

54th ANNUAL REPORT

SUNDAY 29th MARCH, 2015.

BOARD OF DIRECTORS

President: J.D. EWERS

Messrs. J.D. EWERS, K. POOLE, J. HOLDER,
I.MCLELLAN, A STRACHAN, P.FINCH
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

2014

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 30th March, 2015 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, 2014.

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 2015

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 29th March, 2015 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.

NOTICE OF RESOLUTIONS TO BE CONSIDERED AT
THE ANNUAL GENERAL MEETING
(Continued)

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: 26th February 2015

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: 26th February, 2015.

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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 2014.

This report is to be considered at the Annual General Meeting to be held on Sunday 30th March 2014 commencing at 10.30am.

This year your club achieved a profit of \$268,003 compared with last year of \$328,162.

The Board of Directors is pleased with the profit achieved during somewhat difficult financial times Management continues to ensure that our overhead costs are kept as low as possible.

During the year your Board Executive have been extremely busy in regard to the potential development of the club premises and will keep members up to date with progress as it occurs.

I would also like to take this opportunity to thank the hardworking sub- Committees of the Board and assure you 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

Your club recorded a profit of \$268,003 for the year 31st December, 2014.

Key performance indicators for the year are as follows:

Poker Machine takings Increased by \$222,219

Net Profit from Poker Machines Increased by \$82,146.

To the Board of Directors thankyou for your support and encouragement and to you the members thankyou for your continued patronage.

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 2014 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 31st December 2014 was \$268,003 (2013 \$328,162). Net revenue from Poker Machine operations for the 12 months trading to 31st December, 2014 was \$1,402,115. The Company contributed an aggregate amount of \$36,210 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 2014.

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: -

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- 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</u>		
		<u>Years as</u>		
		<u>Meetings out of</u>		
			<u>15</u>	
J.D. Ewers	Retired			President
K. Poole	Driver	30	15	Senior Vice President
J. Holder	Hospital Orderly	31	13	Director
I.McLellan	Postal Worker	11	13	Director
P. Finch	Postal Worker	13	15	Director
A. Strachan	Retired	22	13	Director
P. Westaway	Trainer	2	13	Director
R. Grimes until 30th March 2014	Accountant		3	Director
A. Hydnes until 12th September 2014	Teacher		8	Director

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

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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

During the year 3 directors travelled overseas in their capacity as a director.

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 26th day of February, 2015.

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, 2014, 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 26th February, 2015.

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

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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.

AUDITOR'S REPORT TO THE MEMBERS
OF AUBURN SOCCER SPORTS CLUB LIMITED
(Continued)

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:

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- a) the Corporations Act 2001 including
 - i) giving a true and fair view of the company's financial position at 31st December 2014 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 26th February, 2015.

7 Gilbert Street
Elderslie NSW

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

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, 2014:

- 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 31st December, 2014 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 26th day of February, 2015.

Signed in accordance with a resolution of directors:

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J. Ewers
Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2014

	2014	2013
	\$	\$
Revenues from Sale of Goods	471,341	457,415
Revenue from Rendering Services	2,474,041	2,274,123
Other Revenue	12,889	7,823
Total Revenue	<u>2,958,271</u>	<u>2,739,361</u>
Cost of Goods Sold	236,160	242,781
Poker Machine Duty	353,276	309,500
Employee Expenses	899,249	832,666
Entertainment and Promotions	229,663	196,798
Repairs and Maintenance	171,520	136,015
Insurance	49,615	56,424
Light and Power	114,852	126,219
Cleaning	57,680	56,936
Security	1,804	1,201

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Other Expenses	451,041	332,551
	<u>2,564,860</u>	<u>2,291,091</u>
Earnings before borrowing costs, tax And depreciation expenses	393,411	448,270
Depreciation	121,901	117,919
Borrowing costs	3,507	3,701
	<u>125,408</u>	<u>121,620</u>
Profit/Loss) from ordinary activities before Income Tax	268,003	326,650
Income Tax expense relating to ordinary activities	-	1,512
Net Profit /(Loss)	268,003	328,162

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

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2014

	2014	2013
	\$	\$
<u>CURRENT ASSETS</u>		
Cash	1,539,343	789,888
Receivables	73,374	53,777
Inventories	39,798	38,397
<u>TOTAL CURRENT ASSETS</u>	<u>1,652,515</u>	<u>882,062</u>
<u>NON-CURRENT ASSETS</u>		
Property, Plant & Equipment	18,606,897	7,970,894
<u>INTANGIBLE ASSETS</u>		
Future Income Tax Benefit	17,641	17,641
<u>TOTAL ASSETS</u>	<u>20,277,053</u>	<u>8,870,597</u>
<u>CURRENT LIABILITIES</u>		
Creditors & Borrowings	1,055,415	151,726
Provisions	378,224	341,884
<u>TOTAL CURRENT LIABILITIES</u>	<u>1,433,638</u>	<u>493,610</u>

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TOTAL LIABILITIES	1,433,638	493,610
NET ASSETS	<u>18,843,414</u>	<u>8,376,987</u>
 ACCUMULATED FUNDS		
Retained Profits	8,643,474	4,963,847
Asset Revaluation Reserve	10,199,940	3,413,140
	<u>18,843,414</u>	<u>8,376,987</u>

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

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2014

	2014		2013
	\$		
	Inflows (Outflows)		Inflows
Cash Flows - Operating			
Receipts from outside activities	3,244,700		3,034,439
Payments	-	1,919,370	-
Interest & other costs of			
Finance paid	-	3,507	-
Interest Received	12,889		7,823
Net Cash Flows from Operating	<u>1,334,712</u>		<u>408,141</u>
 Cash Flows from Investing			
Payment for Property and Plant	-	585,257	-
Net Cash used in Investing			
Activities	-	585,257	-
 Cash from Financing			
Borrowings	-		-

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Net Cash Flows - Financing Activities	-	585,257	-	113,790
Net Increase/(Decrease) in cash held		749,455		294,351
Cash at the beginning of the year		789,888		495,537
<u>CASH AT THE END OF THE YEAR</u>		<u>1,539,343</u>		<u>789,888</u>

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

NOTES TO THE STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2014

Note 1

Reconciliation of Cash

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 :

	2014	2013
	\$	\$
Cash on Hand	62,300	62,300
Cash at Bank	1,477,043	727,588
	<u>1,539,343</u>	<u>789,888</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.

NOTES TO AND FORMING PART OF THE 2014 ACCOUNTS

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).

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.

NOTES TO AND FORMING PART OF THE 2014 ACCOUNTS

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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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.

NOTES TO AND FORMING PART OF THE 2014 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 2014 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

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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 in 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.

NOTES TO AND FORMING PART OF THE 2014 ACCOUNTS
(CONTINUED)

NOTE 2 – REVENUE FROM ORDINARY ACTIVITIES

	2014	2013
Sale of Goods Revenue	471,341	457,415
Rendering of Services Revenue	2,474,041	2,274,123
Other revenues		
Interest other parties	12,889	7,823

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Total revenue from ordinary activities	2,958,271	2,739,361
	2,958,271	2,739,361

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

	2014	2013
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	3,981	3,701
Provision-Employee Entitlements	12,974	14,999
Depreciation	132,658	117,919

KEY PERFORMANCE INDICATORS

Bar Gross Profit Percentage	52.16%	49.63%
Wages to Sales - Percentage	36.35%	29.63%

Note 4
Auditors Remuneration

Audit Services	17,000	17,000
Other Services	13,996	14,496
	30,996	31,496

**NOTES TO AND FORMING PART OF THE 2013 ACCOUNTS
(CONTINUED)**

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.

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

	2014	2013
Net taxable income attributable to non-members	19,770	29,766
Add other taxable income	110,583	111,716
	<u>130,353</u>	<u>141,482</u>
less other deductible expenses	-	-
Net Income Subject to tax	<u>-</u>	<u>-</u>

Note 6 - Cash

	2014	2013
Cash on Hand	62,300	62,300
Cash at Bank	1,477,043	727,588
	<u>1,539,343</u>	<u>789,888</u>

NOTE 7 - RECEIVABLES

	2014	2013
<u>Current</u> -		
Trade Debtors	40,882	21,285
Prepayments	32,492	32,492
	<u>73,374</u>	<u>53,777</u>

NOTE 8 - INVENTORIES

	2014	2013
Trading Stock and Prize Items	39,798	38,397

Note 9

	2014	2013
Intangible Assets	16,002	17,641
Future Income Tax Benefit		

NOTES TO AND FORMING PART OF THE 2014 ACCOUNTS
(CONTINUED)

Note 10

Property, Plant and Equipment

	2014	2013
Freehold land, buildings and improvements - at Independent valuation (Note 1)	18,000,180	6,751,300
Less: Accumulated depreciation		
Net Book Value	18,000,180	6,751,300

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General Plant - at cost	314,949	314,949
Less: Accumulated depreciation	260,260	249,260
Net Book Value	<u>54,689</u>	<u>65,689</u>
Poker Machines - at cost	1,153,658	1,306,322
Less: Accumulated depreciation	762,295	295,311
Net Book Value	<u>391,363</u>	<u>1,011,011</u>
Furniture & Equipment - at cost	684,416	680,880
Less: Accumulated depreciation	566,387	556,454
Net Book Value	<u>118,029</u>	<u>124,426</u>
Motor Vehicle	42,636	32,581
Less: Accumulated amortisation	-	14,113
Net Book Value	<u>42,636</u>	<u>18,468</u>
Total - at Net Book Value	<u>18,606,897</u>	<u>7,970,894</u>
TOTAL PROPERTY, PLANT & EQUIPMENT		
At cost & Independent Valuation	20,195,839	9,086,032
Accumulated Depreciation	<u>1,588,942</u>	<u>1,115,138</u>
NET BOOK VALUE	<u>18,606,897</u>	<u>7,970,894</u>

NOTES TO AND FORMING PART OF THE 2014 ACCOUNTS
(CONTINUED)

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, 2014 are as follows:

Core Properties

5-7 Northumberland Road, Auburn

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Non-Core Properties

As at 31st December, 2014 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	1,007,692	89,913
Secured Commercial Facility	42,507	50,132
GST Payable	5,216	11,681
	<u>1,055,415</u>	<u>151,726</u>

Interest Bearing Liabilities

Current

Bank Facility	42,507	50,132
---------------	--------	--------

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

NOTES TO AND FORMING PART OF THE 2014 ACCOUNTS
(CONTINUED)

Facilities Used at Reporting Date

Line of Credit	50,132	50,132
Bank Guarantees	15,000	15,000
Overdraft Facility	-	-

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Facilities not utilised at Reporting Date

Line of Credit	0	509,868
Bank Guarantees	-	-
Overdraft Facility	-	50,000

Security

Nil

Note 12 - Provisions

Current

Holiday and sick pay	196,401	167,761
Long service leave	181,822	174,123
	<u>378,224</u>	<u>341,884</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*

2014

Financial Assets

	Fixed	Weighted Average Interest Rate %	Fixed Floating interest	maturing Rate %	interest maturing in 1 year
Cash Assets		4%			1,539,343
Receivables					

NOTES TO AND FORMING PART OF THE 2014 ACCOUNTS

(CONTINUED)

NOTE 13- ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE – (continued)

Financial Liabilities

Payables

AUBURN SOCCER SPORTS CLUB LIMITED
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Bank Facility	—	
	8.90%	42,507
Employee Benefits		
	5.05%	378,224

2014
Financial Assets

	Non in 1-5 or less \$	interest interest years \$	bearing \$
Cash Assets			1,539,343
Receivables			73,374

Financial Liabilities

Payables			1,055,415
Bank Facility		42,507	
Employee Benefits			378,224

2013
Financial Assets

	Fixed	Weighted Average Interest Rate %	Fixed Floating interest	maturing Rate %	interest maturing in 1 year
Cash Assets		4%			789,888
Receivables					

NOTES TO AND FORMING PART OF THE 2014 ACCOUNTS

(CONTINUED)

NOTE 13- ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE – (continued)

Financial Liabilities

AUBURN SOCCER SPORTS CLUB LIMITED
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Payables

2012

Financial Assets

	Non in 1-5 or less \$	interest interest years \$	Interest bearing \$
Cash Assets			789,888
Receivables			

Financial Liabilities

Bank Facility	—		
	8.90%		50,132
Employee Benefits	5.05%		341,884

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.

NOTES TO AND FORMING PART OF THE 2014 ACCOUNTS
(CONTINUED)

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.McIellan
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 (2013 \$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

	2014	2013
Directors income		
The number of Directors of the Company whose income From the Company falls within the following bands:		
\$0 - \$9,999	9	9
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>

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, 2014 and in the comparative information presented in the report for the year ended 31st December, 2013.

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, 2014.

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 26th February, 2015.

**7 Gilbert Street
Elderslie NSW 2570**

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

AUBURN SOCCER SPORTS CLUB LIMITED

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NOTES TO AND FORMING PART OF THE 2014 ACCOUNTS

Note 20

Consolidated Income & Expenditure

	2014	2013
	-	-
	36,766	41,800
Bar Trading	1,402,115	1,319,969
Poker Machines	-	-
	12,190	14,572
Catering Trading	25,273	22,018
Keno Trading		
Other	12,669	10,374
Membership Subscriptions	15,420	17,285
Commission Received	8,712	6,921
Booking Fees	26,092	53,402
Sundry Income	12,889	7,823
Interest Received	<u>1,454,214</u>	<u>1,381,420</u>
LESS: EXPENSES		
Expenditure on Social Events	174,182	135,241
Administration & General Expenses	1,012,029	919,529
	<u>268,003</u>	<u>326,650</u>
Profit/- Loss before Income Tax		

Note 21 Bar Trading

	471,341	457,415
SALES		
	29,424	29,390
Less: Opening Stock	229,753	231,429
Purchases	-	-
	33,688	29,424
Less closing stock	<u>225,489</u>	<u>231,395</u>
	245,852	226,020
Gross Profit		
Less Direct Bar Expenses	264,962	250,407
Wages	14,356	13,813
Maintenance & Supplies	3,300	3,600
Stocktaking fees	282,618	267,820
	<u>36,766</u>	<u>41,800</u>
Net Loss		

AUBURN SOCCER SPORTS CLUB LIMITED
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NOTES TO AND FORMING PART OF THE 2014 ACCOUNTS

	2014	2013
<u>Note 22 - Poker Machines</u>		
	2,372,577	2,150,358
Receipts		
	353,276	309,500
Less: Duty	18,163	13,477
Poker Machine Promotions	61,223	53,951
Repairs & Maintenance	82,500	93,312
Depreciation	221,893	212,881
Wages	30,585	41,489
Giveaways	170,610	74,448
Rental Charges	32,212	31,331
Monitoring	970,462	830,389
	1,402,115	1,319,969
Net Profit		

Note 23 - Catering

Sales	-	-
Less: Opening Stock	-	-
Purchases	-	-
Less: Closing Stock	-	-
Gross Profit		
Less: Direct Expenses	-	
Wages	12,190	14,572
Maintenance & Supplies	-	14,572
Net Loss		

Note 24 - Keno Trading

	38,571	35,783
Commission	13,298	13,765
Less: Direct Expenses	25,273	22,018
Net Profit		

Note 25 - Socials

Entertainment	32,770	8,876
Members Functions	117,896	101,868
Directors Expenses	6,655	5,434
Staff Expenses	16,861	19,063
Total Socials Expense	157,399	135,241

AUBURN SOCCER SPORTS CLUB LIMITED
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NOTES TO AND FORMING PART OF THE 2014 ACCOUNTS

	2014	2013
	\$	\$
<u>Note 26 - Administration and General</u>		
	210	-
Advertising	31,496	31,496
Accounting & Audit	1,655	3,898
Badges & Membership Expenses	1,484	1,343
Bank, FID Charges & Interest	-	250
Club Journal	57,680	56,936
Cleaning Contractors	8,626	5,165
Computer Expenses	39,401	24,607
Depreciation	40,752	33,713
Donations & Subscriptions	114,852	126,219
Electricity & Gas	343	887
Filing Fees	4,834	4,808
Fringe Benefits Tax	24,818	27,041
General Expenses	3,507	3,701
Interest	49,615	56,424
Insurance	36,340	14,999
Staff Provisions	5,006	5,202
Motor Vehicle Expenses	9,367	8,039
Payroll Tax	19,125	6,175
Printing, Stationery & Postage	42,694	45,493
Rates	88,378	58,513
Repairs & Maintenance	1,804	1,201
Security	-	1,409
Staff Training	69,480	66,277
Superannuation	51,439	41,123
Superstation Fees	7,383	11,316
Telephone	301,740	283,294
Wages	1,012,029	919,529
Total Expenses	1,012,029	919,529

NOTES TO AND FORMING PART OF THE 2014 ACCOUNTS

REGISTERED CLUBS ACT SECTION 41H DISCLOSURES

The following information is required to be disclosed under the Registered Clubs amendment ended 31st December, 2014 and is important information for Club members.

The original declarations, disclosures and returns made pursuant to sections 41C, 41D, 41E and 41F referred to below, are held with the secretary of the Club. Such declarations, disclosures and returns are available for inspection by members on written application to the secretary. The original declarations, disclosures and returns made pursuant to sections 41C, 41D, 41E and 41F and held with the Club secretary, may be inspected by members on written application to the secretary.

(a) Disclosures, declarations and returns received under sections 41C to 41F
Disclosure of Interest in Contracts (Section 41C)

No director of the company declared to have a material personal interest in a contract that relates to the affairs of the company.

(ii) Director and Employee Interest in Hotels (Section 41D)

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

(iii) Gifts from Affiliated Bodies (Section 41E)

No director or top executive received a gift of \$500 or more from an affiliated body during the financial year.

(iv) Gifts from Organisations with a contract with the Company (Section 41F)

No director or employee received a gift of \$500 or more from an organization that is party to a contract with the company during the financial year.

(b) 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. 2014 Nil, 2013 Nil.

(c) Director and Employee Overseas Travel

At no time during the year did any director or employee travel overseas in their capacity as a director or employee.

(d) Employee Loans

There were no loans exceeding \$100 made to employees during the year.

REGISTERED CLUBS ACT SECTION 41H DISCLOSURES

- continued -

(e) Related Parties

There were no related parties of any director employed by the Company.

There were related parties of an executive employed by the Company as follows:
Steven Thomson is related to Judy Thomson and Bruce Thomson.

(f) Payments to Consultants

There were no payments to consultants exceeding \$30,000 during the year.

(g) Total Payments to Consultants Other

An amount of \$126,400 was paid to Consultants in respect of the Club development proposal

(H) Legal Settlements

There were no settlements made during the reporting period with a member of the Board or any employee of the company as a result of a legal dispute.

(i) Legal Fees

During the year, no legal fees were incurred by the company on behalf of a member of the Board or any employee of the company.

(j) Profits from Gaming Machines

The total amount of profits from the operation of approved gaming machines in the club for the 12 months ended 31st December, 2013 amounted to \$1,319,969.

(k) Community Development Support Expenditure

The club contributed an aggregate amount of \$36,200 to community development and support as required under part 4 of the Gaming Machine Tax Act 2001 for the twelve months ended 31st December, 2014.