

# 55th ANNUAL REPORT

SUNDAY 10<sup>th</sup> APRIL, 2016.

## 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

2015

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 10th April, 2016 at 10:30a.m.

## **BUSINESS**

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

To confirm the Minutes of the Fifty Fourth 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, 2015.

**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 26th February 2016

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 10th April, 2016 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: 25th February 2016

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: 25th February, 2016.

NEILL HENDRY  
GENERAL MANAGER  
(By Order of the Board)

## **PRESIDENTS REPORT**

Dear Members,

I present to you the Club's Financial Report for the financial year ended 31st December 2015.

This report is to be considered at the Annual General Meeting to be held on Sunday 10th April 2016 commencing at 10.30am.

This year your club achieved an all time record profit of \$1,373,288 compared with last year of \$268,003.

The increase in profit is attributed to an increase in Poker Machine revenue, and an overhead containment programme instituted by Management to ensure our overhead costs are kept as low as possible.

I would also like to take this opportunity to thank the hardworking sub- Committees of the Board, your efforts do not go unnoticed.

To our General Manager and his management team, thank you for your professionalism and passion.

To my fellow Directors, thank you for your time and effort given during the year.

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

## **GENERAL MANAGER'S REPORT**

Dear members I present my General Managers report for the club in respect of the year ended 31st December, 2015.

Your club a record profit of \$1,373,288.

Key performance indicators for the year are as follows:

Poker Machine takings Increased by \$1,690,315  
Net Profit from Poker Machines Increased by \$1,185,061

***N.K. HENDRY***  
**GENERAL MANAGER**

## 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 2015 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 2015 was \$1,373,288 (2014 \$268,003). Net revenue from Poker Machine operations for the 12 months trading to 31st December, 2015 was \$2,743,843. The Company contributed an aggregate amount of \$59,561 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 2015.

### 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

## DIRECTORS' REPORT TO THE MEMBERS

-continued-

### 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.

### 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	39
J. Holder	Hospital Orderly	32
K. Poole	Driver	31
I. McLellan	Postal Worker	12
P. Finch	Postal Worker	14
A. Strachan	Retired	23
P. Westaway	Trainer	3

### 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 a entity in which he has a substantial financial interest.

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

-continued-

### **10) OVERSEAS TRAVEL**

Nil

### **11) DIRECTORS INDEMNITY**

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

### **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 25th day of February, 2016.

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, 2015, 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 25th February, 2016.

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.

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 2015 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 25th February, 2016.

## **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, 2015:

- 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, 2015 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 25th day of February, 2016.

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, 2015

	2015	2014
	\$	\$
Revenues from Sale of Goods	581,623	471,341
Revenue from Rendering Services	4,202,652	2,474,041
Other Revenue	32,936	12,889
Total Revenue	<u>4,817,211</u>	<u>2,958,271</u>
Cost of Goods Sold	293,089	236,160
Poker Machine Duty	708,673	353,276
Employee Expenses	1,066,007	899,249
Entertainment and Promotions	335,007	229,663
Repairs and Maintenance	191,672	171,520
Insurance	68,894	49,615
Light and Power	114,689	114,852
Cleaning	49,734	57,680
Security	3,710	1,804
Other Expenses	518,625	451,041
	<u>3,350,100</u>	<u>2,564,860</u>
<b>Earnings before borrowing costs, tax And depreciation expenses</b>	<b>1,467,111</b>	<b>393,411</b>
Depreciation	90,434	121,901
Borrowing costs	4,701	3,507
	<u>95,135</u>	<u>125,408</u>
<b>Profit/Loss) from ordinary activities before related Income Tax Expense</b>	<b>1,371,976</b>	<b>268,003</b>
Income Tax expense relating to ordinary activities	-	1,312
<b>Net Profit /(Loss)</b>	<b><u>1,373,288</u></b>	<b><u>268,003</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, 2015

	2015	2014
	\$	\$
<b><u>CURRENT ASSETS</u></b>		
Cash	2,937,097	1,539,343
Receivables	59,121	73,374
Inventories	40,225	39,798
<b><u>TOTAL CURRENT ASSETS</u></b>	<b><u>3,036,443</u></b>	<b><u>1,652,515</u></b>
<b><u>NON-CURRENT ASSETS</u></b>		
Property, Plant & Equipment	18,715,686	18,606,897
<b><u>INTANGIBLE ASSETS</u></b>		
Future Income Tax Benefit	18,953	17,641
<b><u>TOTAL ASSETS</u></b>	<b><u>21,771,081</u></b>	<b><u>20,277,053</u></b>
<b><u>CURRENT LIABILITIES</u></b>		
Creditors & Borrowings	1,187,088	1,055,415
Provisions	367,290	378,224
<b><u>TOTAL CURRENT LIABILITIES</u></b>	<b><u>1,554,378</u></b>	<b><u>1,433,639</u></b>
<b><u>TOTAL LIABILITIES</u></b>	<b><u>1,554,378</u></b>	<b><u>1,433,639</u></b>
<b><u>NET ASSETS</u></b>	<b><u>20,216,702</u></b>	<b><u>18,843,414</u></b>
<b><u>ACCUMULATED FUNDS</u></b>		
Retained Profits	10,016,762	8,643,474
Asset Revaluation Reserve	10,199,940	10,199,940
	<b><u>20,216,702</u></b>	<b><u>18,843,414</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, 2015

	2015		2014
	\$		
	Inflows		Inflows
	(Outflows)		
<b>Cash Flows - Operating</b>			
Receipts from outside activities	5,276,973		3,244,700
Payments	- 3,707,787	-	1,919,370
Interest & other costs of			
Finance paid	- 4,701	-	3,507
Interest Received	32,936		12,889
<b>Net Cash Flows from Operating</b>	<u>1,597,421</u>		<u>1,334,712</u>
 <b>Cash Flows from Investing</b>			
Payment for Property and Plant	- 199,667	-	585,257
<b>Net Cash used in Investing</b>			
<b>Activities</b>	- 199,667	-	585,257
 <b>Cash from Financing</b>			
Borrowings	-		-
Net Cash Flows - Financing			
Activities	- 199,667	-	585,257
<b>Net Increase/(Decrease) in</b>			
<b>cash held</b>	1,397,754		749,455
Cash at the beginning of the			
year	1,539,343		789,888
<b>CASH AT THE END OF THE YEAR</b>	<u><u>2,937,097</u></u>		<u><u>1,539,343</u></u>

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

## **AUBURN SOCCER SPORTS CLUB LIMITED**

### **NOTES TO THE STATEMENT OF CASHFLOWS** **FOR THE YEAR ENDED 31ST DECEMBER, 2015**

	<b>2015</b>	<b>2014</b>
<b><u>Note 1</u></b>	\$	\$
<b><u>Reconciliation of Cash</u></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	77,300	62,300
Cash at Bank	2,859,797	1,477,043
	<u>2,937,097</u>	<u>1,539,343</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

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

### ***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).

### **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 expensed 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.

## **NOTES TO AND FORMING PART OF THE 2015 ACCOUNTS**

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

#### **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.

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.

## **NOTES TO AND FORMING PART OF THE 2015 ACCOUNTS**

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

#### **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>2015</b>	<b>2014</b>
Sale of Goods Revenue	581,623	471,341
Rendering of Services Revenue	4,202,652	2,474,041
<b>Other revenues</b>		
Interest other parties	32,936	12,889
<b>Total revenue from ordinary activities</b>	<b>4,817,211</b>	<b>2,958,271</b>

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

	<b>2015</b>	<b>2014</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	4,701	3,507
Provision-Employee Entitlements	- 10,934	36,340
Depreciation	90,434	121,901

**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	14,496	14,496
	<b>31,496</b>	<b>31,496</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>2015</b>		<b>2014</b>
Net taxable income attributable to non-members	3,938		19,770
Add other taxable income	164,001		110,583
	<u>167,939</u>		<u>130,353</u>
less other deductible expenses	-	-	130,353
Net Income Subject to tax	<u>-</u>		<u>-</u>

**Note 6 - Cash**

	<b>2015</b>		<b>2014</b>
Cash on Hand	77,300		62,300
Cash at Bank	2,859,797		1,477,043
	<u>2,937,097</u>		<u>1,539,343</u>

**NOTE 7 - RECEIVABLES**

	<b>2015</b>		<b>2014</b>
<u>Current</u> -			
Trade Debtors	23,630		40,882
Prepayments	35,491		32,492
	<u>59,121</u>		<u>73,374</u>

**NOTE 8 - INVENTORIES**

	<b>2015</b>		<b>2014</b>
Trading Stock and Prize Items	40,225		39,798

**Note 9**

<b><u>Intangible Assets</u></b>	18,953		17,641
Future Income Tax Benefit			

**Note 10****Property, Plant and Equipment**

	2015	2014
Freehold land, buildings and improvements - at Independent valuation (Note 1)	18,107,683	18,000,179
Less: Accumulated depreciation		
Net Book Value	18,107,683	18,000,179
General Plant - at cost	314,949	314,949
Less: Accumulated depreciation	271,260	260,260
Net Book Value	<u>43,689</u>	<u>54,689</u>
Poker Machines - at cost	1,167,926	1,153,658
Less: Accumulated depreciation	777,295	762,295
Net Book Value	<u>390,631</u>	<u>391,363</u>
Furniture & Equipment - at cost	716,777	684,416
Less: Accumulated depreciation	576,137	566,387
Net Book Value	<u>140,640</u>	<u>118,029</u>
Motor Vehicle	42,636	42,636
Less: Accumulated amortisation	9,593	-
Net Book Value	<u>33,043</u>	<u>42,636</u>
Total - at Net Book Value	<u>18,715,686</u>	<u>18,606,896</u>
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>		
At cost & Independent Valuation	20,349,971	20,195,838
Accumulated Depreciation	1,634,285	1,588,942
<b>NET BOOK VALUE</b>	<u>18,715,686</u>	<u>18,606,896</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, 2015 are as follows:

**Core Properties**

5-7 Northumberland Road, Auburn

## Non-Core Properties

As at 31<sup>st</sup> December, 2015 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	1,226,433	1,055,415
Secured Commercial Facility	-	-
GST Payable	- 38,017	5,215
	<u>1,188,416</u>	<u>1,060,630</u>

## Note 11 - Continued

### Interest Bearing Liabilities

#### Current

Bank Facility	-	-
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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	15,000
Overdraft Facility	50,000	50,000

### Facilities Used at Reporting Date

Line of Credit		
Bank Guarantees	15,000	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	203,921	196,401
Long service leave	163,370	181,823
	<u>367,290</u>	<u>378,224</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*

**2015**

**Financial Assets**

	Fixed	Weighted Average Interest Rate %	Fixed Floating interest	maturing Rate %	interest maturing in 1 year
Cash Assets		4%		2,937,097	
Receivables		-			

**Financial Liabilities**

Payables					
Bank Facility		8.90%		0	
Employee Benefits		5.05%		367,290	

2014

**Financial Assets**

	Non in 1-5 or less \$	interest interest years \$	bearing \$
Cash Assets			1,539,343

Receivables

**Financial Liabilities**

Payables

Bank Facility

Employee Benefits 378,224

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

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 \$6,005 (2014 \$6005).

#### **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	2015	2014
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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>\$6,005</u>	<u>\$6,005</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) Bill 2005 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, 2015 and in the comparative information presented in the report for the year ended 31st December, 2014.

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.

**ADDDITIONAL 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, 2015.

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 25th February, 2016.

**7 Gilbert Street  
Elderslie NSW 2570**

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

## NOTES TO AND FORMING PART OF THE 2015 ACCOUNTS

### Note 20

#### Consolidated Income & Expenditure

		<b>2015</b>		<b>2014</b>
Bar Trading	11 -	10,773	-	36,766
Poker Machines	12	2,594,448		1,402,115
Catering Trading	-	4,959	-	12,190
Keno Trading		40,221		25,273
Other				
Membership Subscriptions		6,368		12,669
Commission Received		29,673		15,420
Booking Fees		310		8,712
Sundry Income		55,619		26,092
Interest Received		32,936		12,889
		<u>2,743,843</u>		<u>1,454,214</u>
LESS: EXPENSES				
Expenditure on Social Events		290,875		174,182
Administration & General Expenses		1,080,992		1,012,029
		<u>1,371,976</u>		<u>268,003</u>
Profit/- Loss before Income Tax				

**2015**

**2014**

### Note 11 Bar Trading

<b>SALES</b>		581,623		471,341
Less: Opening Stock		33,688		29,424
Purchases		294,749		229,753
Less closing stock	-	40,225	-	33,688
		<u>288,212</u>		<u>225,489</u>
Gross Profit		293,411		245,852
Less Direct Bar Expenses				
Wages		297,241		264,962
Maintenance & Supplies		3,343		14,356
Stocktaking fees		3,600		3,300
		<u>304,184</u>		<u>282,618</u>
<b>Net Loss</b>	-	<u>10,773</u>	-	<u>36,766</u>

**Note 11 - Poker Machines**

	2015	2014
Receipts	4,062,892	2,372,577
Less: Duty	708,673	353,276
Poker Machine Promotions	11,951	18,163
Repairs & Maintenance	107,982	61,223
Depreciation	60,000	82,500
Wages	278,765	221,893
Giveaways	30,116	30,585
Rental Charges	207,272	170,610
Monitoring	63,685	32,212
	<u>1,468,444</u>	<u>970,462</u>
Net Profit	<u><u>2,594,448</u></u>	<u><u>1,402,115</u></u>

**Note 12 - Catering**

Sales	-	-
	-	-
Less: Opening Stock	-	-
Purchases	-	-
Less: Closing Stock	-	-
Gross Profit	<u>-</u>	<u>-</u>
Less: Direct Expenses		
Wages	-	-
Maintenance & Supplies	4,959	12,190
Net Loss	<u>- 4,959</u>	<u>- 12,190</u>

**Note 13 - Keno Trading**

Commission	47,790	38,571
Less: Direct Expenses	7,569	13,298
Net Profit	<u>40,221</u>	<u>25,273</u>

**Note 23 - Socials**

Entertainment	12,873	32,770
Members Functions	278,002	141,412
Directors Expenses	-	-
Staff Expenses	-	-
Total Socials Expense	<u>290,875</u>	<u>174,182</u>

	2015	2014
	\$	\$

**Note 24 - Admin and General**

Advertising	300	210
Accounting & Audit	34,252	31,496
Badges & Membership Expenses	-	1,655
Bank, FID Charges & Interest	1,242	1,484
Club Journal	3,500	-
Cleaning Contractors	49,734	57,680
Computer Expenses	11,383	8,626
Depreciation	30,434	39,401
Donations & Subscriptions	78,735	40,752
Electricity & Gas	114,689	114,852
Filing Fees	- 254	343
Fringe Benefits Tax	4,782	4,834
General Expenses	32,680	24,818
Interest	4,701	3,507
Insurance	68,894	49,615
Staff Provisions	- 10,934	36,340
Motor Vehicle Expenses	2,880	5,006
Payroll Tax	- 34,956	9,367
Printing, Stationery & Postage	5,947	19,125
Rates	43,183	42,694
Repairs & Maintenance	75,365	88,378
Security	3,710	1,804
Staff Training	565	-
Superannuation	114,281	69,480
Superstation Fees	56,721	51,439
Telephone	7,286	7,383
Wages	381,872	301,740
Total Expenses	<u>1,080,992</u>	<u>1,012,029</u>















































