To that end, we continue to support staff training and development opportunities, including exposure to world leading service culture and practices whenever possible.

On behalf of the Board of Directors, I would like

to thank our management and staff at both sites within the Aster Group for their efforts and continued focus on improving customer service. These efforts contribute to delivering increased positive business outcomes that create an improved experience for our community, members and guests.

We appreciate the ongoing support from you, our members in ensuring the success of our clubs.

## PROUD CONTRIBUTORS TO OUR LOCAL COMMUNITY

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Our community contribution in 2018 – 2019 reached just over \$600,000.

Whilst we continue to responsibly manage our grants within a challenging fiscal environment, as always, our level of support to our local community is very significant. Our contributions always reach well in excess of the required legislative amounts. We are very proud to be able to provide this support and see the positive impacts that it generates. Whilst we can't always meet the requested grants of all our sporting and community bodies, the response of understanding and support from these groups is much appreciated by both our Management team and the Board of Directors.

A component of this community support continues through our Corporate Community Partners and impacting where assistance is needed. Our partners include: The Disability Trust, The Flagstaff Group, St Vincent De Paul, Youth of the Streets and Lifeline. This year again supported young people and families in need in the Illawarra region at the Disability Trust Gala Night held at Wests Illawarra. This year's event and the amazing generosity of our business community raised over \$140,000 to support the families of the Illawarra.

Again, as I have stated many times, I feel very privileged to be able to represent our club and its members in these kinds of initiatives for our community.

I also would like to commend our CEO Danny Munk for his participation in the "Vinnies CEO Sleep Out", and the support he continues to receive from our staff and from within the club industry. In 5 years, the organisation has raised over \$130,000 to support this very worthy community initiative. Danny has shown a great deal of energy for this cause since his first involvement in 2015. The passion he displays is a credit to him personally.

I would also like to congratulate all the sporting clubs for their efforts, their successes and the way in which they have conducted themselves over the past 12 months. Congratulations to the numerous volunteers that make these clubs as successful as they are.

This year the Wests Devils Senior Rugby League Club had another successful year, with both Seniors and Juniors having teams in the final series as we go to print. We wish them success during the finals. Congratulations to 1st grade coach Peter Mcleod, coaching staff at all levels, the committees and all junior and senior players.

To the sponsors of our Rugby League teams, thank you, your support is imperative to their ongoing success.

## A SUPPORTIVE BOARD

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I would like to thank my fellow Board members for their contribution and diligence throughout yet another demanding year.

Our CEO Danny Munk is entering his sixth year with the organisation and I would like to commend him for his leadership through a demanding five year period implementing our overall group Master Plan in a challenging environment for the club industry.

On behalf of the Board of Directors, I extend our thanks to Danny, his Executive Team, Customer Service Managers and all staff for their enthusiasm, commitment and efforts throughout the year. The staff at each of the sites continue to have a huge impact on the success and reputation of the Aster Group in terms of service, and as venues of choice

for our members and guests. Whilst I mention this every year in my report, it is extremely pleasing that their contribution is continually recognised through the amount of positive feedback received. They are very much appreciated.

To our members and affiliated sporting bodies, thank you for your ongoing support and I assure you that as our club's growth and success continues, so too will the support the club can put back into our community.

Finally I wish all members, guests and staff a very enjoyable festive season and a prosperous new year.

Kind regards,



**TREVOR CASTLE**

Chairman

# COMMUNITY PARTNERS SAY 'THANKYOU' TO WESTS ILLAWARRA MEMBERS!



Mario 😊



## Thank You From Mario

" I was lucky to be involved in the film course. I have learnt so much about video, seeing behind the scenes and how much effort it takes to produce something. Best of all I learnt to work as a team, be creative and the program helped me gain confidence. I have also met some great people and had lots of fun whilst discovering new things. Thank you Wests Illawarra Members for funding the program and the opportunity. "

**Mario, Program recipient**



## Thank You From Adriana

" Coming to Craig Davis College was great. I had some problems at my old high school and now I'm finally in a place where the teachers care about me. I've been getting support from our youth worker and counsellor to help me with my confidence and they helped me get some work experience through the JOBS program. The teachers also helped me with my computer skills and understand things like payslips, tax and superannuation for when I get a job. I'm starting to apply for jobs now so I can buy my own stuff and save for a car. "

**Adriana, Program recipient**  
(name changed for privacy)



## Thank You From Rachel

" Everybody has a role to play in preventing suicide. The fact that we can provide free suicide prevention training to 120 people in our local community makes a very positive difference. Thank you to Members of Wests Illawarra for helping to keep people in our local community safe. "

**Rachel Norris, Lifeline South Coast CEO**



Alex 😊

## Thank You From Alex

" A big thank you to Wests Illawarra Members for helping me continue to go to Drama Programs and Camps through Kids Fund. I am really grateful and will continue to spread the good news to help out other families. "

**Alex Dawson, Kids Fund recipient**  
(The Disability Trust)



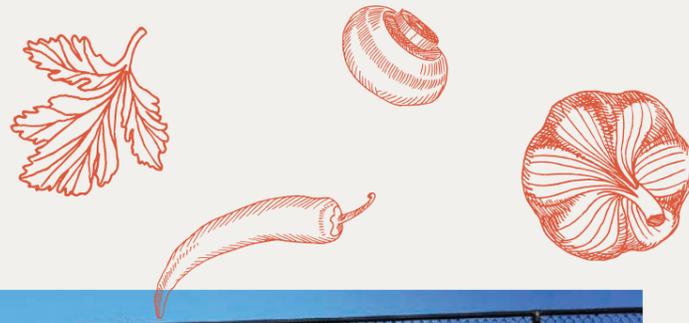
## Thank You From Peter

" On behalf of the thousands of people we're able to assist as a result of your generosity and kindness, I extend heartfelt thanks to Members of Wests Illawarra for your invaluable support in raising awareness and much-needed funds for people experiencing homelessness in the Illawarra. "

**Peter Quarmby, Executive Officer,**  
**St Vincent de Paul Society**  
(Wollongong Central Council)



# SPORTING GROUPS



## WESTS ILLAWARRA AQUATIC CLUB

" Wests Illawarra Aquatic Swimmers say Thank You to Wests Illawarra members for your Support.

The recent success of the Wests Illawarra Aquatic Swim Club is in no small part due to the support of the Wests Illawarra members who, through their ongoing financial support, have enabled the club to invest in the development of their swimmers through events such as skills development camps and the National selection presentation night held at Wests Illawarra.

The support has enabled the club to offset some of the travel costs and allowed for the whole

squad to fully participate in the opportunities offered. The WIAQ club is the most successful swim club in the Illawarra at the present time and on behalf of all our swimmers, coaches and parents we say a big thank you to the members of Wests Illawarra for their ongoing generosity and support."

**James Davies, President**



## WESTS ILLAWARRA CRICKET CLUB

" Playing cricket for Wests means so much to our team, and we couldn't do it without the support of Wests Illawarra Members. We wouldn't have the much-needed funds and assistance which provides the Cricket Club an opportunity to ensure cricket is affordable for local families."

**Mark Waldo, President**



## UNANDERRA HEARTS SOCCER CLUB

" Playing football in the Unanderra area allows our kids to meet new friends and create a sense of community. We couldn't do it without the support of the Wests Illawarra Members. Without their support, we wouldn't have the much-needed funds and assistance which provides the club an opportunity to ensure football is available for all kids in the local area."

**Treasurer, Lou Volpato**



## WESTS ILLAWARRA HOCKEY CLUB

" Thank you for the ongoing support of Wests Illawarra members. As a local hockey club, we strive to provide quality facilities, coaching, playing uniforms and playing / training equipment to ensure the safety and enjoyment of all our members. We recently purchased 3 new quality junior goal keeping kits with the financial support of Wests Illawarra members. Your support enables the Wests Illawarra Hockey Club to ensure hockey is affordable for local families and it is very appreciated."

**Karina Welsh, Wests Illawarra Hockey Club**



# CLUBGRANTS RECIPIENTS



# THE 2019 SEASON REPORTS



**WESTS  
DEVILS**  
FOOTBALL CLUB

## JUNIORS



Well, that's another football season done and dusted! It seems like only yesterday we were registering players, organising coaches, distributing gear and thinking that summer would never end. It was a pretty hot start to the season and there certainly were days that it felt like that we really should have been at the beach rather than standing on the side of a football field!

We would like to sincerely thank all our coaches, managers, medical staff and water runners that gave up their time; week in and week out; to give our Junior Devils every opportunity to play the game that they love. Thank you to the parents who volunteered their time to set up and pack up the fields, work in the canteen, be ground manager and transport sometimes not only your own children, but other kids as well, to training and their games. Thank you also to the parents and friends that attended the Trivia Night. It once again proved to be a night filled with fun and laughter, with all the proceeds going towards our Mini, Mod and International presentations.

To our major sponsor, Wests Illawarra, thank you for your continued support this year. Thank you also to our other sponsors, we look forward to continuing our partnerships in 2020.

I would like to congratulate the Senior Club and Peter McLeod on their success in the 2019 season. All of our senior teams made it into the Carlton League Final Series, including our Open Women's Red side. Good luck to all the teams in the 2019 Final series.

Our Junior Devils had another great year. Our mini teams had a fabulous season and always looked like they were having the best time - both on and off the field. The girls' leaguetag teams had a strong season with the 10.1s, 12.2s, 14.1s, and 16.1s making it into the final series. A massive congratulations to the 12.2 girls who were successful and won the Grand Final, winning back to back premierships. Our mod teams competed strongly each week with the 11.1s and the 12.1s making it into the final series. Congratulations to Aaron and the Under 11s who successfully defended their title and won the premiership again in 2019. Our international sides have had another successful year. All the very best of luck to our 13.1s, 14.1s and our 15.1s who are all playing in the final series starting this week.

To all our teams - win, lose or draw - who have competed fairly, shown up to training and got in and had a go each week, we are super proud of you all! A special mention, once again, must go to our coaches and their training staff for all your time and effort, the kids would not be where they are without you!

Enjoy the summer sports and we will see you all back in the mighty red and blue in 2020.

Merry Christmas and a Happy New Year to all our families, sponsors and supporters.

Up the Devils!

**Sam Baldock - Secretary**

## SENIORS

2019 proved to be another successful year for the Devils with a strong showing in all grades. Our First Grade and Under 18s unfortunately fell in the Grand Final, with Reserve Grade undefeated throughout the year and Third Grade and the Ladies League Tag both claiming back to back premierships.

Mitch Phillips and Alex Lobb also added individual milestones, winning the top point scorer in Reserve Grade and Under 18 competitions.

In representative honours, Wests continued to provide pathways to players with Michael Applebee, Tony Pellow and Joseph Dickson representing the U23 side and both Tony Pellow and Michael Applebee being Selected in the NSW Under 23 Country Team to tour New Zealand later in the year.

Alex Lobb, Braith Lawrence-Foye, Phoenix Ventebua-Finnerty, Giovanni Nassau, Tuakana Rangihaeata, Jordan Karakousis and Tearana Temaari all represented the region in the Laurie Daley Country Championship squad, with Phoenix Ventebua-Finnerty selected in the Country Under 18s Representative team.

We also farewell Rhys Hanbury following his return to Wests in 2019. It's great to see several local juniors who have gone on to the larger stage return to the club in recent years to finish up their playing days.

We take this opportunity to show our appreciation to all persons associated with our club, whether they are committee members, coaching staff, trainers, managers, physios, water runners, volunteers and most importantly our sponsors and supporters, thanks for making our year as memorable as it has been. A special thankyou to our major Sponsor Wests Illawarra Leagues Club for their continued support, enabling our Club to be successful at all levels, from Juniors upwards.

**Drew Fern - Secretary**



# 70<sup>TH</sup> ANNIVERSARY

**WESTS DEVILS  
RUGBY LEAGUE**



**WESTS ILLAWARRA  
CRICKET CLUB**



The Wests Devils Football Club and Wests Illawarra Cricket Club celebrated their 70th anniversary on Saturday 16 February 2019 with an Anniversary Dinner at Wests Illawarra. Since being established in 1949, these clubs have been an active and positive leader in the development and fostering of young Illawarra talent. Furthermore, both clubs have a proud record with numerous premierships, titles and championships won over 70 years.

Notable Wests Devils alumni and former Australian professional rugby league footballer and coach, John Dorahy, offered his congratulations to the Wests Devils, Wests Cricket Club and the Aster Group on this celebration of 70-years-young. John played as a Wests Devils junior from 1966 to 1971 as well as first grade from 1971 to 1973 and again in 1986.

Wests Devils Rugby League Club's 70th anniversary will be held at Wests Illawarra in February



Former Wests Devils players reminisce in the lead up to the Rugby League Club's 70th anniversary



**"In an amazing way Wests Devils had the most profound and wonderful impact on my life, both as a Rugby League player and as a person. It taught me how to have respect, admiration, humbleness and how to work hard. But most of all, the club taught me the importance of the institution, being a member of a club and giving back to others and the community."**

**John Dorahy, Wests Devils alumni and former Australian professional rugby league player and coach**

**"The significant Illawarra milestone deserved a celebration. The Wests Devils Football Club and Wests Illawarra Cricket Club have been long-standing fixtures in the Illawarra community, nurturing young sporting talent and region representatives, whilst facilitating healthy community engagement and comradery. The Aster Group were proud to celebrate the history and contribution of these clubs at the Anniversary Dinner."**

**Daniel Munk, Aster Group CEO**

**"The support over the past season was extended beyond our expectation, with the club promoting and hosting the 70th anniversary celebration of both Wests Devils Rugby League and Wests Illawarra Cricket Club with a combined gala event. It was made possible for past and present club members of both organisations the opportunity to celebrate both sporting bodies great achievements over the past 70 years."**

**Wests Illawarra Cricket Club**



## FINANCIAL REPORT 2019



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FOR THE YEAR ENDED 30 JUNE 2019. WESTERN SUBURBS LEAGUES CLUB ILLAWARRA LTD. ABN 29 000 964 152

Western Suburbs Leagues Club Illawarra Ltd  
 Directors' report  
 For the year ended 30 June 2019

The directors present their report together with the financial statements of Western Suburbs Leagues Club Illawarra Ltd (the Company) for the financial year ended 30 June 2019 and the auditor's report thereon.

**Information on directors**

The names of each person who has been a director during the year and to the date of this report are:

- Mr Trevor Castle** Retired General Manager Operations. Chairman of the Board of Directors since 28 October 2001. Director of Western Suburbs Leagues Club Illawarra Ltd since 1999. Member of Western Suburbs Rugby League Football Club since 1996. Member of Western Suburbs Leagues Club Illawarra Limited since 1988.
- Mr Richard Humble** Retired Supervisor. Vice Chairman of the Board of Directors Life Member. Life Member of Western Suburbs Leagues Club Illawarra Ltd since 1 March 1969. Life Member and current President of the Red Devils Amateur Fishing Club (of 28 years). Member of Disciplinary Committee. Director of Western Suburbs Leagues Club Illawarra Ltd since 1998.
- Mr John Dorahy GAICD** Director of Western Suburbs Rugby League Football Club since 2001 and Treasurer since 2011. Employed as Sales Director Australia NZ for Crane Payment Innovations 2002-present. A Councillor on Wollongong City Council since 2011 sitting as Deputy Lord Mayor for 3 years. Chairman of CareSouth, a Not-For-Profit organisation since February 2017. Held the following directorship: Leagues Clubs Australia organisation 2001-2016; VenuesNSW 2012-2016
- Mr Russell Hayes** Builder (self-employed). Member of Western Suburbs Leagues Club Illawarra since 1987. Member of Western Suburbs Rugby League Football Club since 1996. Licensee for Western Suburbs Rugby League Football Club since 2002. Director of Western Suburbs Leagues Club Illawarra since 2001.
- Mr Mathew Reh** Assistant Development Manager. Member of Western Suburbs Leagues Club Illawarra Ltd since 1993. Director of Western Suburbs Leagues Club Illawarra Ltd since October 2003. Member of Western Suburbs Rugby League Football Club since 1994. President and member of Western Suburbs Rugby League Football Club since 2003. Commenced playing in Wests Junior competition in 1984 through to 1993. Played 120 first grade games for Western Suburbs Rugby League Football Club and held the position of First Grade Captain for four years.

Western Suburbs Leagues Club Illawarra Ltd  
 Directors' report  
 For the year ended 30 June 2019

- Mr Marco Boncompagni** Retired. Member of Western Suburbs Leagues Club Illawarra Ltd since 1995. Director of Western Suburbs Leagues Club Illawarra Ltd since October 2009. Member of Western Suburbs Junior Rugby League Football Club since 1992. President of Western Suburbs Junior Rugby League Football Club 1999 to 2008 & 2012 to 2013. Life Member of Western Suburbs Junior Rugby League Football Club since 2006. Member of Western Suburbs Rugby League Football Club since 1999 as Junior League Delegate to the Senior League. Wests Illawarra Cricket Club delegate to Cricket Illawarra.
- Mr Greg Baldock** Manager and Mechanical Engineer working for BlueScope from 1992 to present. Member of Western Suburbs Leagues Club Illawarra since 1992. Member of Western Suburbs Rugby League Football Club for over 15 years. Former player and Clubman of the Year. Current member of the Western Suburbs Rugby League Football Club Committee and junior team coach.
- Mr Mark Thomsen** Company Director. Retired from Westpac Banking Corporation in 2010, last 15 years in senior leadership roles in Business and Corporate Banking. Member of Port Kembla Golf Club Ltd since 1998, Director from 2007 till amalgamation. Director of Western Suburbs Leagues Club Illawarra Ltd since December 2015. Completed Clubs NSW Mandatory Director Training (Finance for Club Boards and Director Foundation/Management Collaboration) in 2013.
- Mr Stuart Duncan** Retired Information Technology and Business Consultant (self employed for 33 years). Director of Western Suburbs Rugby League Football Club since October 2017. Long standing member of Wests Illawarra Snooker Club having represented our club both nationally and internationally for over 30 years. Previous board member for Port Kembla Golf Club (before and during amalgamation) and remains an active Port Kembla Golf Club member and golfer.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Directors' meetings**

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year were:

Director	Number of meetings attended	Meetings eligible to attend
Trevor Castle – Chairman	11	14
Richard Humble	13	14
John Dorahy	10	14
Marco Boncompagni	13	14
Russell Hayes	12	14
Mathew Reh	10	14
Greg Baldock	12	14
Mark Thomsen	13	14
Stuart Duncan	12	14

## Principal activities

The principal activity of the Company during the course of the financial year was the operation of registered clubs. There were no significant changes in the nature of the activities of the Company during the year.

## Short and long term objectives

The Company's primary objectives are:

- To foster, develop, promote and encourage Rugby League and other sports, and to provide good fellowship and the social well being of its members and the Illawarra community; and
- To achieve ongoing future financial viability for the Club as a corporate entity whilst adhering to its core values and objects to the maximum extent possible.

## Performance measures

The following measures are used within the Company to monitor performance:

- the quality of the service and facilities provided to members;
- the ability to generate strong cash flows from its operating activities;
- the trading and overall financial result;
- the stability of the balance sheet with respect to the Company's liquidity and the total levels of debt;
- the review of financial performance against relevant industry data;
- the assessment of various governance and compliance aspects of the business;
- the level of funding and in-kind support granted to sporting and community groups;
- the evaluation of organisational culture initiatives; and
- the ability to create long term value and improvement for Wests by enhancing our products, services, offerings and operation.

## Review of operations

The loss of the Company for the financial year amounted to \$600,207 (2018: profit of \$1,020,803). The company continues to meet its commitments to community, sporting and charitable organisations, as well as providing members with quality entertainment and facilities at the lowest prices possible, having regard to increasing costs and government charges which continue to burden the club industry.

## Members guarantee

Western Suburbs Leagues Club Illawarra Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$2, subject to the provisions of the Company's constitution. At 30 June 2019 the collective liability of members was \$42,646 (2018: \$45,268).

## Non-audit services

The Board of Directors, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that these services did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board and management prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

## Indemnification and insurance of officers and auditors

### Indemnification

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

### Insurance premiums

During the financial year the Company has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 30 June 2019 and since the financial year, the Company has paid premiums in respect of such insurance contracts for the year ending 30 June 2020. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Company.

The directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

## Lead auditor's independence declaration

The Lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, is set out on page 49 and forms part of the directors' report for the financial year ended 30 June 2019.

This report is signed in accordance with a resolution of the Board of Directors:



Trevor Castle  
 Chairman

Dated at ..... Wollongong this 24<sup>th</sup> day of September 2019

Western Suburbs Leagues Club Illawarra Ltd

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Sales revenue	5	21,763,895	22,223,869
Other revenue	5	2,514,442	2,369,359
Other income	5	810,880	2,146,334
Bar – cost of sales		(748,689)	(837,093)
Bar – direct expenses		(789,473)	(866,090)
Gaming expenses		(9,381,159)	(9,392,407)
Catering – cost of sales		(795,975)	(774,687)
Catering – direct expenses		(2,002,964)	(1,920,811)
Operations expenses		(3,629,270)	(3,706,520)
Facility expenses		(1,858,365)	(1,761,726)
Human resources expenses		(878,370)	(620,031)
Marketing expenses		(1,915,985)	(1,961,743)
Administration expenses		(1,791,549)	(2,043,545)
Function expenses		(539,191)	(511,294)
Operating expenses – golf course operations		(1,358,434)	(1,322,812)
<b>Operating (loss)/ profit before income tax</b>		<b>(600,207)</b>	<b>1,020,803</b>
<b>Income tax benefit/(expense)</b>	7	<b>-</b>	<b>-</b>
<b>(Loss)/ Profit for the year</b>		<b>(600,207)</b>	<b>1,020,803</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(600,207)</b>	<b>1,020,803</b>

The statements of profit or loss and other comprehensive income are to be read in conjunction with the notes to the financial statements set out on pages 30 to 47.

Western Suburbs Leagues Club Illawarra Ltd

Statement of Financial Position

As at 30 June 2019

	Note	2019 \$	2018 \$
<b>Assets</b>			
Cash and cash equivalents	9	1,483,750	1,030,767
Trade and other receivables	10	81,493	88,145
Inventories	11	188,400	181,310
Other assets	12	301,023	366,254
<b>Total current assets</b>		<b>2,054,666</b>	<b>1,666,476</b>
Intangible assets	13	1,725,227	2,505,227
Property, plant and equipment	14	34,264,701	32,782,036
<b>Total non-current assets</b>		<b>35,989,928</b>	<b>35,287,263</b>
<b>Total assets</b>		<b>38,044,594</b>	<b>36,953,739</b>
<b>Liabilities</b>			
Trade and other payables	15	2,429,674	2,349,389
Borrowings	16	1,433,019	2,001,369
Employee benefits	17	912,644	824,249
<b>Total current liabilities</b>		<b>4,775,337</b>	<b>5,175,007</b>
Borrowings	16	3,198,253	1,150,711
Employee benefits	17	237,479	194,289
<b>Total non-current liabilities</b>		<b>3,435,732</b>	<b>1,345,000</b>
<b>Total liabilities</b>		<b>8,211,069</b>	<b>6,520,007</b>
<b>Net assets</b>		<b>29,833,525</b>	<b>30,433,732</b>
<b>Members' funds</b>			
Retained earnings		29,833,525	30,433,732
<b>Total equity</b>		<b>29,833,525</b>	<b>30,433,732</b>

The statements of financial position are to be read in conjunction with the notes to the financial statements set out on pages 30 to 47.

Western Suburbs Leagues Club Illawarra Ltd

Statement of changes in equity

For the year ended 30 June 2019

Note	Retained earnings	Total
	\$	\$
Opening balance at 1 July 2017	29,412,929	29,412,929
<b>Total comprehensive income for the year</b>		
Profit for the year	1,020,803	1,020,803
Total comprehensive income for the year	<u>1,020,803</u>	<u>1,020,803</u>
<b>Closing balance at 30 June 2018</b>	<u>30,433,732</u>	<u>30,433,732</u>
Opening balance at 1 July 2018	30,433,732	30,433,732
<b>Total comprehensive income for the year</b>		
Loss for the year	(600,207)	(600,207)
Total comprehensive income for the year	<u>(600,207)</u>	<u>(600,207)</u>
<b>Closing balance at 30 June 2019</b>	<u>29,833,525</u>	<u>29,833,525</u>

The statements of changes in equity are to be read in conjunction with the notes to the financial statements set out on pages 30 to 47.

Western Suburbs Leagues Club Illawarra Ltd

Statement of cash flows

For the year ended 30 June 2019

Note	2019	2018
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	26,622,981	24,552,716
Payments to suppliers and employees	(23,636,609)	(22,103,070)
Interest received	905	380
Interest paid	(120,146)	(253,224)
<b>Net cash from/(used in) operating activities</b>	<u>2,867,131</u>	<u>2,196,802</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	844,791	8,129,577
Payment for property, plant and equipment	(4,385,899)	(499,971)
Proceeds from sale of intangible assets	1,040,000	-
<b>Net cash from/(used in) investing activities</b>	<u>(2,501,108)</u>	<u>7,629,606</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	1,715,427	195,062
Payment of finance lease liabilities	(1,628,467)	(1,450,034)
Repayment of borrowings and facilities	-	(8,439,003)
<b>Net cash from/(used in) financing activities</b>	<u>86,960</u>	<u>(9,693,975)</u>
<b>Net increase/(decrease) in cash held</b>	452,983	132,433
Cash and cash equivalents at 1 July	<u>1,030,767</u>	<u>898,334</u>
<b>Cash and cash equivalents at 30 June</b>	<u>9 1,483,750</u>	<u>1,030,767</u>
<b>Non-cash Transactions:</b>		
Purchase of property, plant and equipment through finance lease	<u>1,392,232</u>	<u>1,677,170</u>

The statements of cash flows are to be read in conjunction with the notes to the financial statements set out on pages 30 to 47.

Western Suburbs Leagues Club Illawarra Ltd

Notes to the financial statements

For the year ended 30 June 2019

**1 Reporting entity**

The financial statements cover Western Suburbs Leagues Club Illawarra Ltd (the “Company”) and are as at and for the year ended 30 June 2019. Western Suburbs Leagues Club Illawarra Ltd is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

The primary objective of the Company is the provision of services for members.

**2 Basis of preparation**

**(a) Basis of accounting**

The financial statements are Tier 2 general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board and the Corporations Act 2001.

This is the first set of the Company’s annual financial statements in which AASB 9 *Financial Instruments* has been applied. Changes to significant accounting policies are described in Note 2 (e).

They were authorised for issue by the Board of Directors on 24<sup>th</sup> September 2019.

**(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis unless stated otherwise.

**(c) Functional and presentation currency**

These financial statements are presented in Australian dollars, which is the Company’s functional currency.

**(d) Use of estimates and judgements**

In preparing the financial statements, management has made judgements, estimates and assumptions that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are described below:

*Key estimates - impairment of property, plant and equipment*

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

*Key estimates - employee benefits provision*

Assumptions are required for wage growth and CPI movements. The likelihood of employees reaching unconditional service is estimated. The timing of when employee benefit obligations are to be settled is also estimated.

Western Suburbs Leagues Club Illawarra Ltd

Notes to the financial statements

For the year ended 30 June 2019

**2 Basis of preparation (continued)**

**(d) Use of estimates and judgements (continued)**

*Key estimates - useful lives of assets*

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets. The depreciation and amortisation charge will increase where useful lives are less than previously estimated lives.

*Key judgments - taxes*

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable revenues being generated against which tax losses will be available for offset based on budgets, current and future expected economic conditions (refer note 7 and 8).

*Key judgments - valuation inputs*

In assessing the carrying values of the Company’s main property assets to ensure that they do not exceed their recoverable amount, fair value is estimated based on appraisals performed by an independent, professionally-qualified property valuer. The significant inputs and assumptions are developed in close consultation with management and the valuation processes and impairment provision value changes are reviewed by the Board of Directors at each reporting date.

The recoverable amounts of property assets were determined based on value-in-use calculations, which included the option of applying depreciated replacement cost given that the Company is a not-for-profit. This incorporated the calculation of the remaining useful lives of relevant assets as a going concern, as determined by the independent valuer and verified by management.

**(e) Changes in accounting policies**

The Company has adopted AASB 9 *Financial Instruments* from 1 July 2018.

Due to the transition methods chosen by the Company in applying the standard, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standard.

*AASB 9 Financial Instruments*

AASB 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces AASB 139 *Financial Instruments: Recognition and Measurement*.

The Company has adopted AASB 9 using the cumulative effect method with the effect of initially applying this standard recognised at the date of initial application.

**(i) Classification and measurement of financial assets and financial liabilities**

AASB 9 contains three principal classification categories for financial assets: measured at amortised costs, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under AASB 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. AASB 9 eliminates the previous AASB 139 categories of held to maturity, loans and receivables and available for sale.

## Western Suburbs Leagues Club Illawarra Ltd

## Notes to the financial statements

For the year ended 30 June 2019

**2 Basis of preparation (continued)****(e) Changes in accounting policies (continued)**

AASB 9 largely retains the existing requirements in AASB 139 for the classification and measurement of financial liabilities.

The adoption of AASB 9 has not had a significant effect on the Company's accounting policies related to financial assets or financial liabilities. Trade and other receivables and cash and cash equivalents which were previously classified as loans and receivables under AASB 139 are classified as amortised cost under AASB 9. This has had no impact on the measurement of these assets.

**(ii) Impairment of financial assets**

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under AASB 9, credit losses are expected to be recognised earlier than under AASB 139. The Company has determined that the application of AASB 9 to the impairment of financial assets has not had a significant impact on the provision for doubtful debts and no adjustment to the provision recognised at 30 June 2019 is required.

**3 Significant accounting policies**

The Company has consistently applied the following accounting policies to all periods presented in the financial statements, except if mentioned otherwise (see also Note 2 (e)).

**(a) Financial instruments***Non-derivative financial instruments*

The Company's non-derivative financial assets include trade and other receivables and cash and cash equivalents. The Company's non-derivative financial liabilities include other financial liabilities.

*Initial recognition and measurement*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial liabilities are classified as measured at amortised cost.

*Derecognition*

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including non-cash assets or liabilities assumed is recognised in profit or loss.

## Western Suburbs Leagues Club Illawarra Ltd

## Notes to the financial statements

For the year ended 30 June 2019

**3 Significant accounting policies (continued)****(a) Financial instruments (continued)***Financial assets – Policy applicable from 1 July 2018*

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value other comprehensive income – debt investment; fair value other comprehensive income – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

**(i) Financial assets at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

*Financial assets – Policy applicable prior to 1 July 2018***(i) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

**(ii) Financial liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest method.

**(b) Inventories**

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

**(c) Intangibles***Gaming machine entitlements*

Gaming machine entitlements have indefinite useful lives given they have no expiry date.

Gaming machine entitlements are recognised at cost of acquisition. They are carried at cost less any accumulated impairment losses.

*Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

*Amortisation*

Gaming machine entitlements have indefinite useful lives as they have no expiry date. Accordingly, such intangible assets are not amortised but are systematically tested for impairment at each reporting date.

Western Suburbs Leagues Club Illawarra Ltd

Notes to the financial statements

For the year ended 30 June 2019

3 Significant accounting policies (continued)

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

The acquisition date of an item of property, plant or equipment is determined when the significant risks and rewards of ownership have transferred to the Company. This will normally take place upon the exchange of unconditional contracts of sale, except for purchases of commercial properties, which are recognised on settlement.

Properties held by the Company specifically designated as being for strategic purposes are classified as property, plant and equipment rather than investment properties, as allowed under the Accounting Standards notwithstanding that rental income is being earned. These properties are carried at cost less depreciation and impairment losses.

Plant and equipment are measured on a cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of the plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in the statement of profit or loss and other comprehensive income or as a revaluation decrease if the impairment losses related to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 3(f) for details on impairment).

Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives, and is generally recognised in the statement of profit or loss and other comprehensive income. Land is not depreciated. Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Fixed asset class	Depreciation rate
Buildings	2.5% - 20%
Leasehold Improvements	4%-20%
Plant and Equipment	2.5% - 50%
Office equipment, furniture and computers	5% - 50%
Motor vehicles	20 - 25%
Poker machines (including conversions)	20 - 50%

The asset's residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Western Suburbs Leagues Club Illawarra Ltd

Notes to the financial statements

For the year ended 30 June 2019

3 Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in the statement of profit or loss and other comprehensive income when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Borrowing costs

Borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

(f) Impairment

The carrying amounts of the company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the statement of profit or loss and other comprehensive income.

(i) Calculation of recoverable amount

The recoverable amount of receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Impairment testing of significant receivables that are not assessed as impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance date.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Western Suburbs Leagues Club Illawarra Ltd

Notes to the financial statements

For the year ended 30 June 2019

**3 Significant accounting policies (continued)**

**(f) Impairment (continued)**

*(ii) Reversals of impairment*

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

*(iii) Derecognition of financial assets and liabilities*

A financial asset is derecognised when:

- the rights to receive cash flows have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all of the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit and loss.

**(g) Employee benefits**

*(i) Short term benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

*(ii) Defined contribution plans*

Obligations for contributions to defined contribution superannuation funds are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

*(iii) Other long term service benefits*

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in the statement of profit or loss and other comprehensive income in the period in which they arise.

Western Suburbs Leagues Club Illawarra Ltd

Notes to the financial statements

For the year ended 30 June 2019

**3 Significant accounting policies (continued)**

**(g) Employee benefits (continued)**

*(iv) Termination benefits*

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

**(h) Revenue**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

*Goods sold and services rendered*

Revenue from the sale of goods is recognised in profit or loss at the point of delivery as this corresponds to when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in profit or loss when the underlying services have been provided. No revenue is recognised if there is significant uncertainty regarding recovery of consideration due.

*Subscriptions*

Revenue from the provision of membership subscriptions is recognised over the period in which the underlying subscription pertains to.

All revenue is stated net of the amount of goods and services tax (GST).

*Poker machine revenue*

Poker machine revenue is recognised in profit loss, net of prizes and jackpots, once the underlying games have been completed.

*Other gaming revenue*

Other gaming revenue is recognised in profit or loss when the underlying gaming event has been completed.

**(i) Taxation**

*Income tax*

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

Western Suburbs Leagues Club Illawarra Ltd

Notes to the financial statements

For the year ended 30 June 2019

**3 Significant accounting policies (continued)**

**(i) Taxation (continued)**

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiary, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiary, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In determining tax balances, the Waratah's formula applicable to registered licensed clubs is used.

Western Suburbs Leagues Club Illawarra Ltd

Notes to the financial statements

For the year ended 30 June 2019

**3 Significant accounting policies (continued)**

**(j) Goods and services tax**

Revenue, 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 ATO. 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 are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**(k) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

**(l) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

**(m) Comparative figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**4 Going concern**

Notwithstanding the Company's loss for the financial year of \$600,207 (2018: profit \$1,020,603) and deficiency in current net assets of \$2,720,671 at 30 June 2019 (30 June 2018: deficiency of \$3,508,531), the financial report has been prepared on the going concern basis. This basis has been adopted as the Company has consistently traded on low current asset ratios, through the ongoing capacity and support of the Company's bankers (refer note 16) and the ability to consistently generate strong operating cash flows (2019: \$2,867,131 and 2018: \$2,196,802) to support the investing activities of the Club and the retirement of debt. The Directors are of the belief that such financial support will continue to be made available for a period of at least 12 months from the date this financial report is signed.

Western Suburbs Leagues Club Illawarra Ltd

Notes to the financial statements

For the year ended 30 June 2019

	Note	2019	2018
		\$	\$
<b>5 Revenue</b>			
<b>Sales revenue</b>			
Bar sales		2,414,102	2,612,329
Catering income		2,111,346	2,130,901
Gaming machine revenue		16,938,805	17,195,377
Commissions – Keno and TAB		299,642	285,262
		<u>21,763,895</u>	<u>22,223,869</u>
<b>Other revenue</b>			
Raffles		552,906	486,208
Membership subscriptions		499,701	474,973
Golf course revenue		1,052,148	991,043
Interest		905	380
Other revenue		408,782	416,755
		<u>2,514,442</u>	<u>2,369,359</u>
<b>Total revenue</b>		<u>24,278,337</u>	<u>24,593,228</u>
<b>Other income</b>			
Profit on sale of intangibles		260,000	-
Profit on sale of property, plant and equipment		550,880	2,146,334
<b>Total other income</b>		<u>810,880</u>	<u>2,146,334</u>
<b>Total revenue and other income</b>		<u>25,089,217</u>	<u>26,739,562</u>

**6 Results for the Year**

The statement of profit or loss and other comprehensive income presents the expenses based on function for the Company, below are the expenses by nature that are attributable to the Company excluding other expenses:

Depreciation and amortisation	4,001,555	4,090,564
Cost of sales	1,830,134	1,905,051
Interest expense on financial liabilities	120,147	253,224
Employee benefits expense	7,177,335	7,146,598
Superannuation contributions	611,754	597,561
Rental expense on operating leases minimum lease payments	44,573	38,952

Western Suburbs Leagues Club Illawarra Ltd

Notes to the financial statements

For the year ended 30 June 2019

**7 Tax Expense**

	2019	2018
	\$	\$
Tax expense	-	-
<b>Reconciliation</b>		
Accounting (loss)/ profit before tax	(600,207)	1,020,803
Income tax using statutory income tax rate 27.5% (2018:30%)	(165,057)	306,241
Add:		
Tax effect of:		
- impairment expenses not deductible	-	-
- other non-allowable items	58,302	51,481
- deductible expenses	(15,299)	(8,463)
- non-deductible member only expenses	278,296	276,748
	<u>156,242</u>	<u>626,007</u>
Less:		
Tax effect of:		
- non-taxable member income arising from principle of mutuality	(147,686)	(148,620)
- tax losses (utilised)/incurred but not recognised	(8,556)	(477,387)
	<u>-</u>	<u>-</u>

Under the Australian tax legislation changes enacted over the last two years, the company now meets the criteria to be considered a “base rate entity” for determining its corporate tax rate for the financial year ended 30 June 2019. This reduces the company’s tax rate for the financial year ended 30 June 2019 to 27.5% (2018: 30%).

**8 Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following:		
- revenue losses	238,697	317,398
- temporary differences	551,301	318,752
	<u>789,998</u>	<u>636,150</u>

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits therein, noting that the Company does not pay tax on income subject to the principle of mutuality.

Western Suburbs Leagues Club Illawarra Ltd

Notes to the financial statements

For the year ended 30 June 2019

	2019	2018
	\$	\$
<b>9 Cash and cash equivalents</b>		
Cash on hand	513,000	776,830
Cash at bank	970,750	253,937
	<u>1,483,750</u>	<u>1,030,767</u>
<b>10 Trade and other receivables</b>		
Other receivables	12,851	69,866
Deposits	68,642	18,279
	<u>81,493</u>	<u>88,145</u>
<b>11 Inventories</b>		
Inventories - bar	93,521	91,778
Inventories – catering	51,943	42,643
Inventories – other	42,936	46,889
	<u>188,400</u>	<u>181,310</u>
<b>12 Other assets</b>		
Prepayments	301,023	366,254
Total	<u>301,023</u>	<u>366,254</u>
<b>13 Intangible Assets</b>		
<i>Gaming machine entitlements</i>		
Balance at 1 July	2,505,227	2,505,227
Disposals during the year	(780,000)	-
	<u>1,725,227</u>	<u>2,505,227</u>

Western Suburbs Leagues Club Illawarra Ltd

Notes to the financial statements

For the year ended 30 June 2019

	2019	2018
	\$	\$
<b>14 Property, plant and equipment</b>		
<b>Freehold Land and Buildings</b>		
At cost	39,140,129	36,753,045
Capital WIP – at cost	295,563	288,130
Accumulated depreciation	(10,962,048)	(9,643,196)
Provision for impairment	(109,805)	(109,805)
	<u>28,363,839</u>	<u>27,288,174</u>
<b>Leasehold Improvements</b>		
At cost	731,909	731,909
Accumulated depreciation	(482,794)	(464,920)
	<u>249,115</u>	<u>266,989</u>
<b>Plant and Equipment</b>		
At cost	5,076,607	4,212,479
Accumulated depreciation	(2,916,361)	(2,679,651)
	<u>2,160,246</u>	<u>1,532,828</u>
<b>Motor Vehicles</b>		
At cost	150,854	150,854
Accumulated depreciation	(138,005)	(129,054)
	<u>12,849</u>	<u>21,800</u>
<b>Office Equipment, Furniture and Computers</b>		
At cost	1,376,129	1,251,646
Accumulated depreciation	(964,589)	(854,366)
	<u>411,540</u>	<u>397,280</u>
<b>Poker Machines</b>		
At cost	9,306,667	10,727,689
Accumulated depreciation	(6,239,555)	(7,452,724)
	<u>3,067,112</u>	<u>3,274,965</u>
<b>Total Property, Plant and Equipment</b>	<u>34,264,701</u>	<u>32,782,036</u>

Western Suburbs Leagues Club Illawarra Ltd

Notes to the financial statements

For the year ended 30 June 2019

14 Property, plant and equipment (continued)

(a) Reconciliation

Reconciliation of the carrying amounts for each class of property, plant and equipment are set out below:

	Land & Buildings	Leasehold Improvements	Plant & Equipment	Office Equipment, Furniture & Computers	Motor Vehicles	Poker Machines	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	27,288,174	266,989	1,532,828	397,280	21,800	3,274,965	32,782,036
Additions	2,747,357	-	1,143,218	152,509	-	1,735,047	5,778,131
Disposals	-	-	(15,639)	(7,996)	-	(71,174)	(94,809)
Write offs	(199,102)	-	-	-	-	-	(199,102)
Depreciation and amortisation expense	(1,472,590)	(17,874)	(500,161)	(130,253)	(8,951)	(1,871,726)	(4,001,555)
<b>Balance at 30 June 2019</b>	<b>28,363,839</b>	<b>249,115</b>	<b>2,160,246</b>	<b>411,540</b>	<b>12,849</b>	<b>3,067,112</b>	<b>34,264,701</b>

(b) Core and Non-Core Property

As required under section 41J of the Registered Clubs Act 1976, the Club is required to specify the core property and non-core properties owned and occupied as at the end of the financial year. Accordingly, the Board considers as core property the licensed premises from which the Club operates at Hargreaves Street Unanderra and Golf Place Primbee, including all freehold land referred to in the title deeds of the main licensed premises sites (predominantly the car parking area).

(c) Land and Building Valuation

An independent valuation of all properties was sought in respect of 30 June 2017 financial year-end.

These revaluations indicated that, with the exception of the Port Kembla Golf Club (PKGK), the fair values of all properties held at balance date for financial reporting purposes was in excess of their written down values, resulting in the reversal of the previous provision for impairment.

The land and building assets at PKGC were assessed as being \$109,805 lower than their written down value, and accordingly an equivalent impairment provision has been recognised.

Western Suburbs Leagues Club Illawarra Ltd

Notes to the financial statements

For the year ended 30 June 2019

	2019	2018
	\$	\$
<b>15 Trade and other payables</b>		
Trade payables	2,429,674	2,349,389
	<u>2,429,674</u>	<u>2,349,389</u>
<b>16 Loans and Borrowings</b>		
<i>Financing arrangements</i>		
<b>Current</b>		
Secured liabilities:		
Bank overdraft (a)	-	-
Commercials bills (a)	-	400,000
Finance lease liability (b)	1,281,517	1,482,826
Other borrowings	151,502	118,543
Total current loans and borrowings	<u>1,433,019</u>	<u>2,001,369</u>
<b>Non-Current</b>		
Secured liabilities:		
Commercials bills (a)	2,082,468	-
Finance lease liability (b)	1,115,785	1,150,711
Total non-current loans and borrowings	<u>3,198,253</u>	<u>1,150,711</u>

a) The commercial bill facility, with a limit of \$2,900,000 at 30 June 2019, is secured by:

- A registered mortgage over the Company's Unanderra property. This property has a carrying amount of approximately \$28M as at balance date.
- A Deed of Undertaking by the Company over licenced premises.
- A fixed and floating charge given over all assets of the Company, with the exception of those assets at Note (b) below.
- This commercial bill is non-current interest only and is due for a roll over in August 2020.

b) These liabilities are secured by the assets subject to the finance lease agreements. In addition, those facilities financed by the Company's bankers are secured as per Note (a) above.

Western Suburbs Leagues Club Illawarra Ltd

Notes to the financial statements

For the year ended 30 June 2019

	2019	2018
	\$	\$
<b>17 Employee benefits</b>		
<b>Current</b>		
Employee entitlements	912,644	824,249
	<u>912,644</u>	<u>824,249</u>
<b>Non-Current</b>		
Employee entitlements	237,479	194,289
	<u>237,479</u>	<u>194,289</u>

**18 Commitments**

**(a) Finance Leases**

At 30 June, the future minimum lease payments are payable as follows:

■ Not later than one year	1,282,952	1,678,113
■ One year or later but no later than five years	1,112,640	1,182,795
	<u>2,395,591</u>	<u>2,860,908</u>

**(b) Operating Leases**

At 30 June, the future minimum lease payments under non-cancellable leases are as follows:

■ Not later than one year	7,487	20,432
■ One year or later but no later than five years	-	6,176
	<u>7,487</u>	<u>26,608</u>

Operating leases are for various contracts associated with the ongoing Club operations and property leases.

**(c) Capital Expenditure Commitments**

At 30 June, the capital expenditure commitments contracts for:

■ Capital expenditure	-	530,000
	<u>-</u>	<u>530,000</u>

The capital expenditure commitment is in respect of poker machines, building renovations and improvements.

Western Suburbs Leagues Club Illawarra Ltd

Notes to the financial statements

For the year ended 30 June 2019

**19 Related party Transactions**

**Key management personnel compensation**

Key management personnel are those persons having authority and responsibility for planning directing and controlling the activities of the Company, directly or indirectly, including any director of the Company. Directors of the Company receive no remuneration or other benefits in respect of their role as directors. Total remuneration paid to key management personnel (2019: 7 employees, 2018: 8 employees) for the current and comparative periods was:

Key management personnel compensation	<u>1,226,675</u>	<u>1,316,155</u>
---------------------------------------	------------------	------------------

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) A close family member of one of the Company's Key Management Personnel is employed under the relevant industrial award and is subject to the terms and conditions applicable to all employees of the Company.

(b) Key Management Personnel are provided with and/or reimbursed for meals, drinks and other expenses incurred in the course of undertaking the Company's business. These costs are not considered to be remuneration and hence have not been included in this disclosure.

**20 Subsequent events**

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company.

Western Suburbs Leagues Club Illawarra Ltd  
Directors' declaration

1. In the opinion of the directors of Western Suburbs Leagues Club Illawarra Ltd ('the Company'):
  - a) the financial statements and notes, set out on pages 26 to 47, are in accordance with the Corporations Act 2001, including:
    - giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance, for the financial year ended on that date; and
    - complying with Australian Accounting Standards – Reduced Disclosure Regime and the Corporations Regulations 2001; and
  - 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:

Dated at Wollongong this 24<sup>th</sup> day of September 2019.



Trevor Castle  
Chairman



Lead Auditor's Independence Declaration under  
Section 307C of the Corporations Act 2001

To the Directors of Western Suburbs Leagues Club Illawarra Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Western Suburbs Leagues Club Illawarra Ltd for the financial year ended 30 June 2019 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



KPMG



David Willcocks

Partner

Wollongong

24 September 2019



## Independent Auditor's Report

To the Members of Western Suburbs Leagues Club Illawarra Ltd

### Opinions

We have audited the **Financial Report** of Western Suburbs Leagues Club Illawarra Ltd (the Company).

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

- giving a true and fair view of the **Company's** financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *Corporations Regulations 2001*.

The respective **Financial Report** comprises:

- *Statement of financial position* as at 30 June 2019
- *Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows* for the year then ended
- Notes including a summary of significant accounting policies
- *Directors' Declaration*.

### Basis for opinions

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

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 fulfilled our other ethical responsibilities in accordance with the Code.

### Other Information

Other Information is financial and non-financial information in Western Suburbs Leagues Club Illawarra Ltd's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.



### Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the 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 at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our Auditor's Report.

KPMG

David Willcocks

Partner

Wollongong

24 September 2019

