

AUBURN SOCCER SPORTS CLUB LIMITED

52nd ANNUAL REPORT

SUNDAY 7th APRIL, 2013.

BOARD OF DIRECTORS

President: J.D. EWERS

Messrs. J.D. EWERS, K. POOLE, J. HOLDER,
R. GRIMES,
A. HYNDS, P. FINCH
I.MCLELLAN

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

AUBURN SOCCER SPORTS CLUB LIMITED ACN - 001 391 346

2012

FINANCIAL REPORT

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AUBURN SOCCER SPORTS CLUB LIMITED

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 7th April, 2013 at 10:30a.m.

BUSINESS

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

1. To confirm the Minutes of the Fifty First Annual General Meeting.
2. To receive and Adopt the Report of the Board of Directors.
3. To Receive and Adopt the report of the General Manger.
4. 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, 2012. **Please note that these are available on the Club's website, or you may arrange to collect a copy from reception**
5. To consider and thought fit, pass each of the Ordinary Resolutions which are enclosed with this notice and labelled "Notice of Ordinary Resolutions".
6. Any other business which may be dealt with at the Annual General Meeting.
7. To elect nine Directors, nominations for election of Directors shall be made individually in writing and signed by two members of the Club, and also by the nominee who shall also signify his consent to the nomination. Forms of nomination may be obtained from the Secretary. Completed forms must be in the hands of the Secretary at least seven days before the General Meeting.

Dated: 28th February, 2013

NEILL HENDRY
GENERAL MANAGER
(By Order of the Board)

AUBURN SOCCER SPORTS CLUB LIMITED

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 7th April, 2013 commencing at 10:30am at the premises of the Club 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 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.

AUBURN SOCCER SPORTS CLUB LIMITED

SECOND 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 \$10,000 for the professional development and education of directors until the next Annual General Meeting and being:
 - 1. The reasonable cost of Directors attending at the Registered Clubs Association Annual General meeting.
 - I) The reasonable cost of Directors attending meetings of other Associations of which the Club is a member.
 - ii) 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.
 - iii) The reasonable cost of Directors attending other Clubs for the purpose of observing their facilities and methods of operation.
 - iv) Attendance at functions with spouses where appropriate and required, to represent the Club.
- 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.

DATED: 28th February 2013

**NEILL HENDRY
GENERAL MANAGER
(By order of the Board)**

AUBURN SOCCER SPORTS CLUB LIMITED

EXPLANATION NOTES

IMPORTANT NOTES TO ALL MEMBERS

1. The purpose of the First 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.

2. The purpose of the second 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.

3. 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.
4. 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.
5. In order to provide an informed and properly researched response, members are urged to lodge questions in respect of the Financial Statements to the General Manager, in writing, 7 days prior to the Annual General Meeting.

Dated: 28th February, 2013.

NEILL HENDRY
GENERAL MANAGER
(By Order of the Board)

AUBURN SOCCER SPORTS CLUB LIMITED

PRESIDENTS REPORT

Dear Members,

I present to you the Club's Financial Report for the financial year ended 31st December 2012

This report is to be considered at the Annual General Meeting to be held on Sunday 7th April 2013 commencing at 10.30am.

This year your club achieved a profit of \$46,118 compared with last year of \$146,408.

The reduction in profit is solely attributed to a downturn in Poker Machine revenue, which I am pleased to say increased back to normal levels over the last couple of months.

On a sad note during the year we lost two of our Board to illness.

Don Howell served on the Board 42 years and Larry Day for 30 years.

Over their many years both Don and Larry worked tirelessly for this club, giving generously of their time and expertise.

We have all lost a dear friend in Don and Larry – they are missed.

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.

To the member's of Auburn Soccer Sports Club Limited, I thank you for your support and patronage. I wish you all every success in 2013 and look forward to seeing you at our Club.

JOHN D. EWERS
PRESIDENT

AUBURN SOCCER SPORTS CLUB LIMITED

GENERAL MANAGER'S REPORT

Dear members

I present my General Managers report for the club in respect of the year ended 31st December, 2012.

Your club recorded a profit of \$46,418 for the year, down by \$99,990 on the result achieved last year

Key performance indicators for the year are as follows:

Poker Machine takings decreased by \$150,448
Net Profit from Poker Machines reduced by \$127,445.
Total Expenses were up by \$18,716.

It is clear that the reduction in net profit can be solely attributed to a reduction in Poker Machine revenue, incurred mainly in the first half of the year, however since the end of the financial year I am pleased to report that turnover has returned to nearly normal levels.

As you are aware we lost two long serving Board members during the year.

Both Don Howell and Larry Day contribution to this club was enormous, and whilst both are no longer with us, there contribution will never be forgotten.

To our loyal staff, I thank you for your efforts and I look forward to working with you in 2013.

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

AUBURN SOCCER SPORTS CLUB LIMITED

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 2012 and the Auditors Report thereon.

1. DIRECTORS

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

J.D. Ewers
R. Grimes
A. Hynds
K. Poole

P.Finch
J. Holder
I. McLellan

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 2012 was \$46,118 (2010 \$146,408). Net revenue from Poker Machine operations for the 12 months trading to 31st December, 2012 was \$1,055,113. The Company contributed an aggregate amount of \$27,400 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 2012.

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

AUBURN SOCCER SPORTS CLUB LIMITED

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 Director</u>	<u>Special Responsibilities</u>	<u>Number of Board Meetings Attended of 13</u>
J.D. Ewers	Retired	36	President	13
D.E. Howell	Retired	42	Snr. Vice-President Deceased 7 th September 2012	9
L. Day	Retired	30	Jnr. Vice-President Deceased 4 th June 2012	1
J. Holder	Hospital Orderly	29	Director	13
K. Poole	Driver	28	Director	13
R.Grimes	Accountant	15	Director	13
A. Hynds	Teacher	19	Director	12
I.McLellan	Postal Worker	9	Director	13
P. Finch	Postal Worker	11	Director	13

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

AUBURN SOCCER SPORTS CLUB LIMITED

DIRECTORS' REPORT TO THE MEMBERS

-continued-

9. DIRECTORS BENEFITS

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

10. OVERSEAS TRAVEL

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

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

AUBURN SOCCER SPORTS CLUB LIMITED

DIRECTORS' REPORT TO THE MEMBERS

-continued-

15. PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

16. AUDITOR'S INDEPENDENCE DECLARATION

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

Dated at Auburn this 28th day of February, 2013.

Signed in accordance with a resolution of Directors.

J. Ewers - Director

AUBURN SOCCER SPORTS CLUB LIMITED

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, 2012, 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 28th February, 2013.

**7 Gilbert Street
Elderslie NSW**

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

AUBURN SOCCER SPORTS CLUB LIMITED

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.

AUBURN SOCCER SPORTS CLUB LIMITED

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

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 2012 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 28th February, 2013.

**7 Gilbert Street
Elderslie NSW**

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

AUBURN SOCCER SPORTS CLUB LIMITED

DIRECTORS DECLARATION

In the opinion of the Directors of Auburn Soccer Sports Club Limited the accompanying concise financial Report of the company for the year ended 31st December, 2012:

- 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, 2012 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
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Auburn this 28th day of February, 2013.

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, 2012

	<u>NOTE</u>	2012	2011
		\$	\$
Revenues from Sale of Goods		468,241	485,358
Revenue from Rendering Services		1,984,426	2,127,840
Other Revenue from Ordinary Activities		<u>8,859</u>	<u>10,223</u>
Total Revenue		2,461,526	2,681,931
Cost of Goods Sold		244,178	257,707
Poker Machine Duty		271,663	300,334
Employee Expenses		848,401	845,097
Entertainment and Promotions		205,089	208,466
Repairs and Maintenance		172,634	220,560
Insurance		61,241	58,828
Light and Power		121,206	81,090
Cleaning		60,043	56,809
Security		1,914	1,145
Other Expenses from ordinary activities		<u>293,070</u>	<u>295,311</u>
		2,279,439	2,325,347
Earnings before borrowing costs, tax And depreciation expenses		182,087	298,074
Depreciation		132,658	145,374
Borrowing costs		<u>3,981</u>	<u>7,089</u>
		<u>136,639</u>	<u>152,463</u>
Profit/Loss) from ordinary activities before related Income tax expense		45,448	145,611
Income Tax expense relating to ordinary activities		(670)	(797)
Net Profit /(Loss)		<u>46,118</u>	<u>146,408</u>

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, 2012

	<u>NOTE</u>	2012	2011
		\$	\$
<u>CURRENT ASSETS</u>			
Cash	6	495,537	534,106
Receivables	7	36,493	32,984
Inventories	8	37,290	37,851
		569,320	604,941
<u>NON-CURRENT ASSETS</u>			
Property, Plant & Equipment	10	8,021,185	7,864,970
<u>INTANGIBLE ASSETS</u>			
Future Income Tax Benefit	9	16,799	16,129
		8,607,374	8,486,040
<u>CURRENT LIABILITIES</u>			
Creditors & Borrowings	11	235,095	172,183
Provisions	12	325,556	312,582
		560,651	484,765
<u>TOTAL LIABILITIES</u>			
		559,784	484,765
<u>NET ASSETS</u>			
		\$8,046,723	\$8,001,275
<u>ACCUMULATED FUNDS</u>			
Retained Profits		4,633,583	4,588,135
Asset Revaluation Reserve		3,413,140	3,413,140
		\$8,046,723	\$8,001,275

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, 2012

	<u>NOTES</u>	2012	2011
		\$ Inflows (Outflows)	\$ Inflows (Outflows)
<u>CASHFLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from outside activities		2,712,704	2,884,741
Payments to suppliers & employees		(2,449,687)	(2,534,870)
Interest & other costs of			
Finance paid		(3,981)	(7,089)
Interest Received		8,859	10,223
NET CASHFLOWS PROVIDED BY OPERATING ACTIVITIES		267,985	395,627
<u>CASHFLOWS FROM INVESTING ACTIVITIES</u>			
Payment for property, plant & equipment		(306,464)	(295,949)
NET CASHFLOWS USED IN INVESTING ACTIVITIES		(306,464)	(545,949)
<u>CASHFLOWS FROM FINANCING ACTIVITIES</u>			
Repayment of borrowings/New Borrowings		-	(250,000)
NET CASHFLOWS PROVIDED BY/USED IN FINANCING ACTIVITIES		(306,464)	(545,949)
Net Increase/(Decrease) in cash held		(38,569)	(150,322)
Cash at the beginning of the year	1	534,106	684,428
<u>CASH AT THE END OF THE YEAR</u>	1	\$495,537	\$534,106

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, 2012

	2012	2011
	\$	\$

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 :

Cash on Hand	45,392	8,135
Cash at Bank	450,145	521,971
	<u>\$495,537</u>	<u>\$534,106</u>
	=====	=====

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2012 ACCOUNTS

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

a) **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.

b) **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

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2012 ACCOUNTS

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).

c) 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.

d) 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,

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2012 ACCOUNTS

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) **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.

f) **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.

g) **REVISIONS OF ACCOUNTING ESTIMATES**

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

h) **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.

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2012 ACCOUNTS

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) INVENTORIES

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

j) 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.

k) 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 discounted to their present value.

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2012 ACCOUNTS

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) DEPRECIATION AND AMORTISATION

Complex Assets

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

Useful Lives

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

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected in current and future periods only.

m) 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.

n) INTEREST BEARING LIABILITIES

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

o) 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.

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2012 ACCOUNTS

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) 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.

q) 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

	2012	2011
	\$	\$
Sale of goods revenue from operating activities	468,241	485,358
Rendering of services revenue from operating activities	1,984,426	2,114,885
Other revenues		
Interest other parties	8,859	10,223
Total revenue from ordinary activities	2,461,526	2,623,421
	=====	=====

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2012 ACCOUNTS (CONTINUED)

	2012	2011
	\$	\$
<u>NOTE 3 – PROFIT FROM ORDINARY ACTIVITIES</u>		
<u>BEFORE INCOME TAX</u>		
Profit from ordinary activities before income tax has been Arrived at after charging/(crediting) the following:		
Borrowing Costs – other parties	3,981	7,089
Provision - employee entitlements net	12,974	15,474
Depreciation of property, plant & equipment including loss on sale	132,658	145,374

KEY PERFORMANCE INDICATORS

	2012	2011
	%	%
Bar Gross Profit Percentage	55.40%	49.61%
Overall Wages to Sales Percentage	25.68	25.88%

NOTE 4 – AUDITORS REMUNERATION

Amounts received or due and receivable for audit services	17,000	17,000
Amounts received or due and receivable for other services	13,996	14,496

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2012 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.

	2012	2011
	\$	\$
The amount set aside for income tax in the statement of Financial performance has been calculated as follows:		
Net taxable income attributable to non-members	19,770	38,046
Add other taxable income	<u>110,583</u>	<u>96,240</u>
	130,353	134,286
less other deductible expenses	<u>130,353</u>	<u>134,286</u>
Net Income Subject to tax	<u>—</u>	<u>—</u>

NOTE 6 - CASH

Cash on Hand	45,392	8,135
Cash at Bank	450,145	521,971
	<u>\$495,537</u>	<u>\$534,106</u>
	=====	=====

NOTE 7 - RECEIVABLES

Current -

Trade Debtors	7,929	6,690
Prepayments	28,564	26,294
	<u>\$36,493</u>	<u>\$32,984</u>
	=====	=====

NOTE 8 - INVENTORIES

Trading Stock and Prize Items	<u>\$37,290</u>	<u>\$37,851</u>
	=====	=====

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2012 ACCOUNTS (CONTINUED)

<u>NOTE 9 - INTANGIBLE ASSETS</u>	2012	2011
Future Income Tax Benefit	\$16,002	\$16,129
	<u>=====</u>	<u>=====</u>
 <u>NOTE 10 - PROPERTY, PLANT AND EQUIPMENT</u>		
Freehold land, buildings and improvements - at Independent valuation (Note 1)	6,751,300	6,751,300
Less: Accumulated depreciation	-	-
Net Book Value	<u>6,751,300</u>	<u>6,751,300</u>
General Plant - at cost	<u>314,949</u>	<u>277,709</u>
Less: Accumulated depreciation	240,305	232,798
Net Book Value	<u>76,464</u>	<u>44,911</u>
Poker Machines - at cost	1,658,726	1,449,000
Less: Accumulated depreciation	618,739	551,252
Net Book Value	<u>1,039,987</u>	<u>897,748</u>
Furniture & Equipment - at cost	677,588	675,545
Less: Accumulated depreciation	546,164	535,283
Net Book Value	<u>131,424</u>	<u>140,262</u>
Motor Vehicle	32,581	32,581
Less: Accumulated amortisation	8,751	1,832
Net Book Value	<u>23,830</u>	<u>30,749</u>
Total - at Net Book Value	<u>\$ 8,021,185</u>	<u>\$7,864,970</u>
	<u>=====</u>	<u>=====</u>

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2012 ACCOUNTS (CONTINUED)

TOTAL PROPERTY, PLANT & EQUIPMENT		
At cost & Independent Valuation	9,435,144	9,186,135
Accumulated Depreciation	1,413,959	1,321,165
NET BOOK VALUE	<u>\$8,021,185</u>	<u>\$7,864,970</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, 2012 are as follows:

Core Properties

5-7 Northumberland Road, Auburn
12-14 Northumberland Road Auburn
6 Station Road Auburn
8 Station Road Auburn

Non-Core Properties

There are no non-core properties owned or occupied by Auburn Soccer Sports Club Limited

VALUATION

The independent valuation of the company's building and improvements carried out as at 23rd March 2005 on the basis of market value for existing use resulted in a valuation of \$6,600,000 plus additions to date.

NOTE 11 - CREDITORS AND BORROWINGS

Current

Trade creditors & accruals	173,448	111,242
Secured Commercial Facility	50,132	50,132
GST Payable	11,515	10 809
	<u>\$235,095</u>	<u>\$172,183</u>

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2012 ACCOUNTS (CONTINUED)

NOTE 11 - CREDITORS AND BORROWINGS – (continued)

Interest Bearing Liabilities

	2012	2011
Current		
Bank Facility	50,132	50,132

Financing Arrangements

The company has access to the following lines of credit:

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

Facilities Used at Reporting Date

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

Facilities not utilised at Reporting Date

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

Security

The bank facilities are secured as follows:

Registered mortgage over the company's land and buildings.

Registered mortgage debenture over the assets and undertakings of the Auburn Soccer Sports Club Limited.

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2012 ACCOUNTS (CONTINUED)

NOTE 12 - PROVISIONS

	2012	2011
<u>Current</u>		
Holiday and sick pay	168,700	164,554
Long service leave	156,856	148,028
	\$325,556	\$312,582

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

2012

Financial Assets

	Weighted Average Interest Rate %	Floating interest Rate %	Fixed interest maturing in 1 year or less \$	Fixed interest maturing in 1-5 years \$	Non interest bearing \$	Total \$
Cash Assets	4%	495,537				495,537
Receivables	-				36,493	36,493

Financial Liabilities

Payables					184,095	184,095
Bank Facility	8.9%	50,132	-			50,132
Employee Benefits	5.05%	325,556				325,556

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2012 ACCOUNTS (CONTINUED)

NOTE 13- ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE – (continued)

2011

Financial Assets

	Weighted Average Interest Rate %	Floating interest Rate %	Fixed interest maturing in 1 year or less \$	Fixed interest maturing in 1-5 years \$	Non interest bearing \$	Total \$
Cash Assets	4%	525,971			8,135	534,106
Receivables	-				32,984	32,984

Financial Liabilities

Payables					122,640	122,640
Bank Facility	8.9%	300,132				300,132
Employee Benefits	5.05%	312,582				312,582

b) *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.

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2012 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 exceeding \$4.

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2012 ACCOUNTS – (continued)

NOTE 15 - COMMITMENTS AND CONTINGENT LIABILITIES

NOTE 16 - RELATED PARTY TRANSACTIONS

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

J.D. Ewers	K. Poole
D.E. Howell	I.McLellan
J. Holder	A. Hynds
L. Day	P. Finch
R. Grimes	

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 (2011 \$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	2012	2011
------------------	------	------

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

\$0 - \$9,999	9	9
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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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AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2012 ACCOUNTS – (continued)

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 18 – IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO IFRS

Australian equivalents to IFRs have been adopted in the financial report for the year ended 31st December, 2012 and in the comparative information presented in the report for the year ended 31st December, 2011.

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.

AUBURN SOCCER SPORTS CLUB LIMITED

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, 2012.

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

Dated 28th February, 2013.

**7 Gilbert Street
Elderslie NSW**

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

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2012 ACCOUNTS

	<u>Note</u>	2012 \$	2011 \$
<u>NOTE 18 - CONSOLIDATED INCOME & EXPENDITURE ACCOUNT</u>			
INCOME			
Net Revenue			
Bar Trading	16	(49,542)	(53,450)
Poker Machines	17	1,055,113	1,182,458
Catering Trading	18	(12,980)	(11,168)
Keno Trading	19	19,318	26,470
Other			
Membership Subscriptions		5,436	12,955
Commission Received			
- vending machines & TAB		20,203	20,517
Booking Fees		4,532	1,686
Sundry Income		51,493	33,493
Interest Received		8,859	10,223
		1,102,432	1,223,184
LESS: EXPENSES			
Expenditure on Social			
Events	23	119,282	112,302
Administration & General			
Expenses	24	937,702	965,271
		1,056,984	1,077,573
NET PROFIT/ (LOSS) BEFORE TAXATION AND ABNORMAL ITEMS		\$45,448	\$145,611

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2012 ACCOUNTS

	2012	2011
	\$	\$
<u>NOTE 19 - BAR TRADING ACCOUNT</u>		
SALES	468,241	485,358
Less: Opening Stock	35,796	37,372
Purchases	224,004	233,837
Cartage	4,564	4,494
Less closing stock	(29,390)	(28,387)
	234,974	247,316
GROSS PROFIT	233,267	238,042
Less Direct Bar Expenses		
Wages	259,437	274,509
Maintenance & Supplies	19,199	13,383
Stocktaking fees	4,173	3,600
	282,809	291,492
NET PROFIT	\$(49,542)	\$(53,450)
<u>NOTE 20 - POKER MACHINES TRADING ACCOUNT</u>		
Receipts	1,872,734	2,203,182
Less: Duty	271,663	300,334
Poker Machine Promotions	10,790	22,715
Repairs & Maintenance	65,560	61,451
Depreciation	107,351	108,349
Wages	213,573	204,383
Giveaways	67,839	65,940
Rental Charges	50,400	50,400
Monitoring	30,445	27,152
	817,621	840,724
NET PROFIT	\$1,055,113	\$1,182,458

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2012 ACCOUNTS

	2012	2011
	\$	\$
<u>NOTE 21 - CATERING TRADING</u>		
Sales	-	-
Less: Opening Stock	-	-
Purchases	-	-
Less: Closing Stock	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
GROSS PROFIT	-	-
	<hr/>	<hr/>
Less: Direct Expenses		
Wages	-	-
Maintenance & Supplies	12,980	11,168
	<hr/>	<hr/>
	12,980	11,168
	<hr/>	<hr/>
NET LOSS	<u>\$(12,980)</u>	<u>\$(11,168)</u>
	=====	=====

NOTE 22 - KENO TRADING

Commission	30,028	36,007
Less: Direct Expenses	10,710	9,537
	<hr/>	<hr/>
NET PROFIT	<u>\$19,318</u>	<u>\$26,470</u>
	=====	=====

NOTE 23 - EXPENDITURE ON SOCIAL EVENTS

Entertainment	5,334	3,411
Members Functions	89,916	84,090
Directors Expenses	5,974	5,261
Staff Expenses	18,058	19,521
	<hr/>	<hr/>
TOTAL EXPENSE	<u>\$119,282</u>	<u>\$112,283</u>
	=====	=====

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2012 ACCOUNTS

	2012	2011
	\$	\$
<u>NOTE 24 - ADMINISTRATION & GENERAL EXPENSES</u>		
Advertising	257	373
Accounting & Audit	31,496	31,496
Badges & Membership Expenses	1,930	1,630
Bank, FID Charges & Interest	1,286	1,595
Club Journal	3,120	2,280
Cleaning Contractors	60,043	56,809
Computer Expenses	2,829	7,051
Depreciation	25,307	37,025
Donations & Subscriptions	34,614	34,066
Electricity & Gas	121,206	81,090
Filing Fees	917	108
Fringe Benefits Tax	4,809	4,811
General Expenses	9,983	20,364
Interest	3,981	7,089
Insurance	61,241	58,828
Long Service, Sick Leave & Annual Leave	12,974	15,474
Motor Vehicle Expenses	4,845	3,912
Payroll Tax	8,554	8,335
Printing, Stationery & Postage	9,241	6,936
Rates	44,007	44,486
Repairs & Maintenance	81,220	143,466
Security	1,914	1,145
Superannuation	73,753	73,602
Superstation Fees	42,941	40,693
Telephone	11,410	10,289
Wages	283,855	272,318
TOTAL EXPENSES	<u>\$937,702</u>	<u>\$965,271</u>

AUBURN SOCCER SPORTS CLUB LIMITED

REGISTERED CLUBS ACT SECTION 41H DISCLOSURES

The following information is required to be disclosed under the Registered Clubs amendment Act 2003 for the year ended 31st December, 2011 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

(i) 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. 2011 Nil, 2010 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.

AUBURN SOCCER SPORTS CLUB LIMITED

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

There were no payments made to other consultants during the year.

(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, 2011 amounted to **\$2,023,182**.

(k) Community Development Support Expenditure

The club contributed an aggregate amount of \$27,400 to community development and support as required under part 4 of the Gaming Machine Tax Act 2001 for the twelve months ended 31st December, 2012.