

**58th  
ANNUAL REPORT**

**SUNDAY 31st March, 2019.**

**BOARD OF DIRECTORS**

**President:** J.D. EWERS

Messrs. J.D. EWERS, K. POOLE, J. HOLDER,  
P. FINCH  
I.MCLELLAN, A STRACHAN, P.WESTAWAY  
**General Manager:** N.K. HENDRY

**CLUB INFORMATION**

**Registered Office and Club Rooms:**  
5/7 NORTHUMBERLAND ROAD, AUBURN  
**Phone:** 9646 3511

**AUDITOR:**

W.S. HARDY-SMITH B.BUS. C.A.

AUBURN SOCCER SPORTS CLUB LIMITED  
ACN - 001 391 346

2018

FINANCIAL REPORT

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## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Auburn Soccer Sports Club Limited will be held at 5/7 Northumberland Road, Auburn on Sunday 31st March, 2019 at 10:30a.m.

### **BUSINESS**

The business of the Annual General Meeting will be as follows:

To confirm the Minutes of the Fifty Third Annual General Meeting.

To receive and Adopt the Report of the Board of Directors.

To Receive and Adopt the report of the General Manger.

To Receive and Adopt the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and the Auditors Report for the year ended 31st December, 2018.

**Please note that these are available on the Club's website, or you may arrange to collect a copy from reception**

To consider and thought fit, pass each of the Ordinary Resolutions which are enclosed with this notice and labelled "Notice of Ordinary Resolutions".

Any other business which may be dealt with at the Annual General Meeting.

To elect seven Directors, nominations for election of Directors shall be made individually in writing and signed by two members of the Club, and also by the nominee who shall also signify his consent to the nomination. Forms of nomination may be obtained from the Secretary. Completed forms must be in the hands of the Secretary at least seven days before the General Meeting.

Dated 28th February 2019

NEILL HENDRY  
GENERAL MANAGER  
(By Order of the Board)

**NOTICE OF RESOLUTIONS TO BE CONSIDERED AT  
THE ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that at the Annual General Meeting of **AUBURN SOCCER SPORTS CLUB LIMITED** to be held on 31st March, 2019 commencing at 10:30am at the premises at 5/7 Northumberland Road, Auburn New South Wales.  
The Members will be asked to consider and if thought fit pass the following resolutions.

**FIRST ORDINARY RESOLUTION**

That pursuant to the Registered Clubs Act:

a) The members hereby approve and agree to expenditure by the Club in a sum not exceeding \$15,000 until the next Annual General Meeting of the Club for the following activities of Directors:

- i) The reasonable cost of a meal and beverage for each director immediately before or immediately after a Board or Committee meeting on the day of that meeting.
- ii) Reasonable expenses incurred by directors in travelling to and from directors meetings or other duly constituted committee meetings as approved by the Board from time to time on production of invoices, receipts, or other proper documentary evidence of such expenditure;
- iii) Reasonable expenses incurred by directors in relation to such other duties including entertainment of special guests to the Club and other promotional activities performed by directors which activities and the expenses there from are approved by the Board before payment is made on production of receipts, invoices or other proper documentary evidence of such expenditure.

b) The Members acknowledge that the benefits in paragraph (a) above are not available to Members generally but only for those who are directors of the Club.

**SECOND ORDINARY RESOLUTION**

That pursuant to the Registered Clubs Act:

a) The Members hereby approve and agree to expenditure by the Club in a sum not exceeding \$20,000 for the professional development and education of directors until the next Annual General Meeting and being:

- i) The reasonable cost of Directors attending at the Registered Clubs Association Annual General meeting.
- ii) The reasonable cost of Directors attending meetings of other Associations of which the Club is a member.
- iii) The reasonable cost of Directors attending Seminars, Lectures, Trade Displays, Organised Study Tours, Fact - finding Tours and other similar events as may be determined by the Board from time to time.

iv) The reasonable cost of Directors attending other Clubs for the purpose of observing their facilities and methods of operation.

v) Attendance at functions with spouses where appropriate and required, to represent the Club.

The Members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those who are directors of the Club.

DATED: 28th February 2019

NEILL HENDRY  
GENERAL MANAGER  
(By order of the Board)

## **EXPLANATION NOTES**

### **IMPORTANT NOTES TO ALL MEMBERS**

The purpose of the First Ordinary Resolution is to meet the disclosure requirements of Corporations Law and Registered Clubs Act. It relates to expenditure shown in the Club's Annual Accounts under various headings in previous years and approved by the Members when the Annual Accounts have been adopted.

The adoption of this Resolution by Members will confirm and set an upper limit on the amount to be expended and will meet the disclosure requirements of the Corporations Law and the Registered Clubs Act.

The purpose of the Second Ordinary Resolution is again to meet the disclosure requirements of Corporations Law and the Registered Clubs Act. It relates to expenditure by the Club for the professional development and education of Directors as well as ensuring that Directors keep up-to-date with current Club Industry development and that the Club is represented by selected Directors at the various Meetings of Associations of which the Club is a member.

The adoption of this Resolution by Members will confirm and set an upper limit on the amount to be expended and will meet the disclosure requirements of the Corporations Law and the Registered Clubs Act.

### **Summary**

Each Resolution must be passed as a whole and cannot be amended by motions from the floor of the Meeting or divided into two or more separate resolutions.

To be passed each resolution must receive votes in its favour from not less than a simple majority of the Members who, being entitled to do so, vote in person at the Meeting.

**In order to provide an informed and properly researched response, members are urged to lodge questions in respect of the Financial Statements to the General Manager, in writing, 7 days prior to the Annual General Meeting.**

Dated: 28th February, 2019.

NEILL HENDRY  
GENERAL MANAGER  
(By Order of the Board)

## Privacy information for members

The Auburn Soccer Sports Club is subject to the provisions of the Privacy Act 1988.

The act contains 10 National Privacy Principles that set standards for the handling of personal information.

The club has a commitment to privacy and the safeguarding of member, visitor and staff personal information.

Any personal information provided by you (e.g. name, address, date of birth, and contact details), including information collected as a result of a membership card being placed in a gaming machine or other club machine that is linked to a player tracking system (not ATMs) that may provide a service to you, will be protected.

The Club will not disclose your personal information to any other organisation or person unless there is a legal requirement to do so. The Club may also disclose personal information to relevant authorities if it reasonably believes that there is a threat to an individual's life, or a threat to public health and safety. If the club has reason to suspect that unlawful activity has been, is being or may be engaged in, personal information may be used or disclosed as a necessary part of any investigation and reporting to relevant persons or authorities.

The club may disclose your information to third parties that provide services under contract to the Club.

These contracts require the third party to keep your personal information confidential and secure.

Your personal information, including information obtained about you as a result of you placing your membership card in a gaming or other Club machine may be used by the Club for marketing purposes to improve our services and to provide you with the latest information about those services, any new related services and promotions.

If you do not wish to receive information about services and promotions, the Club, on request will remove your name from mailing lists.

You have the right to access any personal information that the Club may hold about you, including a right of correction of your information. The Club will generally not charge a fee for you to access your personal information.

## **PRESIDENTS REPORT**

On behalf of your Board of Directors, I submit for your approval and adoption the Annual Report and Financial Statements for the year ending 31st December 2018.

As a result of constant planning and financial controls by the Executive Management and your Board, the Club has been able to continue with another profitable result for the year. Indeed, many larger Clubs around Sydney and the State would be envious of our profitability over the last few years. While experiencing another healthy year we did however see several rises and falls of our monthly income due to factors beyond our control.

### **BUILDING UPDATE.**

Progress in starting the new Club premises has been very frustrating to say the least. The removal of the stormwater easement to both Northumberland and Rawson Streets has been very slow. Originally the job was to take 15 weeks to complete, unfortunately it has taken more than 3 times that long.

On the brighter side of things the Club procured a lease of one of the old Auburn RSL clubs carparks. This was a good result for you the members as the only other available parking would have been on the other side of the railway lines.

The new substation (the concrete cube near the front door) was to be commissioned at the end of January.

Unfortunately, this did not happen due to the weather. The old substation on the outskirts of the old carpark is being decommissioned and the work on the new Club is well and truly proceeding.

If all goes according to plan we hope to conduct next year's AGM in the new premises.

The profit for the year is \$1,183,450 compared to last year's profit of \$1,222,711 another good year's trading.

Government intervention into the industry and the anti-club media reporting continues with constant debate about the reliance of poker machine takings by the industry. Fortunately Clubs NSW keeps us informed of any changes of legislation that the Club may have to adhere to.

As president, I would like to thank our CEO Mr Neill Hendry and his Management team.

Their expertise and professionalism that they show when overseeing the day to day running of the club and helping to instigate planning for the new Club.

In closing I thank you our patrons who regularly support our great Club.

Your Board is committed to ensuring that you the Members have the best available facilities when the new Club commences operating.

Kind Regards,  
JOHN EWERS

PRESIDENT.

Thankyou for your support.

**JOHN D. EWERS**  
**PRESIDENT**

## **CHIEF EXECUTIVE OFFICERS REPORT**

It is my pleasure to present to you my Chief Executive Officers Report for 2018. The past year, has been both successful but also very frustrating in relation to the commencement of the new Club facility to be built on the old car park site.

I will comment about building project later in my report.

I am pleased to report another very successful years trading for the Club following on from an equally satisfying result from the previous year. The Club recorded a profit of \$ 1,183,450 compared to \$1,220,711 in 2017

Many licensed clubs in Australia, are at a crossroads struggling for survival, especially the smaller to medium sized clubs that have to compete with many mega sized clubs that eventually overrun the smaller clubs or take them over. The business models (or lack of) competes tradition against a rapidly changing social environment who challenge clubs to keep pace with consumer expectations. What is past is irrelevant! Planning for the future is paramount, that is why your Board made the critical decision to build new premises for the future. Eventually, the new premises that will be built on the current Club site will contain four commercial premises for the Club to rent out. This will complement the rental of the childcare facility in the Station Road property which should be operating by the time that the Annual General Meeting is conducted. This strategy is to reduce the Club's reliance on gaming as the main source of income for the Club.

As I previously stated the year has been extremely frustrating in commencement of work on the new Club. The removal of the stormwater easement in the old carpark has taken a lot longer than anticipated. The roadworks along both Northumberland and Rawson roads were expected to be completed within 3 months but unfortunately have taken more than twice that long. Also, the new electrical substation on the corner of the Club has also taken longer than expected to be commissioned. Excavation work has finally commenced on the new Club site. The scope of the works at present only encompasses the new underground parking area. The development application for the new club is now being prepared for submission to council and once that is approved, application to transfer the license to the new address will be drawn up for submission to the Government licensing authority.

I would like to thank our President John Ewers and our Board of Directors for their support throughout the year.

You can be assured that your Board members work hard for the best outcome of the Club.

I also take this opportunity to thank my wonderful and dedicated staff for all their efforts over the past year and I acknowledge the work that they do ensuring that the club remains the best that it can be for you our loyal members.

***N.K. HENDRY***

**CHIEF EXECUTIVE OFFICER.**

## **DIRECTORS' REPORT TO THE MEMBERS**

The Directors present their report together with the financial report of Auburn Soccer Sports Club Limited for the year ended 31st December 2018 and the Auditors Report thereon.

### **1) Directors**

The Directors in office at the date of this report are: -

J.D. Ewers	P.Finch
K. Poole	J. Holder
I. McLellan	A.Strachan
P.Westaway	

### **2) PRINCIPAL ACTIVITIES**

The principal activity of the entity in the course of the period continued to be the conduct of the Club at Northumberland Road, Auburn and the support of Soccer Football.

During the period there were no significant changes in the nature of these activities.

### **3) REVIEW OF OPERATIONS**

The Company's operating profit before tax for the financial year ended 31<sup>st</sup> December 2018 was \$1,183,450 (2017 \$1,220,711). Net revenue from Poker Machine operations for the 12 months trading to 31st December, 2018 was \$2,599,546. The Company contributed an aggregate amount of \$84,023. to community development and support as required under Part 4 of the Gaming Machine Tax Act 2001 for the 12 month period ended 31st December 2018.

### **4) DIVIDENDS**

Being an entity limited by guarantee, there exists no share capital: consequently, no shares or options over unissued shares can be issued and no dividend can be paid.

### **5) STATE OF AFFAIRS**

Matters or circumstances have not arisen since the end of the financial year that have significantly affected or may significantly affect: -

- the operations of the entity;
- the results of those operations; or
- the state of affairs of the entity in subsequent years

### **6) EVENTS SUBSEQUENT TO BALANCE DATE**

At the date of this report it is not anticipated that there will be any likely developments, in the operations of the entity not otherwise disclosed in this report.

## DIRECTORS' REPORT TO THE MEMBERS

-continued-

### **7) INFORMATION ON DIRECTORS**

The particulars of the qualifications, experience and special responsibilities of the Directors of the entity are as follows -

<u>Name</u>	<u>Qualifications and Experience</u>	<u>Experience Years as</u>
J.D. Ewers	Retired	42
J. Holder	Hospital Orderly	35
K. Poole	Driver	34
I.McLellan	Postal Worker	15
P. Finch	Postal Worker	17
A. Strachan	Retired	26
P. Westaway	Trainer	6

### **8) LIKELY AND FUTURE DEVELOPMENTS AND EXPECTED RESULTS**

Likely developments in the operations of the company in future financial years and the expected results of those operations are as follows:

Government legislation regarding Poker Machine precommitment may affect the club's future profits

### **9) DIRECTORS BENEFITS**

No Director since the end of the previous financial year has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts or the fixed salary of a full-time employee of the entity) by reason of a contract made by the entity, or a related entity with the Director or with a firm of which he is a member, or with an entity in which he has a substantial financial interest.

### **10) OVERSEAS TRAVEL**

Nil

### **11) DIRECTORS INDEMNITY**

The company has provided an indemnification and insurance for its present and former officers of the company.

## **DIRECTORS' REPORT TO THE MEMBERS**

-continued-

### **12) ENVIRONMENTAL LEGISLATION**

The company's operations are subject to various significant environmental regulations under both Commonwealth and state legislation.

The Directors are not aware of any significant breaches during the period covered by this report.

### **13) DIRECTOR AND EMPLOYEE INTEREST IN HOTELS**

No Director or any of the top 5 (by remuneration) club employees holds any financial interest in a hotel.

### **14) EMPLOYEE REMUNERATION**

The top 5 employees of the Company whose income from the Company or any related party is greater than \$100,000 falls within the following bands. Nil

### **15) PROCEEDINGS ON BEHALF OF THE COMPANY**

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is party for the purposes of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not party to any such proceedings during the year.

### **16) AUDITOR'S INDEPENDENCE DECLARATION**

As required under Section 307C of the Corporations Act 2001 the Director's have received the Independence Declaration from the Auditor. The Declaration is attached.

Dated at Auburn this 28th day of February, 2019.

Signed in accordance with a resolution of Directors.

J. Ewers - Director

## **AUDITOR'S INDEPENDENCE DECLARATION**

In relation to my audit of the financial report of Auburn Soccer Sports Club Limited for the financial year ended 31st December, 2018, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Dated 27th February, 2019.

7 Gilbert Street  
Elderslie NSW 2570

W.S. HARDY-SMITH - PRINCIPAL Elderslie NSW  
REGISTERED COMPANY AUDITOR

## **AUDITOR'S REPORT TO THE MEMBERS OF AUBURN SOCCER SPORTS CLUB LIMITED**

### **SCOPE**

#### *The Financial Report and Directors Responsibility*

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the Directors declaration.

The company's directors are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for the accounting policies and accounting estimates inherent in the financial report.

#### *Audit Approach*

I have conducted an independent audit in order to express an opinion on them to the members of the company.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

I performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Company's financial position and of its performance as represented by the results of its operations and cash flows.

**AUDITOR'S REPORT TO THE MEMBERS**  
**OF AUBURN SOCCER SPORTS CLUB LIMITED - Continued**

I formed my audit opinion on the basis of these procedures, which included:

Examining, on a test basis, information to provide evidence supporting the amounts and other disclosures in the financial report; and

Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While I considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of my procedures, my audit was not designed to provide assurance on internal controls.

**INDEPENDENCE**

In conducting my audit I followed applicable independence requirements of Australian Professional Ethical pronouncements and the Corporations Act 2001.

**AUDIT OPINION**

In my opinion, the financial report of Auburn Soccer Sports Club Limited is in accordance with:

- a) the Corporations Act 2001 including
  - i) giving a true and fair view of the company's financial position at 31st December 2018 and its performance for the financial year ended on that date; and
  - ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- b) other mandatory professional reporting requirements.

Dated 27th February, 2019.

**7 Gilbert Street**  
**Elderslie NSW**

**W.S. HARDY-SMITH - PRINCIPAL**  
**REGISTERED COMPANY AUDITOR**

AUBURN SOCCER SPORTS CLUB LIMITED

DIRECTORS DECLARATION

In the opinion of the Directors of Auburn Soccer Sports Club Limited the accompanying concise financial Report of the company for the year ended 31st December, 2019:

a) the financial statements and notes, set out in the report are in accordance with the Corporations Act 2001, including;

- (i) giving a true and fair view of the financial position of the Company as at 31<sup>st</sup> December, 2017 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
- (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001;and
- (iii) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Auburn this 28th day of February, 2019.

Signed in accordance with a resolution of directors:

J. Ewers  
Director

**AUBURN SOCCER SPORTS CLUB LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	\$	\$
Revenues from Sale of Goods	643,591	567,888
Revenue from Rendering Services	4,043,223	4,222,494
Other Revenue	19,764	21,747
Total Revenue	<u>4,706,578</u>	<u>4,812,129</u>
Cost of Goods Sold	362,393	320,601
Poker Machine Duty	673,902	711,392
Employee Expenses	1,119,759	1,096,523
Entertainment and Promotions	289,129	206,461
Repairs and Maintenance	139,410	160,421
Insurance	65,108	64,188
Light and Power	108,688	105,228
Cleaning	59,298	55,926
Security	47,127	47,495
Other Expenses	448,315	567,129
	<u>3,313,128</u>	<u>3,335,365</u>
<b>Earnings before borrowing costs, tax And depreciation expenses</b>	<b>1,393,450</b>	<b>1,476,765</b>
Depreciation	210,000	256,054
Borrowing costs	-	-
	<u>210,000</u>	<u>256,054</u>
<b>Profit/(Loss) from ordinary activities before related Income Tax Expense</b>	<b>1,183,450</b>	<b>1,220,711</b>
Income Tax expense relating to ordinary activities	-	-
<b>Net Profit /(Loss)</b>	<b><u>1,183,450</u></b>	<b><u>1,220,711</u></b>

**The statement of financial performance is to be read in conjunction with the notes to the financial statements**

**AUBURN SOCCER SPORTS CLUB LIMITED**

**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	\$	\$
<b><u>CURRENT ASSETS</u></b>		
Cash	5,657,208	4,032,062
Receivables	18,656	75,936
Inventories	28,413	40,517
<b><u>TOTAL CURRENT ASSETS</u></b>	<b><u>5,704,277</u></b>	<b><u>4,148,515</u></b>
<b><u>NON-CURRENT ASSETS</u></b>		
Property, Plant & Equipment	19,604,122	18,965,046
<b><u>INTANGIBLE ASSETS</u></b>		
Future Income Tax Benefit	19,112	19,112
<b><u>TOTAL ASSETS</u></b>	<b><u>25,327,511</u></b>	<b><u>23,132,673</u></b>
<b><u>CURRENT LIABILITIES</u></b>		
Creditors & Borrowings	967,038	1,206,857
Provisions	400,879	370,383
<b><u>TOTAL CURRENT LIABILITIES</u></b>	<b><u>1,367,917</u></b>	<b><u>1,577,240</u></b>
<b><u>TOTAL LIABILITIES</u></b>	<b><u>1,367,917</u></b>	<b><u>1,577,240</u></b>
<b><u>NET ASSETS</u></b>	<b><u>23,959,594</u></b>	<b><u>21,555,433</u></b>
<b><u>ACCUMULATED FUNDS</u></b>		
Retained Profits	13,108,356	11,355,493
Asset Revaluation Reserve	10,851,238	10,199,940
	<b><u>23,959,594</u></b>	<b><u>21,555,433</u></b>

**The statement of financial performance is to be read in conjunction with the notes to the financial statements**

**AUBURN SOCCER SPORTS CLUB LIMITED**

**STATEMENT OF CASHFLOWS**

**FOR THE YEAR ENDED 31ST DECEMBER, 2018**

	<b>2018</b>		<b>2017</b>	
	\$			
	Inflows		Inflows	
	(Outflows)			
<b>Cash Flows - Operating</b>				
Receipts from outside activities	5,227,537		5,354,455	
Payments	-	3,968,270	-	3,751,349
Interest & other costs of Finance paid	-		-	
Interest Received	19,764		21,747	
<b>Net Cash Flows from Operating</b>	<u>1,279,031</u>		<u>1,624,853</u>	
<b>Cash Flows from Investing</b>				
Payment for Property and Plant	-	551,407	-	537,599
<b>Net Cash used in Investing Activities</b>	-	551,407	-	537,599
<b>Cash from Financing</b>				
Borrowings	-		-	
Net Cash Flows - Financing Activities	-	551,407	-	537,599
<b>Net Increase/(Decrease) in cash held</b>		727,624		1,087,254
Cash at the beginning of the year		4,032,062		2,937,097
<b><u>CASH AT THE END OF THE YEAR</u></b>		<u>4,759,686</u>		<u>4,024,351</u>

**AUBURN SOCCER SPORTS CLUB LIMITED**

**NOTES TO THE STATEMENT OF CASHFLOWS**

**FOR THE YEAR ENDED 31ST DECEMBER, 2018**

	<b>2018</b>		<b>2017</b>
	\$		\$
<b>Note 1</b>			
<b>Reconciliation of Cash</b>			
Cash at the end of the year as shown in the Statement of Cash flows is reconciled to the related items in the Balance Sheet as follows :			
Cash on Hand		97,300	77,300
Cash at Bank		5,559,908	3,954,762
		<u>5,657,208</u>	<u>4,032,062</u>

## **NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The significant policies which have been adopted in the preparation of this financial report are:

### **BASIS OF PREPARATION**

The financial report is a general purpose financial report which has been prepared in accordance with Accounting standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards board and the Corporations Act 2001.

It has been prepared on an accrual basis and is based on historical costs does not take into account changing values or, except where stated, current valuations of non-current assets.

The accounting policies adopted are consistent with those of the previous year.

### **REVENUE RECOGNITION**

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

#### ***Sales of Goods***

Revenue from sales of goods comprises revenue earned from the provision of food beverage and other goods is recognised ( net of rebates, returns, discounts and other allowances) when control of the goods passes to the customer.

#### ***Rendering of services revenue***

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

#### ***Interest Revenue***

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets

#### ***Sale of Property, Plant and Equipment***

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

## **NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **GOODS AND SERVICES TAX**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority.

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or current liability in the statement of financial position.

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

### **BORROWING COSTS**

Borrowing costs include interest, amortisation of discounts or premiums related to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and lease finance charges. Ancillary costs incurred in connection with the arrangement of borrowings are capitalised and amortised over the life of the borrowings.

Borrowing costs are expensed as incurred unless they relate to a qualifying asset. Qualifying assets are assets which take more than twelve months to get ready for their intended use or sale.

In these circumstances, borrowing costs are capitalised to the costs of the assets.

Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of the borrowing costs capitalised are those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, borrowings costs are capitalised using a weighted average capitalisation rate.

### **TAXATION**

#### ***Income Tax***

The Company adopts the income statement liability method of tax effect accounting.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits relating to tax losses are only brought to account when their realisation is virtually certain.

### **ACQUISITION OF ASSETS**

All assets acquired including property, plant and equipment are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Expenditure is only recognised as an asset when the entity controls future economic benefits as a result of the costs incurred, it is probable that those future economic benefits will eventuate, and the costs can be measured reliably.

Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

### ***Subsequent additional costs***

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the company in future years. Costs that do not meet the criteria for capitalisation are expenses as incurred.

### **REVISIONS OF ACCOUNTING ESTIMATES**

Revisions to accounting estimates are recognised prospectively in current and future periods only.

### **RECEIVABLES**

Debtors are generally settled within 60 days and are carried at amounts due. The collectability of debts is assessed at the year end and specific provision is made for any doubtful accounts.

### **INVENTORIES**

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

### **LEASED ASSETS**

Leases under which the company assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases

#### ***Finance Leases***

Finance leases are capitalised. A lease asset and lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease.

Lease liabilities are reduced by payments of principal. The interest components of the lease payments are expensed.

#### ***Operating Leases***

Payments made under operating leases are expenses on a straight line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

### **RECOVERABLE AMOUNT OF NON-CURRENT ASSETS VALUED ON A COST BASIS**

The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at the reporting date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount. The write-down is expensed in the reporting period in which it occurs.

Current valuations of land and buildings valued on the cost basis are carried out at least once every three years.

## **NOTES TO AND FORMING PART OF THE 2018 ACCOUNTS**

### **NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Where a group of assets working together supports the generation of cash flows, recoverable amount is assessed in relation to that group of assets.

In assessing recoverable amounts of non-current assets the relevant cash flows have not been

#### **DEPRECIATION AND AMORTISATION**

##### **Complex Assets**

The components of major assets that have materially different useful lives, are effectively accounted for as separate assets, and are separately depreciated.

##### **Useful Lives**

All non-current assets, including intangibles, have limited useful lives and are depreciated/amortised using the straight line and diminishing value methods over their estimated useful lives, taking into account estimated residual values, with the exception of freehold land.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness.

When changes are made, adjustments are reflected in current and future periods only.

#### **PAYABLES**

Liabilities are recognised for amounts to be paid in the future for goods or services received.

Trade accounts payable are normally settled within 30 days.

#### **INTEREST BEARING LIABILITIES**

Bank loans are recognised at their principal amount. Interest expense is prepaid at the contracted rate and included in "prepayments".

#### **EMPLOYEE ENTITLEMENTS**

##### **Wages, salaries, annual and sick leave**

Liabilities for employee entitlements to wages, salaries, annual and sick leave represent present obligations resulting from employee's services provided up to the reporting date, calculated at undiscounted amounts based on current wage and salary rates including related on-costs.

##### **LONG SERVICE LEAVE**

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

In determining the liability for employee entitlements, consideration has been given to future increases wage and salary rates and the Company's experience with staff departures. Related on-costs have also been included in the liability.

## **SUPERANNUATION PLAN**

The Company contributes to a defined contribution superannuation plans. Contributions are charges against income as they are made. Further information is set out below.

### **NOTE 2 – REVENUE FROM ORDINARY ACTIVITIES**

	<b>2018</b>	<b>2017</b>
Sale of Goods Revenue	643,591	567,888
Rendering of Services Revenue	4,043,223	4,222,494
<b>Other revenues</b>		
Interest other parties	19,764	21,747
<b>Total revenue from ordinary activities</b>	<b>4,706,578</b>	<b>4,812,129</b>

### **NOTE 3 – PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX**

	<b>2018</b>	<b>2017</b>
Profit from Ordinary activities before Income Tax		
Profit from ordinary activities before income tax has been Arrived at after charging		
Crediting the following		
Borrowing Costs	-	-
Provision-Employee Entitlements	- 12,747	52,742
Depreciation	210,000	256,054

### **KEY PERFORMANCE INDICATORS**

Bar Gross Profit Percentage	55.40%	49.63%
Wages to Sales - Percentage	25.68%	29.63%

### **Note 4**

#### **Auditors Remuneration**

Audit Services	17,000	17,000
Other Services	34,285	23,260
	<b>51,285</b>	<b>40,260</b>

## Note 5

### Income Tax Expense

#### *Income Tax Expense*

The Income Tax Assessment Act, 1997 (amended) provided that under the concept of mutuality clubs are only liable to tax on income derived from non-members and from outside entities.

The amount set aside for income tax in the statement of Financial Performance has been calculated as follows:

	<b>2018</b>	<b>2017</b>
Net taxable income attributable to non-members	19,770	295,132
Add other taxable income	110,583	144,524
	<u>130,353</u>	<u>439,655</u>
less other deductible expenses	-	447,428
Net Income Subject to tax	<u>-</u>	<u>7,773</u>

### Note 6 - Cash

	<b>2018</b>	<b>2017</b>
Cash on Hand	97,300	77,300
Cash at Bank	5,559,908	3,954,762
	<u>5,657,208</u>	<u>4,032,062</u>

### NOTE 7 - RECEIVABLES

	<b>2018</b>	<b>2017</b>
Current -		
Trade Debtors	-	2,327
Prepayments	20,983	20,983
	<u>18,656</u>	<u>18,656</u>

### NOTE 8 - INVENTORIES

	<b>2018</b>	<b>2017</b>
Trading Stock and Prize Items	28,413	40,517

## Note 9

### Intangible Assets

Future Income Tax Benefit	17,641	19,112
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## Note 10

### Property, Plant and Equipment

	<b>2018</b>	<b>2017</b>
Freehold land, buildings and improvements - at independent valuation (Note 1)	18,977,738	18,297,155
Less: Accumulated depreciation		
Net Book Value	18,977,738	18,297,155
General Plant - at cost	314,949	314,949
Less: Accumulated depreciation	323,817	323,817
Net Book Value	<u>-</u>	<u>8,868</u>

Poker Machines - at cost	1,617,046	1,417,061
Less: Accumulated depreciation	1,142,002	940,440
Net Book Value	<u>475,044</u>	<u>476,621</u>
Furniture & Equipment - at cost	824,001	784,998
Less: Accumulated depreciation	686,339	622,649
Net Book Value	<u>137,662</u>	<u>162,349</u>
Motor Vehicle	42,709	42,636
Less: Accumulated amortisation	20,163	24,847
Net Book Value	<u>22,546</u>	<u>17,789</u>
Total - at Net Book Value	<u>19,604,122</u>	<u>18,945,046</u>
TOTAL PROPERTY, PLANT & EQUIPMENT		
At cost & Independent Valuation	21,776,443	20,856,799
Accumulated Depreciation	2,172,321	1,911,753
<b>NET BOOK VALUE</b>	<u>19,604,122</u>	<u>18,945,046</u>

#### **Core and Non Core Land**

With reference to Section 41J of the Registered Clubs Act as amended by the Registered Clubs Amendment Act 2006, the properties owned or occupied by Auburn Soccer Sports Club Limited as at 31st December, 2018 are as follows:

#### **Core Properties**

5-7 Northumberland Road, Auburn

#### **Non-Core Properties**

As at 31<sup>st</sup> December, 2018 there the following are non-core properties owned or occupied by

Auburn Soccer Sports Club Limited

12-14 Northumberland Road Auburn

6 Station Road Auburn

8 Station Road Auburn

#### **VALUATION**

The independent valuation of the company's building and improvements carried out as at 15th December 2014 on the basis of market value for existing use resulted in a valuation of \$18,000,000 plus additions to date.

#### **Note 11**

Creditors and Borrowings

#### Current

Trade creditors & accruals	1,026,321	1,267,803
GST Payable	- 59,283	60,946
	<u>967,038</u>	<u>1,328,749</u>

## Note 11 - Continued

### *Interest Bearing Liabilities*

#### **Current**

Bank Facility	1	-
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### *Financing Arrangements*

The company has access to the following lines of credit:

Line of Credit	-	560,000
Bank Guarantees	15,000	-
Overdraft Facility	50,000	50,000

### *Facilities Used at Reporting Date*

Line of Credit		
Bank Guarantees	15,000	-
Overdraft Facility	-	-

### *Facilities not utilised at Reporting Date*

Line of Credit	560,000	560,000
Bank Guarantees	-	-
Overdraft Facility	50,000	50,000

### *Security*

Nil

## Note 12 - Provisions

#### Current

Holiday and sick pay	240,887	240,887
Long service leave	159,992	159,992
	<u>400,879</u>	<u>400,879</u>

## NOTE 13- ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

The company's financial instruments and the policies associated with risks of carrying these are summarised below:

### a) *Interest Rate Risk*

#### **2018**

##### **Financial Assets**

	Fixed	Weighted Average Interest Rate %	Fixed Floating interest	maturing Rate %	interest maturing in 1 year
Cash Assets		4%		5,657,208	
Receivables		-			
<b>Financial Liabilities</b>					
Payables					
Bank Facility		-			
		8.90%		0	
Employee Benefits		5.05%		400,879	

#### **2017**

##### **Financial Assets**

	Non in 1-5 or less \$	interest	interest years \$	bearing \$	
Cash Assets				4,032,062	
Receivables					
<b>Financial Liabilities</b>					
Payables					
Bank Facility					
Employee Benefits				400,879	

## NOTES TO AND FORMING PART OF THE 2018 ACCOUNTS

### (CONTINUED)

#### a) *Credit Risk Exposure*

Credit risk represents the loss that would be recognised if counterparts failed to perform as contracted.

#### *Recognised Financial Instruments*

The credit risk on financial assets, excluding investments, of the company which have been recognised on the statement of financial position, is the carrying amount, net of any provision for doubtful debts.

The company minimises concentrations of credit risk by undertaking transactions with a large number of patrons.

### NOTE 13- ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE – (continued)

#### *Net Fair Values*

The aggregate fair values and carrying amount of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

No financial assets and financial liabilities are readily traded on organised markets in a standardised form.

For other assets and other liabilities net fair value approximates their carrying value.

### NOTE 14 - GUARANTEE OF MEMBERS

The entity is limited by guarantee. Every member of the entity undertakes to contribute to the assets of the entity in the event of its being wound up for the payment of the debts and the liabilities of the entity together with the cost, charges and expenses of winding up, such amount as may be required but not exceeding \$4.

### NOTE 16 - RELATED PARTY TRANSACTIONS

The directors of Auburn Soccer Sports Club Limited during the financial year were :

J.D. Ewers  
J. Holder  
P. Finch  
P. Westaway

K. Poole  
I.McLellan  
A. Strachan

No director has received or is due to receive any income, directly or indirectly from the economic entity during the financial year except for honorariums paid of \$14,600 (2017 \$14,600).

#### NOTE 17 - FINANCIAL REPORTING BY SEGMENTS

The entity operates primarily in one industry. The principal activity of the entity is the promotion and provision of facilities for the recreation and social benefits of members in conjunction with support of the game of soccer.

The entity operates in one geographical area, being Auburn, NSW, Australia.

#### NOTE 18 – DIRECTORS REMUNERATION

Directors income	2018	2017
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The number of Directors of the Company whose income From the Company falls within the following bands:

\$0 - \$9,999	7	7
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The total income paid or payable, or otherwise made

Available, to all directors of the Company or any Related party	<u>\$14,600</u>	<u>\$14,600</u>
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#### NOTE 18 – PRINCIPLE OF MUTUALITY

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

Following the recent Full Federal Court decision in *Coleambally Irrigation Co-Operative Limited V* FCT (2004) FCAFC, Tax Laws Amendment (2005 Measures No 6) Bi l2005 was tabled in Parliament on 7th December, 2005 to amend the Income Tax Assessment Act 1997 to restore the long standing benefits of the mutuality principle to those non-profit organisations affected by the Coleambally decision.

These amendments will ensure social clubs continue not to be taxed on receipts and contributions and payments received from members.

#### NOTE 19 – IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO IFRS

Australian equivalents to IFRs have been adopted in the financial report for the year ended 31st December, 2018 and in the comparative information presented in the report for the year ended 31st December, 2017.

Impairment of assets have been determined on a discounted cash basis and freehold land and buildings and improvements have been compared with valuations as disclosed in the notes to the financial statements.

## ADDITIONAL INFORMATION

### TRADING AND PROFIT & LOSS ACCOUNT DISCLAIMER

The additional financial data presented on the following pages are in accordance with the books and records of the above entity (my client) which have been subjected to the auditing procedures applied in our statutory audit of the entity for the financial year ended 31st December, 2018.

It will be appreciated that my statutory audit did not cover all details of the additional financial data. Accordingly I do not express an opinion on such additional financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than my client) in respect of such additional data, including any errors or omissions therein however caused.

Dated 28th February, 2019.

7 Gilbert Street  
Elderslie NSW 2570

**W.S. HARDY-SMITH - PRINCIPAL**  
**REGISTERED COMPANY AUDITOR**

## NOTES TO AND FORMING PART OF THE 2018 ACCOUNTS

### Note 20

#### Consolidated Income & Expenditure

		2018	2017
Bar Trading	11	9,872 -	1,703
Poker Machines	12	2,599,546	2,703,257
Catering Trading	-	4,065 -	2,909
Keno Trading		37,312	28,484
Other			
Membership Subscriptions		6,323	9,929
Commission Received		47,250	39,545
Booking Fees		-	100
Sundry Income		47,742	30,257
Interest Received		19,764	21,747
		<u>2,763,743</u>	<u>2,828,707</u>
LESS: EXPENSES			
Expenditure on Social			
Events		192,779	153,635
Administration & General			
Expenses		1,387,514	1,454,361
Profit/- Loss before Income Tax		<u>1,183,450</u>	<u>1,220,711</u>

	2018	2017
<b>Note 11 Bar Trading</b>		
<b>SALES</b>	643,591	567,888
Less: Opening Stock	31,267	40,517
Purchases	355,474	308,442
Less closing stock	- 28,413 -	31,267
	358,328	317,692
Gross Profit	285,263	250,196
Less Direct Bar Expenses		
Wages	265,405	243,075
Maintenance & Supplies	6,387	6,424
Stocktaking fees	3,600	2,400
	275,392	251,899
<b>Net Loss</b>	9,872 -	1,703

	2018	2017
<b>Note 11 - Poker Machines</b>		
Receipts	3,898,993	4,105,435
Less: Duty	673,902	711,392
Poker Machine Promotions	-	-
Repairs & Maintenance	50,312	55,556
Depreciation	139,837	204,575
Wages	280,777	289,024
Giveaways	96,350	53,283
Rental Charges	21,667	52,734
Monitoring	36,602	35,614
	1,299,447	1,402,178
Net Profit	2,599,546	2,703,257

	2018	2017
<b>Note 12 - Catering</b>		
Sales	-	-
Less: Opening Stock	-	-
Purchases	-	-
Less: Closing Stock	-	-
Gross Profit	-	-
Less: Direct Expenses		
Wages	-	-
Maintenance & Supplies	4,065	2,909
Net Loss	- 4,065 -	2,909

**Note 13 - Keno Trading**

Commission	42,916	37,229
Less: Direct Expenses	5,603	8,744
Net Profit	<u>37,312</u>	<u>28,484</u>

**Note 23 - Socials**

Entertainment	665	1,337
Members Functions	192,114	152,298
Directors Expenses	-	-
Staff Expenses	-	-
Total Socials Expense	<u>192,779</u>	<u>153,635</u>

**2018**                      **2017**  
\$                                      \$

**Note 24 - Admin and General**

Advertising	35	295
Accounting & Audit	51,285	44,797
Badges & Membership Expenses	-	-
Bank, FID Charges & Interest	1,965	2,294
Club Journal	-	-
Cleaning Contractors	59,298	55,926
Computer Expenses	3,061	5,376
Depreciation	70,163	51,479
Donations & Subscriptions	105,899	93,434
Electricity & Gas	108,688	105,228
Filing Fees	48	370
Fringe Benefits Tax	8,600	10,668
General Expenses	36,757	3,773
Interest	-	-
Insurance	65,108	64,188
Staff Provisions	- 12,747	52,742
Land Tax	-	145,720
Motor Vehicle Expenses	8,296	9,786
Payroll Tax	17,181	18,804
Printing, Stationery & Postage	11,643	16,237
Rates	82,602	68,453
Repairs & Maintenance	77,773	91,644
Security	47,127	47,495
Staff Training	-	-
Superannuation	161,293	86,306
Superstation Fees	61,132	58,287
Telephone	5,876	6,350
Wages	416,432	414,708
Total Expenses	<u>1,387,514</u>	<u>1,454,361</u>