

CLUB MARCONI LIMITED
(FORMERLY KNOWN AS: CLUB MARCONI OF BOSSLEY PARK
SOCIAL RECREATION & SPORTING CENTRE LIMITED)



2019

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019



BOARD OF DIRECTORS



VINCENZO FOTI
PRESIDENT



MARIO SOLIGO
VICE PRESIDENT / SPORTS PRESIDENT



MORRIS LICATA
VICE PRESIDENT



SALVATORE VACCARO
DIRECTOR



ROBERT CARNIATO
DIRECTOR / FOOTBALL CHAIRMAN



SALVATORE NOIOSI
DIRECTOR



ANDREA CARNUCCIO
DIRECTOR



FRANK OLIVERI
DIRECTOR



ANGELO RUISI
DIRECTOR

CONTENTS

▶ President's Message	4
▶ Vice President/Sports President's Message	6
▶ Football Chairman's Message	8
▶ Directors' Report	10
▶ Auditor's Independence Declaration	19
▶ Financial Statements	20
▶ Statement of Profit or Loss and other comprehensive income	20
▶ Statement of Financial Position	21
▶ Statement of Changes in Equity	22
▶ Statement of Cash Flows	23
▶ Notes to the Financial Statements	24
▶ Directors' Declaration	47
▶ Independent Auditor's report to the members	48
▶ Trading Highlights	50

1. These financial statements are the financial statements of Club Marconi Limited as an individual entity.
2. The company was previously known as Club Marconi of Bossley Park Social Recreation & Sporting Centre Limited.
3. The financial statements are presented in the Australian currency, which is the company's functional and presentation currency.
4. Club Marconi Limited is a company limited by guarantee, incorporated and domiciled in Australia.
5. A description of the nature of the entity's operations and its principal activities is included in the directors' report on page 10, which is not part of these financial statements.
6. The financial statements were authorised for issue by the directors on 26 August 2019. The directors have the power to amend and reissue the financial statements.

PRESIDENT'S MESSAGE



VINCENZO FOTI
PRESIDENT

Over the past 12 months, the Club has provided over \$1M (financial and in kind) in Club Grants support.

Dear Members

As President and Chairman of the Club Marconi Board of Directors and on behalf of the Board, I endorse the accuracy of the information presented by the Club's appointed auditors PWC for the financial year ending June 2019.

I therefore respectfully present my Report in a year of re-establishment and focus on the strategic plan.

In the year ending June 2019 the Board and Management have completed the construction of our new outdoor gaming area which was one item of priority in our Strategic Plan.

The Board is now at the final stages of planning for the major upgrade to our main lounge, piazza and bar areas and the reconstruction and extension of our outdoor courtyard. These works will commence in early 2020, subject to Council approvals.

The enterprise with the highly accredited Doltone House, as major tenants will certainly provide a further characteristic and distinguishing quality to Club Marconi as well as providing other forms of income streams for the future prosperity of our Club.

The Club's trading for the year ending 30 June 2019 produced a net profit of \$701,251 in a year that the Club Industry has experienced many challenges and a significant decline in revenue levels across the industry.

The Board is very mindful and proactive in identifying strategies that will decrease the reliance on gaming revenue for the Club's sustainability.

Our gold edged investment in Narellan continues to grow as does the appreciation in the property valuation increasing from \$5M to \$13.2M. In addition, Bossley Park has also significantly increased in value from \$76M to \$88M, providing property assets in the balance sheet of over \$100M.

As a Board, we are proud of our obligation and indeed the financial and in-kind support that we give to the broader community as well as to the many sporting bodies and other associations of our club.

Over the past 12 months, the Club has provided over \$1M (financial and in kind) in Club Grants support.

We recognise the value of our loyal members who are the lifeline and the very existence and prosperity of our club, our commitment to you will always be to maintain a superior level of service and offer affordable prices.

It is my pleasure to acknowledge the conscientious and enthusiastic work ethics of our Executive Management Team headed by our CEO, Tony Zappia, CFO, Pete Dela Cruz, Brand and Marketing Manager, Caterina Catanzariti, Gaming Operations Manager, Matthew Biviano, People and Culture Manager, Daniela Scopizzi and Information Technology Manager, John Manduci who provide the expertise and knowledge in ensuring staff provide the competent service and delivery of the many community and special events that give our club a high distinction within the community.

Management and staff continually have the challenge of maintaining best practice, corporate governance and legislative requirements of an ever-changing industry.

I am proud to acknowledge and thank my fellow Directors for carrying out their duty and commitments in a most responsible and prudent way for the ultimate prosperity of Club Marconi.

I am honoured to be President of a club that is rich in its foundation, exemplary in its present and prosperous in its future.

Vince Foti
President

DIRECTORS' REPORT



VICE PRESIDENT / SPORTS PRESIDENT'S MESSAGE



MARIO SOLIGO

VICE PRESIDENT/SPORTS PRESIDENT

Once again, we saw our members represent the Club, state and country on national and international stages, travelling as far as Europe, the US, Middle East and Asia to compete.

I am pleased once again to present my Annual Sports President Report for 2019, a year celebrating 61 years of sports at Club Marconi. I sit back this time each year as the sporting season ticks over, to reflect my admiration of the 61-year legacy of sport at Club Marconi. It goes without saying that with my fellow sports Directors, I am humbled to know sporting champions have been formed on our hallow fields. Starting with bocce all the way back in 1958 to our modern-day Olympic heroes, the commitment and passion of our sports athletes, officials and volunteers is arguably second to none.

In saying that, I can't express enough my sincere gratitude and the privilege to be entrusted, along with our great past Sports Presidents, in representing the Club as both your Vice President and Sports President over the past year.

In the last 12 months, we see our sporting associations renew their membership base and levels of achievements. Apart from the wonderful achievements by our state and Australian champions, I'm particularly heartened to see the Club's continued commitment towards the 'People with Disabilities (PWD)' program and providing our wonderful facilities for clinics and competitions to PWD in netball, rugby league and bocce, with the expansion into carpet bowls in the future. All strength to the volunteers who drive these initiatives.

For 61 years, our sports associations continue to provide weekly social and competitive environments for our members. We still see our carpet bowlers, card players and bocce players participating up to 4 days a week. Our junior sporting groups of netball, fencing, rugby league, cricket, physical culture continue to achieve wonderful results. Not to be out-done, throughout the last twelve-months we have seen the Club host some of the best snooker and billiard players in the Australian and Asian regions, with various competitions whereby our Members have had a chance to take on the best and with some great success.

Club Marconi sports have enjoyed another year of accomplishment across the spectrum. Along with my Sports Executive, it gives me immense pride knowing that the Club supports wonderful facilities for over 2,000 sports men, women and children to train and play on, who proudly wear Marconi colours.

Once again, we saw our members represent the Club, state and country on national and international stages, travelling as far as Europe, the US, Middle East and Asia to compete.

I would like to thank all the Sports Executive Committees for giving up their time unselfishly and displaying commitment, which goes a long way to facilitating our many sporting achievements. It now gives me great pleasure in sharing just a few of our sporting highlights over 2018-19.

Our men's & ladies bocce continues to produce top-level players, and enjoyed tremendous results in a busy schedule. Again, the highlight was Marconi players sweeping all before them at the NSW State Championships, and then progressing to the Australian Championships returning as Australian Club Champions, and our very own Nicole Samsa winning the Precision Throw. Our prestigious Marconi and Presidents Cup's saw after many years our gent's bocce teams return to the summit by winning the Marconi Cup against clubs from NSW and interstate. Our carpet bowlers continue their dominance in the Presidents Cup against visiting Clubs. It was wonderful to see these two prestigious tournaments still being held after six decades. Congratulations to the carpet bowlers who retained the cup in their 60th year.

Club Marconi continues to host the South Pacific Cup, and other national billiards tournaments, drawing players from all over Australia & Asia. The association continues to attract world class competitors which is a great opportunity for our members to play against the best in the world. It was wonderful to see the 5-time world champion Peter Gilchrist play at the Club. SBB continue to host events with the Club as the preferred venue for many state tournaments and invitationals. Locally, the association continues its golden run of being the Western Sydney Snooker Association premier club.

Our high-achieving Marconi Fencing Academy continues to produce school, state and national champions, with our athletes competing all over the globe. Aleks Kotevski and Youth-Olympian

Robert Ciccarelli were recently honored by being Grand Prix champions with Robert also being named 2018 Athlete of the Year. Now that's what you call being honoured by your peers, well done to both. Extensive recruitment has started the cycle again of developing champions. From their past record I have no doubt they will do it again.

Marconi Netball keeps on producing in the Liverpool Netball Association competition with most of their teams once again making the finals. Marconi Golf continues to be one of the most successfully run Clubs in Australia, with membership oversubscribed each year, and many course clamming to host our members. Club Marconi is proud of their achievements and the way they have supported various charities over the year.

Our Marconi Brumbies Cricket faced another challenging year of cricket with participation numbers down across the state. With a new year upon them we wish them all the best for the 2019-20 season.

Marconi Mustangs Rugby League have enjoyed another successful year and are going from strength to strength with most teams making the finals. Once again, the Club was proud to host both the Try Time initiative for rugby league players with disabilities, and a full round of Parramatta Junior Rugby League games on Marconi Stadium. Wonderful recognition for our Club and association.

Our Art Association continues to hold their successful exhibitions with the Artist's Corner continuing to host quality exhibitions. I'm pleased to see the quality of work still being submitted for the Acquisitive Presidents Prize, with this year's recipient being Fay Joseph with a work in oil-on-canvas titled "Trio". Congratulations Fay. It is gratifying to see the Club's support for fine artists, providing a stage to showcase their skills and talents, adding to the cultural fabric of our Club.

Our Physical Culture Association continues to go from strength-to-strength, with over 100 dancers. Cassandra and her team continue to provide a wonderful forum for our young girls to express themselves through the sport of physical culture.

Once again, I would like to recognize our Marconi Cycling Club following up from their success over the last few years with the hosting of the Remembrance Cup, which raises money for NSW Police Legacy with hundreds of riders competing from all over the state. I thank all the sponsors and supporters who contributed to the success of these wonderful events.

As I say every year since I have held office, my Sports Executive are only the custodians of this wonderful organisation and, after 61 years, we can only wish we maintain the vision and commitment of our forefathers. In saying that I would also like to acknowledge our many valuable sponsors for their ongoing support and who are also a pinnacle part of contributing to our success. Special thanks to all our sports associations, captains, members and especially our volunteers, whose passion and enthusiasm underpin our Club's sporting accomplishments.

Lastly, I am sad to see one of our Board representatives on the Sports Committee retire. Andrea Carnuccio before being a Director was also a Marconi netball dad, watching his daughter play each weekend, and has been with Marconi Sports during its wonderful period of expansion. Andrea has decided to not stand for the Board and subsequently retire from the Sports Committee. Andrea has been our voice of reason and a great supporter of Marconi Sports and its members over many years and has been a great help to me and the sports committees. On behalf of all the sports members, I wish Andrea all the best in his future endeavors.

In closing, I'd like to thank the Sports Executive and Club Marconi Directors Sam Noiosi, Sam Vacarro, Angelo Ruisi, and the retiring Andrea Carnuccio, our Sports Executive Officer Spyros Kehris who over 20 years has provided the sporting governance required to run such a large sporting umbrella body. To Tony Zappia and his management team, I thank you for your tireless work in supporting our associations and maintaining our sporting facilities to the highest standards, giving everyone a great facility to play on. All these people, their dedication and hard work forms an integral part of the continued success and growth of our Marconi sports clubs.

Mario Soligo

Vice President / Sports President

FOOTBALL CHAIRMAN'S MESSAGE



ROBERT CARNIATO
FOOTBALL CHAIRMAN

"Our Boys Youth teams are in serious contention to play finals football"

This year has been history making for the Marconi Stallions FC in more ways than one.

The club won its first trophy since 2012 winning the Waratah Cup.

The club will be conducting its first Coaching Clinic with internationally famous Borussia Dortmund as part of its history making Partnership.

The Stallions reached the last sixteen of the prestigious FFA Cup losing 2-1 to A League team and Cup favourites, Melbourne City. Along the way they travelled to Hobart and beat the locals 3-0.

The First Grade NPL 1 team were beaten in the "Elimination Final" by neighbours and arch rivals, Sydney United in extra time.

To "cap off" the honours for the club four of our junior players were chosen in Australian Junior Joeys and Matilda's squads.

The club congratulates and is very proud of Lachlan Sepping (Under 17) Daniel Helweh and Thomas Lopez (Under 15) and goalkeeper Chloe Carmichael (Junior Matilda's) for achieving the ultimate in wearing the green and gold of their country.

Pat Marando has been appointed Technical Director following the exit of Nahuel Arrarte who joined A League team Central Coast Mariners as Assistant Coach.

Pat has coached in the NPL 1 and is currently also the Coach of the NSW and Australian Schoolboys teams.

On the competition front, the Stallions NPL 1 team, the Under 20's and Under 18's finished 8th in the prestigious Club Championships.

Our Boys Youth teams are in serious contention to play finals football.

It was a highly successful season overall for our Women's Program.

The NPL 2 First Grade team finished one point short of the finals.

However, it is congratulations to our other **four** teams who are all **Grand Finalists**. The Under 14 women's team also finished as Minor Premiers.

In the Club Championship the Women finished 6th.

All in all, it was a great season for our Women's Program.

Finally, on behalf of the Football Committee, I would like to express my gratitude and sincere appreciation to all the coaches, managers, conveners, support staff, sponsors, parents, members, and loyal supporters for their continued support and significant contribution to the development and evolution of all our players within the Marconi Football Program.

I look forward to seeing you all around the club and at games throughout the 2020 season.

Yours in Football

Marconi Stallions Football Committee

Robert Carniato (Chairman) Vince Foti, Morris Licata, Angelo Ruisi, and Sam Vaccaro.





DIRECTORS' REPORT



Your directors present their report on the company for the year ended 30 June 2019.

The company was previously known as Club Marconi of Bossley Park Social Recreation & Sporting Centre Limited.

DIRECTORS

The following persons were directors of Club Marconi Limited during the whole of the financial year and up to the date of this report:

NAME	POSITION
Vincenzo Foti	Director
Mario Soligo	Director
Morris Licata	Director
Salvatore Vaccaro	Director
Robert Carniato	Director
Salvatore Noiosi	Director
Frank Oliveri	Director
Angelo Ruisi	Director

Andrea Carnuccio was a director from the beginning of the financial year until his resignation on 25 June 2019.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were the conduct and promotion of a licensed social and sporting club for members of the company.

There have been no significant changes in the nature of these activities during the year.

REVIEW OF OPERATIONS

During the year the company changed its name from Club Marconi of Bossley Park Social Recreation & Sporting Centre Limited to Club Marconi Limited.

The profit from ordinary activities after income tax amounted to \$701,251 (2018: \$2,862,063). This resulted after charging \$3,921,000 (2018: \$3,886,983) for depreciation and amortisation and \$765,158 (2018: \$757,117) for finance costs.

	2019 \$	2018 \$
Net profit after income tax expense attributable to members	701,251	2,862,063
Add back:		
Depreciation and amortisation expense		
Finance costs	3,921,000	3,886,983
Income tax expense	765,158	757,117
	-	-
EBITDA - Earnings before depreciation/amortisation, finance costs and income tax expense, exclusive of other comprehensive income	5,387,409	7,506,163

DIRECTORS' REPORT

EBITDA (a non-GAAP financial measure) is an alternative view of business performance used by the company.

EBITDA is not defined by Australian Accounting Standards and therefore may not be comparable to other companies reporting of EBITDA. The directors believe that disclosure of this measure enhances members and other users understanding of business performance.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

EVENT SINCE THE END OF THE FINANCIAL YEAR

Matter or circumstance has arisen since 30 June 2019 that has significantly affected the company's operations, results or state of affairs, or may do so in future years.

These circumstances are:

- Capital commitment of \$855,000 in relation to contract of sale agreement to purchase additional 4 Poker Machine entitlements from Serbian Sports Club. This represents a total purchase price of \$950,000 less payments of \$95,000 made on 29 April 2019.
- Club Marconi Limited has entered into an approved LGNSW contract to lease 15 gaming machine entitlements for a minimum period of 3 years, with a further option to extend by 2 years from the Serbian Sports Club at an agreed price and consideration of over \$1 million. This agreement was entered into during the year but will come into effect in FY2020.
- Club Marconi Limited has entered into an agreement with Doltone House to provide function, conference and expo services at the Club. Doltone House will at the same time refurbish all function rooms. The Club is committed to a capital investment of \$450,000 towards these renovation costs. This is expected to occur during FY2020.
- Club Marconi Limited has non core land located in Narellan NSW. At 30 June 2019 this asset is classified as Non Current Property Plant and Equipment - Freehold Land and Buildings. This is currently measured using the Revaluation model. Subsequent to year end the Board of Directors have instructed management to investigate options to potentially sell the Land at Narellan. Subject to further negotiations and appropriate due diligence, the Club may issue a contract of sale within the next 12 months.



DIRECTORS' REPORT

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Further information on likely developments in the operations of the company and the expected results of operations have not been included in this annual report because the directors believe it would be likely to result in unreasonable prejudice to the company.

INFORMATION ON DIRECTORS

VINCENZO (VINCE) FOTI (Director - 22 October 2000 to Present)

TITLE: President

QUALIFICATIONS: Pyrotechnician, Company Director

EXPERIENCE AND EXPERTISE:

Vince Foti is a Director of the parent company, Foti Pyrotechnics Corporation Pty Ltd. Foti Fireworks Pty Ltd is well known both nationally and internationally for its pyrotechnic achievements in marquee events such as 2000 Sydney Olympics, Sydney New Year Eve Harbour Spectacular, Shanghai Expo and many more iconic productions. Vince was a member of the Italian Ministerial Consultative Committee NSW State Parliament. Vince is currently a member of the Australian Standards Committee and has also held the position of President of NSW Professional Pyrotechnics Association where he is currently Vice President.

Vince joined as a Member of Club Marconi in 1978 and was elected to the Board of Directors in 2000. He was elected Vice President in 2005 and Chairman of the Board in 2010 and in 2011 was elected President. Vince brings to the Board a strong knowledge of business environments and the code of professionalism and integrity which he holds and conveys to others.

MARIO SOLIGO (Director - 9 September 2001 to Present)

TITLE: Vice President & Sports President

QUALIFICATIONS: Builder, Company Director

EXPERIENCE AND EXPERTISE:

Mario Soligo is a professional builder, having been a Company Director of Soligo Concrete Constructions Pty Ltd since 1986. In 2009, Mario was recognised by the Federal Government of Australia with the Sports Achievement Award for contributions to sports and the community. In 2010, Mario became Club Marconi's representative Director on the Board of Directors of South Western Italian Australia Association (S.W.I.A.A.) who provides social welfare, cultural and cross-cultural services for Italian residents in the South West region of Sydney. In October 2014, he became an Elected member of the SWIAA Board and currently holds the position as Chairman of the Board of Directors. Mario has had a long association with Club Marconi, with his parents amongst the first Members of the Club. In 2001, Mario became a Financial Life Member and in late 2001 was elected to the Board of Directors of Club Marconi. He has participated in several committees, namely Audit and Strategic Planning, Building, Discipline, Finance, Marketing, Gaming and Sports. Mario was elected Vice President in 2009, and became Sports President, overseeing 18 Sporting Associations.

Mario brings to the Board a wealth of experience and a successful track record running a business, managing large projects and developments spanning over 30 years, as well as over 18 years' experience in the Club industry and 9 years' experience in aged care. He currently serves as Chairperson of the Sports Committee.

DIRECTORS' REPORT

MORRIS LICATA (Director - October 1999 to 25 September 2005)
(Director 25 October 2009 to Present)

TITLE: Vice President

QUALIFICATIONS: Company Director

EXPERIENCE AND EXPERTISE:

Morris Licata brings to the Board extensive Function Centre experience.

Morris has been a Director of Club Marconi for 16 years and was elected Vice President in October 2015. He is a long-standing Member of the Club, with over 30 years of membership. Morris is a member of the Football, Sports, Audit and Strategic and Operations Committees, providing his knowledge and expertise to the Committees.

SALVATORE (SAM) VACCARO (Director - 12 October 2003 to March 2010
and 10 November 2013 to Present)

TITLE: Director

QUALIFICATIONS: Founder and Director of Vaccaro Group
(35 years-experience in electrical contracting)
Company Director.

EXPERIENCE AND EXPERTISE:

Sam brings extensive business experience to the Board of Club Marconi providing valuable knowledge of all aspects of business management and operations.

Sam has been associated with the Club since 2003 being on the Board of Directors from October 2003 until March 2010 and a current Director appointed in 2013. He is also a member of the Building, Sports and Football Committees.

ROBERT CARNIATO (Director - 9 September 2001 to Present)

TITLE: Director & Football Chairman

QUALIFICATIONS: Concrete Construction, Company Director

EXPERIENCE AND EXPERTISE:

Robert Carniato is a working Director of Cox Concrete (NSW) Pty Limited for over 30 years. The company has been established for over 45 years. Robert is a Member of the Master Builders Association, which works in conjunction with the Building Industry.

Robert's father and grandfather were Foundation Members. Robert has a long and passionate history with the Club, being a Member for over 35 years. Robert has been on the Board of Club Marconi since 2001. He is currently a member of the Building Committee and Chairman of Football.



DIRECTORS' REPORT



SALVATORE (SAM) NOIOSI (Director – 26 November 2006 to Present)

TITLE: Director

QUALIFICATIONS: Retailer, Company Director

EXPERIENCE AND EXPERTISE:

Sam Noiosi has over 40 years of experience in retail, selling hardware and building materials. He has been associated with the Club for over 35 years and has been a Board Member for the past 14 years. Sam is a Member of the Audit and Strategic and Sports Committees and the Chair of the Building Committee. Sam brings retail experience, people skills and an extensive knowledge of building and construction to the Board of Club Marconi. In addition, running his own business has significantly contributed to his role on the Board giving him an understanding of all aspects of business, including operations, finance, marketing and managing employees.

ANDREA CARNUCCIO **RESIGNED ON 25 JUNE 2019**

(Director – 21 November 2004 to 25 October 2009 and
27 November 2011 to 25 June 2019)

TITLE: Director

QUALIFICATIONS: Builder, Company Director

EXPERIENCE AND EXPERTISE:

Andrea Carnuccio has over 25 years' experience in the building industry prior to which he was Managing Director of St Mary's Prestige Smash Repairs for 20 years. He has been a Club Member since 1990 and first became a Board Member in 2004.

Andrea brings extensive building and business skills to the board of Club Marconi. In addition, Andrea was an active member of the Sports, Building and Operations Committees. He has been on the SWIAA Board since 1998 and since October 2014 he has been the Club's representative on the SWIAA Board.

FRANK OLIVERI (Director – 12 October 2003 to 25 October 2009 and
27 November 2011 to Present)

TITLE: Director

QUALIFICATIONS: Corporate Property, Company Director

EXPERIENCE AND EXPERTISE:

Frank served 17 years as an elected Councillor on Fairfield City Council and as Deputy Mayor and was also previously appointed by the NSW Government to the Board of the Greater Western Sydney Economic Development Board, Small Business Development Corporation, Regional Development Australia (Greater Sydney) Board, NSW Property Services Advisory Council and NSW Government – Italian Multicultural Advisory Council.

Frank has been a Member of the Club for over 20 years and has served as a Director of the Club for 14 years, including currently serving the Board as the Chairperson of the Gaming, Audit and Strategic and Operations Committees.

DIRECTORS' REPORT

ANGELO RUISI

(Director - 10 November 2013 to Present)

TITLE:

Director

QUALIFICATIONS:

Sales Manager for Computer Systems to the Hospitality Industry, Family business part-owner of cafés and a nightclub

EXPERIENCE AND EXPERTISE:

Angelo has been part of the Marconi family since childhood. For eight (8) years prior to being elected on the Board, Angelo volunteered his time as Vice-Captain and Treasurer of the Club Marconi Snooker Association, in which he organised competitions etc. Angelo is a Director of Club Marconi, appointed in 2013.

Angelo brings to the Board his knowledge of the Hospitality Industry and his commitment to Club Marconi. He is a member of the Sports, Gaming, Football and Operations Committees.



DIRECTORS' REPORT

OBJECTIVES

SHORT TERM

The company's short term objective is to deliver a profitable business to the membership that builds towards delivering a friendly world-recognised sporting, social and recreational facility to South Western Sydney.

LONG TERM

The company's long term objective is to deliver a friendly, world recognised sporting, social and recreational facility in South Western Sydney focussing on the strengths of the local community, aiming our facilities and service to support these goals, and to foster and nurture sporting activities for youth and adults.

STRATEGY FOR ACHIEVING THE OBJECTIVES

In order to ensure the short term objectives are being met, the company will:

- Strive to increase membership by targeting and converting visitors during club and community events;
- Assess and streamline appropriately the corporate structure to ensure ownership of actions and duties at all tiers of the organisation;
- Investigate, assess and maintain operational and facility 'Masterplans' based on 'best-practice' and 'result-based' strategies to ensure effective facility management and enhancement;
- Monitor and manage carefully all costs of goods, contracts and wages to maximise effectiveness and profitability while maintaining the highest industry standards for the delivery of quality services, functions and amenities;
- Establish and continuously monitor tender processes for all systems and operations within the company to ensure integrity and transparency in these processes while delivering the best quality and value for money;
- Investigate and implement 'multi-skill' training for all company personnel;
- Monitor continuously and manage effectively company personnel leave entitlements to minimise and/or reduce any potential liability;
- Investigate and manage workers' compensation claims effectively;
- Monitor, assess and update technology where necessary to deliver more cost-effective services;
- Revise, adopt and maintain 'best-practice' management principles for capital expenditure;
- Maintain, renovate and update facilities whenever possible; and
- Foster and nurture sporting abilities in children and adults.

In order to ensure the long term objectives are being met, the company will:

- Continue to liaise with community stakeholders, including schools, TAFE NSW, local council, NSW Police, community groups, sporting associations and importantly, our members;
- Provide employment opportunities to people living in the area;
- Provide nationally recognised training to staff to assist in providing 'world-class' customer service whilst at the same time providing staff with formal qualifications and skills;
- Bring focus to the company by offering our facilities on the world stage;

DIRECTORS' REPORT

- Continue to expand on sporting opportunities to introduce new sports within the company and to continue to improve our sporting facilities for members' enjoyment;
- Ensure a mix of Catering, Beverage, Gaming and Entertainment facilities that support the demographic of the Club membership base and the local community; and
- Maintain and continue to enhance a strategic 'master-plan' facility and business approach to ensure the effective utilisation of current and future resources.

MEETINGS OF DIRECTORS

The number of meetings of the company's Board of Directors (the Board) held during the year ended 30 June 2019, and the number of meetings attended by each director were:

DIRECTOR	NO. OF BOARD MEETINGS ATTENDED	NO. OF BOARD MEETINGS HELD
Vincenzo Foti	11	12
Mario Soligo	12	12
Morris Licata	12	12
Salvatore Vaccaro	12	12
Robert Carniato	12	12
Salvatore Noiosi	10	12
Andrea Carnuccio	9	12
Frank Oliveri	10	12
Angelo Ruisi	12	12

MEMBERSHIP

The company is a company limited by guarantee and is without share capital. The number of members as at 30 June 2019 and the comparison with last year is as follows:

MEMBERSHIP TYPE	2019	2018
Club	1,738	1,908
Associate	40,578	2,599
Social	-	40,862
Proposed	1,382	1,848
	<u>43,698</u>	<u>47,217</u>

As approved at the Annual General Meeting on 28 October 2018, all Social members were reclassified to Associate members.

MEMBERS' LIMITED LIABILITY

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter. The total amount that members of the club are liable to contribute if the company is wound up is \$87,396 (2018: \$94,434).



DIRECTORS' REPORT



PERFORMANCE MEASUREMENT AND KEY PERFORMANCE INDICATOR

The company has stringent performance management tools that are structured back to KPIs and performance outcomes for departments and senior managers in general. We also facilitate the comparisons of these performance benchmarks against the industry averages and top 25% as per the club data on-line statistics. These performance management tools are reviewed monthly by the CEO and Board and will be utilised stringently in the continuing strategic planning and business review process between Board and management in setting new performance targets and directions for the longer term master plan.

ENVIRONMENTAL REGULATION

The company is not affected by any significant environmental regulation in respect of its operations.

INSURANCE OF OFFICERS AND INDEMNITIES

During the financial year the club has paid a premium of \$8,153 (2018: \$8,572) in respect of the contract insuring all of the directors of the Club in a manner permissible under the Corporations Act 2001.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporations Act 2001.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 19.

This report is made in accordance with a resolution of directors.

A handwritten signature in black ink, appearing to read 'V. Foti'.

Vincenzo Foti
President

Bossley Park, NSW
26 August 2019

Auditor's Independence Declaration

As lead auditor for the audit of Club Marconi Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Manoj Santiago
Partner
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Sydney
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FINANCIAL STATEMENTS



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	NOTES	2019 \$	2018 \$
Revenue from continuing operations	3	41,587,439	44,829,232
Raw materials and consumables used		(2,607,491)	(2,659,157)
Consultancy service costs		(65,770)	(136,373)
Contract service costs		(1,854,768)	(1,880,621)
Depreciation and amortisation expense	8	(3,921,000)	(3,886,983)
Donations and club grants		(589,971)	(620,442)
Employee benefits expenses		(12,017,131)	(12,225,946)
Entertainment, marketing and promotional costs		(3,418,985)	(3,477,353)
Finance costs		(765,158)	(757,117)
Member and member only expenses		(34,910)	(40,036)
Legal expenses		(16,789)	(30,810)
Occupancy		(2,174,043)	(2,098,653)
Poker machine licenses and duties		(8,276,303)	(9,051,778)
Printing postage and stationery		(397,338)	(390,609)
Repairs and Maintenance		(795,226)	(966,153)
Other		(3,951,305)	(3,745,138)
Profit before income tax		701,251	2,862,063
Income tax expense		-	-
Profit for the year		701,251	2,862,063
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Gain on revaluation of land and buildings	14(b)	20,025,824	-
Other comprehensive income for the year, net of tax		20,025,824	-
Total comprehensive income for the year attributable to the members		20,727,075	2,862,063

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	NOTES	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	2,088,838	2,518,947
Trade and other receivables	6	516,768	297,267
Inventories at cost		154,323	175,908
Financial assets		750	750
Other current assets	7	342,695	294,594
Total current assets		3,103,374	3,287,466
Non-current assets			
Property, plant and equipment	8	116,935,893	95,622,961
Intangible assets	9	6,598,752	5,673,752
Total non-current assets		123,534,645	101,296,713
Total assets		126,638,019	104,584,179
LIABILITIES			
Current liabilities			
Trade and other payables	10	3,879,501	3,759,530
Employee benefit obligations	11	1,578,314	1,315,310
Financial liabilities	12	1,295,204	2,157,031
Other current liabilities	13	260,425	347,906
Total current liabilities		7,013,444	7,579,777
Non-current liabilities			
Financial liabilities	12	10,699,863	8,867,503
Employee benefit obligations	11	242,364	178,198
Other non-current liabilities	13	730,105	733,533
Total non-current liabilities		11,672,332	9,779,234
Total liabilities		18,685,776	17,359,011
Net Assets		107,952,243	87,225,168
MEMBERS' FUNDS			
Reserves	14(b)	51,978,674	31,952,850
Retained earnings	14(a)	55,973,569	55,272,318
Total Members' Funds		107,952,243	87,225,168

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

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	NOTES	REVALUATION RESERVES \$	RETAINED EARNINGS \$	TOTAL \$
Balance at 1 July 2017	14	31,952,850	52,410,255	84,363,105
Profit for the year		-	2,862,063	2,862,063
Total comprehensive income for the year	14(a) 14(b)	-	2,862,063	2,862,063
Balance at 30 June 2018	14	31,952,850	55,272,318	87,225,168
Balance at 1 July 2018	14	31,952,850	55,272,318	87,225,168
Profit for the year		-	701,251	701,251
Other comprehensive income		20,025,824	-	20,025,824
Total comprehensive income for the year	14(a) 14(b)	20,025,824	701,251	20,727,075
Balance at 30 June 2019	14	51,978,674	55,973,569	107,952,243

The above statement of changes in equity should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	NOTES	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of goods and services tax)		44,742,079	48,463,289
Payments to suppliers and employees (inclusive of goods and services tax)		(39,877,224)	(41,993,482)
Interest received		17,344	12,046
Finance costs		(765,158)	(757,117)
Rent received		615,424	570,187
Government grants received		-	49,242
Net cash inflow from operating activities		4,732,465	6,344,165
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(5,220,300)	(9,772,579)
Proceeds from sale of property, plant and equipment		12,193	41,534
Payment for poker machine entitlements		(925,000)	-
Net cash (outflow) from investing activities		(6,133,107)	(9,731,045)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		3,988,735	3,000,000
Repayment of borrowings		(2,608,314)	(1,682,481)
Finance lease and hire purchase repayments		(409,938)	(387,162)
Net cash inflow / (outflow) from financing activities		970,533	930,357
Net increase / (decrease) in cash and cash equivalents		(430,109)	(2,456,523)
Cash and cash equivalents at the beginning of the financial year		2,518,947	4,975,470
Cash and cash equivalents at end of year	5	2,088,838	2,518,947

The above statement of cash flows should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS



NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Club Marconi Limited, formerly known as Club Marconi of Bossley Park Social Recreation & Sporting Centre Limited, for the year ended 30 June 2019.

a. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Club Marconi Limited is a not-for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with Australian Accounting Standards - Reduced Disclosure Requirements

The financial statements of the Club Marconi Limited company comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB). The financial report also complies with the Australian Accounting Standards requirements specific to non-for-profit entities, including standards AASB 116 Property, Plant and Equipment and AASB 136 Impairment of Assets.

(ii) Historical cost convention

These financial statements have been prepared under the historical cost basis.

(iii) Going concern

As at 30 June 2019 Club Marconi Limited has a working capital deficiency of \$3,910,069.

The working capital deficiency is caused by the classification of the following items into current liabilities:

- a. Major capital expenditure invoices being received from suppliers before year end; and
- b. Borrowings of \$1,000,008 with financial institutions which are expected to mature within the next 12 months; and
- c. Finance lease repayments of \$286,605 due and payable within 12 months.

Management believes the above working capital deficiency will be satisfied through:

- a. The cash flow generated from normal operating activities; and
- b. Bank overdraft facility available of \$219,855; and
- c. Bank bill facility available of \$3,073,674.

The directors are of the opinion the above will be achieved and the club will continue as a going concern and meet its debts and commitments as they fall due. As a result, the directors have prepared the financial report on a going concern basis.

FINANCIAL STATEMENTS

(iv) New and amended standards adopted by the company

The company has applied the following standards and amendments for the first time in their annual reporting period commencing 1 July 2018:

- AASB 9 Financial Instruments
- AASB 15 Revenue from Contracts with Customers

The changes in accounting policies have not impacted the amounts recognised in current or prior periods and are not expected to significantly affect future periods.

(v) New standards and interpretations not yet adopted

TITLE OF STANDARD	AASB 16 LEASES
Nature of change	AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the statement of financial position by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.
Impact	<p>The company has no operating leases at this point in time and hence the impact will be minimal.</p> <p>The company's activities as a lessor are not material and hence the company does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.</p>
Mandatory application date/ Date of adoption by company	<p>The company will apply the standard from its mandatory adoption date of 1 July 2019.</p> <p>The company intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).</p>

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting years and on foreseeable future transactions.

b. Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Club are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars (\$), which is Club Marconi Limited's functional and presentation currency.

FINANCIAL STATEMENTS

c. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities using the methods outlined below.

(i) Sale of goods

Timing of recognition: Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods and is recognised at the point of time of the sale as this corresponds to the transfer of control, significant risks and rewards of ownership of the goods.

Measurement of revenue: The Company considers whether there are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties, and customer loyalty points). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(ii) Rendering of services - gaming

Timing of recognition: Revenue from rendering services from Gaming facilities to members and other patrons of the club is recognised when the services are provided.

Measurement of revenue: Gaming revenue is measured at the fair value of the consideration received from the net position of the wagers placed less customer winnings paid out.

(iii) Rendering of services - Other

Timing of recognition: Revenue from rendering services - other comprises revenue from Advertising and Sponsorship which is recognised overtime as the services are provided.

Measurement of revenue: The company recognises services - other revenue over time with reference to the transaction price over the contract period. The majority of such contracts have a term of 12 months.

(iv) Membership subscriptions

Timing of recognition: Membership subscriptions are recognised over the term of membership and any unearned portion is deferred and included in revenue received in advance.

Measurement of revenue: Membership revenue is measured with reference to the transaction price for the service and the number of periods the customer has paid for.

(v) Interest income

Timing of recognition: Interest income is recognised overtime with reference to the principal balance of the financial asset and it's applicable interest rate.

Measurement of revenue: For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available-for-sale, interest income is recorded using the effective interest rate (EIR).

FINANCIAL STATEMENTS

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of comprehensive income.

(vi) Rental revenue

Timing of recognition: Rental income is recognised in the statement of profit or loss and other comprehensive income on a straight line basis over the term of the lease.

Measurement of revenue: The company recognises rental revenue on a straight line basis with reference to the applicable CPI increases, discount rates and any relevant rental incentives.

(vii) Other revenue

Sale of property, plant and equipment

Timing of recognition: Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the company due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.

Measurement of revenue: The revenue is measured at the amount receivable under the contract. It is discounted to present value if deferred payments have been agreed and the impact of discounting is material.

d. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

e. Income tax

The company has a tax exemption under Section 50-1 of ITAA for the period 1 July 2016 to 30 June 2020.

f. Leases

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease year so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.



FINANCIAL STATEMENTS



Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

g. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

h. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

i. Trade receivables

The company applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

FINANCIAL STATEMENTS

j. Inventories

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

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

Inventory is valued using the weighted average cost method.

k. Financial assets

(i) Accounting policies applied until 30 June 2018

The company has applied AASB 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the company's previous accounting policy.

Classification

Until 30 June 2018, the company classified its financial assets in the following categories:

- financial assets at fair value through profit or loss,
- loans and receivables,
- held-to-maturity investments, and
- available-for-sale financial assets.

The classification depended on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting year.

Reclassification

The company could choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset was no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables were permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that was unusual and highly unlikely to recur in the near term. In addition, the company could choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the company had the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications were made at fair value as of the reclassification date. Fair value became the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date were subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories were determined at the reclassification date. Further increases in estimates of cash flows adjusted effective interest rates prospectively.

Subsequent measurement

The measurement at initial recognition did not change on adoption of AASB 9, see description above.

Subsequent to the initial recognition, loans and receivables and held-to-maturity investments were carried at amortised cost using the effective interest method.

FINANCIAL STATEMENTS

Available-for-sale financial assets and financial assets at FVPL were subsequently carried at fair value. Gains or losses arising from changes in the fair value were recognised as follows:

- for financial assets at FVPL - in profit or loss within other gains/(losses)
- for available-for-sale financial assets that are monetary securities denominated in a foreign currency - translation differences related to changes in the amortised cost of the security were recognised in profit or loss and other changes in the carrying amount were recognised in other comprehensive income
- for other monetary and non-monetary securities classified as available-for-sale - in other comprehensive income.

When securities classified as available-for-sale were sold, the accumulated fair value adjustments recognised in other comprehensive income were reclassified to profit or loss as gains and losses from investment securities.

Impairment

The company assessed at the end of each reporting year whether there was objective evidence that a financial asset or company of financial assets was impaired. A financial asset or a company of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or company of financial assets that could be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired.

Assets carried at amortised cost

For loans and receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognised in profit or loss. If a loan or held-to-maturity investment had a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate determined under the contract. As a practical expedient, the company could measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent year, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss was recognised in profit or loss.

Assets classified as available-for-sale

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss were not reversed through profit or loss in a subsequent year.

If the fair value of a debt instrument classified as available-for-sale increased in a subsequent year and the increase could be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss was reversed through profit or loss.

FINANCIAL STATEMENTS

l. Financial liabilities

(i) Borrowings

Financial liabilities are initially recognised at fair value, net of transaction costs incurred. Financial liabilities are subsequently measured at amortised cost. Any difference between the proceeds (net of transactions costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of financial liabilities using the effective interest method.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

m. Property, plant and equipment

Land and buildings are recognised at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. A revaluation surplus is credited to other reserves in shareholders' equity. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amounts of the assets and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:



FINANCIAL STATEMENTS



• Buildings	40 years
• Furniture, fittings and equipment	12 years
• Plant and machinery	4 - 10 years
• Motor vehicles	8 years
• Leased plant and equipment	8 years
• Poker machines and accessories	3 to 15 years
• Leasehold improvements	Shorter of lease term and 14 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is company policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

n. Intangible assets

(i) Poker machine entitlements

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

o. Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

p. Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave that are expected to be settled within 12 months after the end of the period are recognised in respect of employees' services up to the end of the reporting period. They are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(ii) Other long-term employee benefit obligations

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the year in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting year using the projected unit credit method. Consideration is given to expected future wage and salary

FINANCIAL STATEMENTS

levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting year of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Retirement benefit obligations

Contributions to the defined contribution section of the company's superannuation plan and other independent defined contribution superannuation funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The company has no legal or constructive obligation to fund any deficit.

q. Customer loyalty program

The company operates a loyalty program where customers accumulate points for dollars spent. The award points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale. Revenue from the award points is recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed.

r. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Commitments and Contingencies are disclosed net of GST recoverable or payable to the taxation authority.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

a. Significant estimates and judgements

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

FINANCIAL STATEMENTS

b. Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Poker machine entitlements

As discussed in note 1(n) impairment of poker machine entitlements is recognised based on value in use calculations and is measured at the present value of the estimated future cash inflows available to the company from the use of these licenses. In determining the present value of the cash inflows growth rate and appropriate discount factor have been considered.



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2019

3. REVENUE

a. Disaggregation of revenue from contracts with customers

	SALE OF GOODS \$	RENDERING OF SERVICES \$	RENT REVENUE \$	REGISTRATION FEES \$	COMMISSION REVENUE \$	INTEREST RECEIVED \$	SUNDRY REVENUE \$	GAINSON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT \$	TOTAL \$
2019									
Revenue from external customers	6,550,708	33,338,595	615,424	433,848	404,752	17,344	92,467	134,301	41,587,439
Timing of revenue recognition									
Point of time	6,550,708	32,656,255	-	-	404,752	-	92,467	134,301	39,838,483
Overtime	-	682,340	615,424	433,848	-	17,344	-	-	1,748,956
	6,550,708	33,338,595	615,424	433,848	404,752	17,344	92,467	134,301	41,587,439



FINANCIAL STATEMENTS



a. Disaggregation of revenue from contracts with customers (continued)

	SALE OF GOODS \$	RENDERING OF SERVICES \$	RENT REVENUE \$	REGISTRATION FEES \$	COMMISSION REVENUE \$	INTEREST RECEIVED \$	SUNDRY REVENUE \$	GRANTS RECEIVED \$	GAINS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT \$	TOTAL \$
2018										
Revenue from external customers	7,120,763	35,961,074	570,187	421,597	429,796	12,046	111,240	49,242	153,287	44,829,232
Timing of revenue recognition										
Point of time	7,120,763	35,289,452	-	-	429,796	-	111,240	-	153,287	43,104,538
Overtime	-	671,622	570,187	421,597	-	12,046	-	49,242	-	1,724,694
	7,120,763	35,961,074	570,187	421,597	429,796	12,046	111,240	49,242	153,287	44,829,232

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2019

4. EXPENSES

	2019 \$	2018 \$
<i>Employee Benefit expenses</i>		
Defined contribution superannuation expense	903,847	919,132

5. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2019 \$	2018 \$
Cash at bank and in hand	2,088,838	2,518,947

6. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	2019 \$	2018 \$
Debtors - Trade	388,761	275,990
Other receivables	128,007	21,277
	516,768	297,267

7. CURRENT ASSETS - OTHER CURRENT ASSETS

	2019 \$	2018 \$
Current Assets		
Prepayment - Other	176,293	133,181
Prepayment - APRA	1,457	-
Prepayment - General Insurance	153,039	144,231
Prepayment - Interest	11,906	17,182
	342,695	294,594

FINANCIAL STATEMENTS

8. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

NON-CURRENT	FREEHOLD LAND AND BUILDINGS	PLANT AND EQUIPMENT	FURNITURE, FITTINGS AND EQUIPMENT	MOTOR VEHICLES	LEASEHOLD IMPROVEMENTS	LEASED PLANT AND EQUIPMENT	POKER MACHINES AND ACCESSORIES	CAPITAL WORK IN PROGRESS	TOTAL
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
At 1 July 2017									
Cost	-	4,034,401	12,445,481	99,560	1,027,795	1,216,960	15,269,436	2,506,901	36,600,534
Valuation	76,004,717	-	-	-	-	-	-	-	76,004,717
Accumulated depreciation	-	(3,627,905)	(7,121,221)	(63,331)	(548,479)	(1,216,960)	(10,248,456)	-	(22,826,352)
Net book amount	76,004,717	406,496	5,324,260	36,229	479,316	-	5,020,980	2,506,901	89,778,899
Year ended 30 June 2018									
Opening net book amount	76,004,717	406,496	5,324,260	36,229	479,316	-	5,020,980	2,506,901	89,778,899
Additions	4,619,652	36,925	1,929,886	59,349	-	-	840,949	2,285,816	9,772,577
Assets classified as held for sale and other disposals	-	-	(216)	-	-	-	(41,316)	-	(41,532)
Transfers	-	-	2,374,839	-	-	-	-	(2,374,839)	-
Depreciation charge	(1,154,753)	(77,250)	(1,253,567)	(16,402)	(65,072)	-	(1,319,939)	-	(3,886,983)
Closing net book amount	79,469,616	366,171	8,375,202	79,176	414,244	-	4,500,674	2,417,878	95,622,961
At 30 June 2018									
Cost	-	2,085,560	16,568,767	158,909	1,027,795	1,216,960	15,547,339	2,417,878	39,023,208
Valuation	79,469,616	-	-	-	-	-	-	-	79,469,616
Accumulated depreciation	-	(1,719,389)	(8,193,565)	(79,733)	(613,551)	(1,216,960)	(11,046,665)	-	(22,869,863)
Net book amount	79,469,616	366,171	8,375,202	79,176	414,244	-	4,500,674	2,417,878	95,622,961

FINANCIAL STATEMENTS

8. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT (CONT.)

NON-CURRENT	FREEHOLD LAND AND BUILDINGS	PLANT AND EQUIPMENT	FURNITURE, FITTINGS AND EQUIPMENT	MOTOR VEHICLES	LEASEHOLD IMPROVEMENTS	LEASED PLANT AND EQUIPMENT	POKER MACHINES AND ACCESSORIES	CAPITAL WORK IN PROGRESS	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$
At 1 July 2018									
Cost	-	2,085,560	16,568,767	158,909	1,027,795	1,216,960	15,547,339	2,417,878	39,023,208
Valuation	79,469,616	-	-	-	-	-	-	-	79,469,616
Accumulated depreciation	-	(1,719,389)	(8,193,565)	(79,733)	(613,551)	(1,216,960)	(11,046,665)	-	(22,869,863)
Net book amount	79,469,616	366,171	8,375,202	79,176	414,244	-	4,500,674	2,417,878	95,622,961
Year ended 30 June 2019									
Opening net book amount	79,469,616	366,171	8,375,202	79,176	414,244	-	4,500,674	2,417,878	95,622,961
Revaluation surplus	20,025,824	-	-	-	-	-	-	-	20,025,824
Additions	1,311,723	37,400	2,020,560	-	-	-	1,499,099	351,519	5,220,301
Disposals (WDV)	-	-	(7,375)	-	-	-	(4,818)	-	(12,193)
Transfers	1,550,296	-	184,983	-	-	-	-	(1,735,279)	-
Depreciation charge	(1,157,459)	(72,854)	(1,365,498)	(24,315)	(65,071)	-	(1,235,803)	-	(3,921,000)
Closing net book amount	101,200,000	330,717	9,207,872	54,861	349,173	-	4,759,152	1,034,118	116,935,893
At 30 June 2019									
Cost	-	2,122,960	18,766,936	158,909	1,027,795	1,216,960	16,493,731	1,034,118	40,821,409
Valuation	101,200,000	-	-	-	-	-	-	-	101,200,000
Accumulated depreciation	-	(1,792,243)	(9,559,064)	(104,048)	(678,622)	(1,216,960)	(11,734,579)	-	(25,085,516)
Net book amount	101,200,000	330,717	9,207,872	54,861	349,173	-	4,759,152	1,034,118	116,935,893

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2019

8. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT (CONT.)

Valuation

An independent valuation was undertaken by CBRE Valuations Pty Ltd for the year ended 30 June 2019 resulting in an increase in the fair value of the company's land and buildings of \$20,025,824 (2018: nil).

Core properties

All the club land and buildings located at 121 - 133 Prairie Vale Road, Bossley Park, NSW 2176 was identified as the club's core properties in accordance with Section 41J of the Registered Clubs Amendment Act 2006.

Non-core properties

The club land located at 2a Porrende Street, Narellan, NSW 2567 and part of Lot 3B in Deposited Plan 407243 located at 121-133 Prairie Vale Road, Bossley Park NSW 2176 have been identified as the club's non-core properties in accordance with Section 41J of the Registered Clubs Amendment Act 2006.

9. NON-CURRENT ASSETS - INTANGIBLE ASSETS

	2019 \$	2018 \$
Poker machine entitlements - at cost	6,598,752	5,673,752

Entitlement

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

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

- a. 8.0% (2018: 6.5%) pre-tax discount rate;
- b. 2.0% (2018: 2.0%) per annum projected revenue growth rate;
- c. 2.0% (2018: 2.0%) per annum increase in operating costs and overheads.

Sensitivity

As disclosed in Note 1, the directors have made judgements and estimates with respect to impairment testing of poker entitlements. Should these judgements and estimates not occur, the resulting poker entitlements may vary in the carrying amount.

Revenue would need to decrease significantly before the gaming division poker entitlements would need to be impaired, with all other assumptions remaining constant.

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2019

10. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	2019 \$	2018 \$
Trade creditors	2,157,854	1,824,584
Goods and services tax (GST) payable	234,558	258,031
Other creditors and accruals	788,317	921,804
Provision for Poker Machine Duty	698,772	755,111
	3,879,501	3,759,530

11. EMPLOYEE BENEFIT OBLIGATIONS

Aggregate liability for employee benefits including on-costs:

	2019 \$	2018 \$
Current	1,578,314	1,315,310
Non-current	242,364	178,198
	1,820,678	1,493,508

(i) Leave obligations

The leave obligations cover the company's liabilities for long service leave and annual leave.

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances.

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

Assumed rate of increase in wage and salary rates

	2019	2018
Inflation Rate	1.30%	2.10%
Discount Rate	2.06%	2.06%



FINANCIAL STATEMENTS



NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2019

12. FINANCIAL LIABILITIES

Borrowings

	2019 \$	2018 \$
Current Secured		
Finance lease liability	286,605	409,938
Members' Loan	8,591	8,151
Bank Bill Facility Principal & Interest	1,000,008	1,000,008
Bank Bill Facility Interest Only	-	738,934
	1,295,204	2,157,031
Non-Current Secured		
Finance lease liability	-	286,604
Bank Bill Facility Principal & Interest	4,211,518	5,211,526
Bank Bill Facility Interest Only	6,488,345	3,369,373
	10,699,863	8,867,503

Defaults and breaches

There were no defaults or breaches on any borrowings made by the company in either the current or previous financial year.

Financing arrangements

The company has access to the following lines of credit:

	2019 \$	2018 \$
Total facilities available:		
Bank overdraft	750,000	750,000
Bank Bill facility	14,773,545	12,378,210
Business card	22,500	22,500
	15,546,045	13,150,710
Facilities utilised at reporting date:		
Bank overdraft	(530,145)	(329,168)
Bank Bill Facility	(11,699,871)	(10,319,841)
	(12,230,016)	(10,649,009)

Bank overdraft

The company has a bank overdraft facility of \$750,000 (2018: \$750,000) from the Commonwealth Bank of Australia. Interest is charged at an Index Rate of 7.44%. This facility has an indefinite revolving term.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2019

12. FINANCIAL LIABILITIES (CONT.)

Bank bill facility

The bank bill facility from the Commonwealth Bank is based on a combined bill rate which includes capped, fixed and variable portions which at year end had an interest rate of 3.5215%.

Bank Bill Facility - Principal & Interest requires a monthly repayment of principal (\$83,334) and interest.

Bank Bill Facility - Interest Only requires interest payments monthly with principal repayment due at maturity (19 July 2024).

Security

The bank overdraft and the bank bill facility are secured by;

- First Registered Mortgage by the company over the property located at 121 - 133 Prairie Vale Road, Bossley Park, NSW 2176.
- A Registered Equitable Mortgage by the company over the whole of its assets and undertakings including uncalled capital.
- First Registered Mortgage by the company over the property located at 2A Porrende Street, Narellan, NSW 2567.

The carrying amount of the pledged assets is as follows:

	2019 \$	2018 \$
Freehold land	42,000,000	33,307,119
Buildings	59,200,000	46,168,497
Plant and equipment	15,449,288	16,147,345
Total pledged	116,649,288	95,622,961

13. OTHER LIABILITIES

	2019			2018		
	CURRENT \$	NON-CURRENT \$	TOTAL \$	CURRENT \$	NON-CURRENT \$	TOTAL \$
Income received in advance	232,907	133,901	366,808	309,655	131,279	440,934
Deferred rent	16,059	347,945	364,004	27,517	358,951	386,468
Deferred finance charges	11,459	248,259	259,718	10,734	243,303	254,037
	260,425	730,105	990,530	347,906	733,533	1,081,439

Members can pay their subscription on an annual, 3 year, 5 year or 10 years basis.

Members subscriptions paid for more than 1 year are amortised over the period of subscription.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2019

14. RESERVES AND RETAINED EARNINGS

a. Retained earnings

Movements in retained earnings were as follows:

	2019 \$	2018 \$
Balance 1 July	55,272,318	52,410,255
Net profit for the year	701,251	2,862,063
Balance 30 June	55,973,569	55,272,318

b. Other reserves

	2019 \$	2018 \$
Balance 1 July	31,952,850	31,952,850
Revaluation on land and buildings	20,025,824	-
Balance 30 June	51,978,674	31,952,850

Asset revaluation reserve

Asset revaluation reserve represents the reserve created on fair valuation of land and buildings. The carrying value of the reserve as at 30 June 2019 is \$51,978,674 (2018: \$31,952,850).

15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

a. Contingent liabilities

The company had contingent liabilities at 30 June 2019 in respect of a bank Guarantee with TAB Corp Limited for \$13,000 (2018: \$13,000).

16. COMMITMENTS

a. Finance lease liability

	2019 \$	2018 \$
Within one year	286,605	439,195
Later than one year but not later than five years	-	256,197

b. Capital expenditure commitments

As at 30 June 2019 Club Marconi Limited has the following capital commitments:

- \$855,000 in relation to contract of sale agreement to purchase additional 4 Poker Machine entitlements from Serbian Sports Club. This represented a total purchase price of \$950,000 less payments of \$95,000 made on 29 April 2019;

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2019

16. COMMITMENTS (CONT.)

- Club Marconi Limited has entered into an approved LGNSW contract to lease 15 gaming machine entitlements for a minimum period of 3 years, with a further option to extend by 2 years from the Serbian Sports Club at an agreed price and consideration of over \$1 million. This agreement was entered into during the year but will come into effect in FY2020; and
- Club Marconi Limited has entered into an agreement with Doltone House to provide function, conference and expo services at the Club. Doltone House will at the same time refurbish all function rooms. The Club is committed to a capital investment of \$450,000 towards these renovation costs. This is expected to occur during FY2020.

17. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Club Marconi Limited has non core land located in Narellan NSW. At 30 June 2019 this asset is classified as Non Current Property Plant and Equipment - Freehold Land and Buildings. This is currently measured using the Revaluation model. Subsequent to year end the Board of Directors have instructed management to investigate options to potentially sell the Land at Narellan. Subject to further negotiations and appropriate due diligence, the Club may issue a contract of sale within the next 12 months.

18. KEY MANAGEMENT PERSONNEL DETAILS AND DISCLOSURES

a. Directors

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

Carniato, Robert	Foti, Vincenzo	Licata, Morris
Noiosi, Salvatore	Soligo, Mario	Oliveri, Frank
Carnuccio, Andrea (Resigned on 25 June 2019)	Vaccaro, Salvatore	Ruisi, Angelo

b. Other key management personnel

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

NAME	POSITION
Anthony Zappia	Chief Executive Officer
Pete Dela Cruz	Chief Financial Officer.

c. Key management personnel compensation

	2019 \$	2018 \$
Benefits and payments made to directors and key management personnel	612,721	692,351



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2019

19. RELATED PARTIES

a. Key management personnel

Disclosures relating to key management personnel are set out in note 18.

b. Directors' and key management personnel transactions with the company

Mr Vincenzo Foti, Chairman of the company is a shareholder of Foti International Fireworks Pty Ltd which supplied fireworks to the company at a cost of \$28,000 (2018: \$28,000) during the year under normal business trading terms.

Mr Sam Noiosi, a director of the company is a shareholder and a director of West Hoxton General Supply Pty Limited which supplied hardware and horticultural supplies to the company at a cost of \$26,982 (2018: \$41,492) during the year under normal retail terms and conditions.

Mr Robert Carniato, a director of the company is the Managing Director of Cox Concrete Pty Ltd which supplied construction materials to the club at a cost of \$25,073 (2018: \$62,317) during the year under normal retail terms and conditions.

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers. Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.



DIRECTORS' DECLARATION

30 JUNE 2019

In the directors' opinion:

- a. the financial statements and notes set out on pages 20 to 46 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, reduced disclosure requirements, the Corporations Regulations 2001, and
 - (ii) giving a true and fair view of the entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date, 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.

This declaration is made in accordance with a resolution of directors.



Vincenzo Foti
President

Bossley Park, NSW
26 August 2019



Independent auditor's report

To the members of Club Marconi Limited

Our opinion

In our opinion:

The accompanying financial report of Club Marconi Limited (the Company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2019
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

PricewaterhouseCoopers, ABN 52 780 433 757

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of Club Marconi Limited for the year ended 30 June 2019 included on Club Marconi Limited's web site. The directors of the Company are responsible for the integrity of Club Marconi Limited's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.



PricewaterhouseCoopers



Manoj Santiago
Partner

Sydney
26 August 2019

CLUB MARCONI TRADING HIGHLIGHTS 1957-2019

YEAR	NO. MEMBERS	GROSS TURNOVER EXCLUDES GST \$'000	CHANGE IN GROSS REVENUE VS. LY	TOTAL EXPENDITURE \$'000	PROFIT BEFORE INT & DEPN / AMORT \$'000	NET PROFIT / (LOSS) \$'000	OTHER COMPREHEN-SIVE INCOME \$'000	TOTAL ASSETS \$'000	TOTAL LIABILITIES \$'000	NET ASSETS \$'000	PERSONNEL EXPENSES \$'000	% PERSONNEL TO GROSS TURNOVER
2019	43,698	41,587	-7%	40,886	5,387	701	20,025	126,638	18,685	107,952	12,017	29%
2018	47,217	44,829	-0.6%	41,967	7,506	2,862	-	104,584	17,359	87,225	12,226	27%
2017	44,709	45,120	7%	41,721	7,634	3,400	5,571	101,199	16,836	84,363	12,252	27%
2016	41,723	42,184	9%	39,017	7,311	3,167	2,434	88,600	13,208	75,392	11,647	28%
2015	35,926	38,782	10%	36,614	6,399	2,168	4,106	83,359	13,567	69,792	9,947	26%
2014	35,382	35,278	-2%	34,516	5,040	763	5,498	79,407	15,891	63,516	10,590	30%
2013	38,330	36,152	7%	35,069	5,301	1,083	-	75,146	17,890	57,256	10,399	29%
2012	31,309	33,681	-2%	32,868	5,499	813	-	75,347	19,174	56,173	10,289	31%
2011	26,086	34,310	-2%	34,330	4,513	(20)	5,564	76,850	21,491	55,359	10,923	32%
2010	26,196	35,018	-18%	36,411	3,041	(1,385)	-	73,477	23,525	49,952	11,639	33%
2009	23,976	42,874	17%	37,260	10,111	134	5,479	73,998	22,661	51,337	11,693	27%
2008	25,061	36,578	-1%	38,754	2,939	(2,176)	-	66,112	27,308	38,804	12,838	35%
2007	26,373	36,852	1%	34,776	6,205	1,287	789	72,781	25,078	47,703	11,366	31%
2006	25,746	36,508	0%	34,252	7,187	2,256	-	73,594	25,769	47,825	10,691	29%
2005	25,583	36,454	1%	34,364	6,990	2,090	-	64,948	26,850	38,097	10,927	30%
2004	27,020	35,917	8%	34,845	5,678	1,071	7,000	56,571	29,323	27,248	12,608	35%
2003	26,934	33,406	-17%	33,774	3,957	(368)	-	48,588	29,411	19,177	12,155	36%
2002	25,405	40,153	-4%	39,997	5,204	156	-	49,103	29,559	19,545	12,400	31%
2001	25,381	41,630	-6%	43,068	3,459	(1,438)	-	49,313	29,925	19,388	14,899	36%
2000	24,443	44,221	3%	44,668	3,796	(448)	-	45,434	24,608	20,826	12,122	27%
1999	24,122	42,913	15%	40,227	6,226	2,686	-	41,565	20,520	21,044	11,442	27%
1998	22,976	37,185	19%	34,263	5,506	2,922	-	37,303	19,338	17,965	10,277	28%
1997	21,742	31,357	10%	29,256	4,541	2,101	-	30,588	15,081	15,506	8,791	28%
1996	18,616	28,539	25%	27,406	3,923	1,133	-	28,757	14,936	13,821	8,531	30%
1995	15,935	22,861	8%	22,680	2,905	181	-	27,628	15,565	12,063	6,869	30%
1994	13,681	21,123	11%	21,193	2,221	(70)	-	27,268	14,348	12,920	6,340	30%
1993	9,345	19,016	20%	18,004	2,921	1,012	-	26,268	13,267	13,001	4,256	22%
1992	7,261	15,870	3%	14,759	2,073	1,111	-	24,475	12,312	12,163	3,714	23%
1991	5,476	15,353	9%	13,745	2,175	1,608	-	15,115	3,997	11,118	3,834	25%
1990	-	14,081	23%	12,612	1,872	1,469	-	9,929	4,013	5,916	3,513	25%
1989	4,642	11,451	35%	10,217	1,621	1,234	-	8,890	4,176	4,715	2,903	25%
1988	-	8,463	22%	7,607	1,101	856	-	7,440	3,719	3,722	2,309	27%
1987	-	6,917	18%	6,362	812	555	-	5,002	1,978	3,024	1,971	28%

CLUB MARCONI TRADING HIGHLIGHTS 1957-2019

YEAR	NO. MEMBERS	GROSS TURNOVER EXCLUDES GST \$'000	CHANGE IN GROSS REVENUE VS. LY	TOTAL EXPENDITURE \$'000	PROFIT BEFORE INT & DEPN / AMORT \$'000	NET PROFIT / (LOSS) \$'000	OTHER COMPREHENSIVE INCOME \$'000	TOTAL ASSETS \$'000	TOTAL LIABILITIES \$'000	NET ASSETS \$'000	PERSONNEL EXPENSES \$'000	% PERSONNEL TO GROSS TURNOVER
1986	4,079	5,841	27%	5,238	879	604	-	3,918	1,338	2,581	1,691	29%
1985	-	4,595	19%	4,066	848	530	-	3,823	1,765	2,058	1,247	27%
1984	-	3,857	-11%	3,546	629	311	-	3,767	2,072	1,695	906	23%
1983	-	4,358	-3%	4,382	699	(24)	-	3,873	2,314	1,559	1,322	30%
1982	-	4,480	24%	4,226	527	255	-	3,798	2,199	1,599	1,297	29%
1981	-	3,612	18%	3,535	373	77	-	3,432	2,033	1,399	1,219	34%
1980	-	3,072	7%	3,052	109	20	-	3,257	1,841	1,416	1,066	35%
1979	-	2,883	12%	2,747	210	136	-	1,871	474	1,397	995	35%
1978	-	2,566	12%	2,359	290	207	-	1,659	389	1,270	718	28%
1977	-	2,292	7%	2,203	201	89	-	1,556	476	1,080	679	30%
1976	-	2,134	9%	2,053	159	81	-	1,580	584	996	655	31%
1975	4,000	1,949	27%	1,747	262	202	-	1,266	339	928	613	31%
1974	-	1,534	20%	1,409	199	125	-	976	230	746	426	28%
1973	-	1,279	33%	1,149	183	130	-	839	179	660	340	27%
1972	-	961	25%	884	133	77	-	793	249	544	243	25%
1971	-	770	16%	704	95	66	-	723	257	467	200	26%
1970	3,000	665	18%	617	80	48	-	611	210	401	153	23%
1969	-	564	30%	512	79	51	-	557	204	353	130	23%
1968	-	433	42%	379	79	54	-	524	221	303	80	18%
1967	1,930	305	21%	266	66	39	-	460	209	251	54	18%
1966	1,340	252	4%	226	46	26	-	450	237	212	50	20%
1965	1,400	241	19%	199	63	43	-	423	231	192	39	16%
1964	1,288	203	9%	190	34	13	-	421	271	150	37	18%
1963	1,000	186	21%	155	47	31	-	397	260	137	32	17%
1962	760	154	21%	142	25	11	-	203	98	105	21	13%
1961	-	127	15%	96	-	31	-	128	128	-	17	14%
1960	600	111	-2%	90	-	21	-	120	120	-	17	16%
1959	-	114	0%	73	-	41	-	121	121	-	13	12%
1958	150	-	0%	-	-	-	-	-	-	-	-	0%
1957	115	-	-	-	-	-	-	-	-	-	-	0%

Notes

- Financial Year 2009 Profit & Loss includes profit from the sale of intangible assets of \$5.6 Mil.
- Financial Years 1957 to 1975 Annual Reports cannot be located. If any member holds the financial statements for these years, please contact the company secretary, Tel. No. (02) 98223321.









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