

49th
ANNUAL REPORT

SUNDAY 28th MARCH, 2010.

BOARD OF DIRECTORS

President : J.D. EWERS

Messrs. J.D. EWERS, D.E. HOWELL, K. POOLE, J. HOLDER,
L. DAY, 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

2009

FINANCIAL REPORT

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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 2009 and the Auditors Report thereon.

1. **DIRECTORS**

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

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

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 2009 was \$222,719 (2008 \$222,393). Net revenue from Poker Machine operations for the 12 months trading to 31st December, 2009 was \$1,165,759. The Company contributed an aggregate amount of \$29,750 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 2009.

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	33	President	13
D.E. Howell	Retired	39	Snr. Vice-President	13
L. Day	Retired	27	Jnr. Vice-President	12
J. Holder	Hospital Orderly	26	Director	10
K. Poole	Driver	25	Director	13
R.Grimes	Accountant	12	Director	13
A. Hynds	Teacher	16	Director	13
I.McLellan	Postal Worker	6	Director	12
P. Finch	Postal Worker	8	Director	12

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 smoking regulations and poker machine duty rates will effect 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 a 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**

The Director's have received the Independence Declaration from the Auditor. The Declaration is attached.

Dated at Auburn this 11th day of February, 2010.

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, 2009, 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 11th February, 2010.

**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 2009 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 11th February, 2010.

**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, 2009:

- 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, 2009 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 11th day of February, 2010.

Signed in accordance with a resolution of directors:

J. Ewers
Director

AUBURN SOCCER SPORTS CLUB LIMITED

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2009

	<u>NOTE</u>	2008	2009
		\$	\$
Revenues from Sale of Goods		524,467	514,993
Revenue from Rendering Services		2,211,838	2,163,425
Other Revenue From Ordinary Activities		<u>7,641</u>	<u>3,513</u>
Total Revenue		2,743,946	2,681,931
Cost of Goods Sold		254,191	268,294
Poker Machine Duty		338,584	326,191
Employee Expenses		760,799	763,798
Entertainment and Promotions		281,970	263,620
Repairs and Maintenance		174,261	146,524
Insurance		55,820	52,066
Light and Power		76,543	82,398
Security		1,073	5,201
Other Expenses from ordinary activities		<u>449,384</u>	<u>434,336</u>
		<u>2,392,625</u>	<u>2,342,428</u>
Earnings before borrowing costs, tax And depreciation expenses		351,321	339,503
Depreciation		105,905	98,736
Borrowing costs		<u>23,890</u>	<u>18,695</u>
		<u>129,795</u>	<u>117,431</u>
Profit/Loss) from ordinary activities before related Income tax expense		221,526	222,072
Income Tax expense relating to ordinary activities		(867)	(647)
Net Profit /(Loss)		<u>222,393</u>	<u>222,719</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,

	<u>2009</u>	2008	2009
	<u>NOTE</u>	\$	\$
<u>CURRENT ASSETS</u>			
Cash	6	347,018	462,541
Receivables	7	20,218	23,526
Inventories	8	35,392	41,915
		<u>402,628</u>	<u>527,982</u>
<u>NON-CURRENT ASSETS</u>			
Property, Plant & Equipment	10	7,665,207	7,785,718
<u>INTANGIBLE ASSETS</u>			
Future Income Tax Benefit	9	13,137	13,770
		<u>8,080,972</u>	<u>8,327,470</u>
<u>TOTAL ASSETS</u>			
<u>CURRENT LIABILITIES</u>			
Creditors & Borrowings	11	428,251	438,749
Provisions	12	253,824	267,118
		<u>682,075</u>	<u>705,867</u>
<u>TOTAL CURRENT LIABILITIES</u>			
		<u>682,075</u>	<u>705,867</u>
<u>TOTAL LIABILITIES</u>			
		<u>\$7,398,897</u>	<u>\$7,621,603</u>
<u>ACCUMULATED FUNDS</u>			
Retained Profits		3,985,757	4,208,463
Asset Revaluation Reserve		3,413,140	3,413,140
		<u>\$7,398,897</u>	<u>\$7,621,603</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 CASHFLOWS FOR THE YEAR ENDED 31ST DECEMBER, 2009

	<u>NOTES</u>	2008	2009
		\$	\$
		Inflows (Outflows)	Inflows (Outflows)
<u>CASHFLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from customers		3,002,332	2,936,428
Payments to suppliers & employees		(2,683,106)	(2,587,257)
Interest & other costs of			
Finance paid		(23,890)	(18,695)
Interest Received		7,641	3,513
		302,977	333,989
<u>CASHFLOWS FROM INVESTING ACTIVITIES</u>			
Payment for property, plant & equipment		(373,257)	(218,466)
		(373,257)	(218,466)
<u>CASHFLOWS FROM FINANCING ACTIVITIES</u>			
Repayment of borrowings/New Borrowings		(50,000)	-
		(423,257)	(218,466)
Net Increase/(Decrease) in cash held		(120,280)	115,523
Cash at the beginning of the year	1	467,298	347,018
<u>CASH AT THE END OF THE YEAR</u>	1	\$347,018	\$462,541

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, 2009

2008 2009
\$ \$

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	67,122	66,075
Cash at Bank	279,896	396,466
	<u>\$347,018</u>	<u>\$462,541</u>
	=====	=====

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2009 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 2009 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 2009 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 2009 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 2009 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 2009 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

	2008	2009
	\$	\$
Sale of goods revenue from operating activities	524,467	514,993
Rendering of services revenue from operating activities	2,194,050	2,154,711
Other revenues		
Interest other parties	7,641	3,513
Subscriptions received	17,788	8,714
Total revenue from ordinary activities	2,743,946	2,681,931
	=====	=====

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2009 ACCOUNTS (CONTINUED)

	2008	2009
	\$	\$

NOTE 3 – 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 – other parties	23,890	18,695
Provision - employee entitlements net	16,813	12,516
Depreciation of property, plant & equipment including loss on sale	105,905	98,736

KEY PERFORMANCE INDICATORS

	2008	2009
	%	%
Bar Gross Profit Percentage	53.00%	49.61%
Overall Wages to Sales Percentage	25.21%	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	14,480	13,996

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2009 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.

	2008	2009
	\$	\$
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	54,938	56,263
Add other taxable income	<u>89,417</u>	<u>97,862</u>
	144,355	154,125
less other deductible expenses	<u>144,355</u>	<u>154,125</u>
Net Income Subject to tax	<u>— -</u>	<u>— -</u>

NOTE 6 - CASH

Cash on Hand	67,122	66,075
Cash at Bank	279,896	396,466
	<u>\$347,018</u>	<u>\$462,541</u>
	=====	=====

NOTE 7 - RECEIVABLES

<u>Current -</u>		
Trade Debtors	0	3,589
Prepayments	20,218	19,937
	<u>\$20,218</u>	<u>\$23,526</u>
	=====	=====

NOTE 8 - INVENTORIES

Trading Stock and Prize Items	\$35,392	\$41,916
	=====	=====

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2009 ACCOUNTS (CONTINUED)

<u>NOTE 9 - INTANGIBLE ASSETS</u>	2008	2009
Future Income Tax Benefit	\$13,137	\$13,770
	=====	=====
 <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>242,197</u>	<u>242,197</u>
Less: Accumulated depreciation	215,439	221,808
Net Book Value	<u>26,758</u>	<u>20,389</u>
Poker Machines - at cost	1,191,643	1,266,793
Less: Accumulated depreciation	521,221	443,714
Net Book Value	<u>670,422</u>	<u>823,079</u>
Furniture & Equipment - at cost	648,423	654,548
Less: Accumulated depreciation	455,200	481,814
Net Book Value	<u>193,223</u>	<u>172,734</u>
Motor Vehicle - under lease	34,172	34,172
Less: Accumulated amortisation	10,668	15,956
Net Book Value	<u>23,504</u>	<u>18,216</u>
Total - at Net Book Value	<u>\$ 7,665,207</u>	<u>\$7,785,718</u>
	=====	=====

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2009 ACCOUNTS (CONTINUED)

TOTAL PROPERTY, PLANT & EQUIPMENT		
At cost & Independent Valuation	8,867,735	8,949,010
Accumulated Depreciation	1,202,528	1,163,292
 NET BOOK VALUE	 <u>\$7,665,207</u>	 <u>\$7,785,718</u>
	<u>=====</u>	<u>=====</u>

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

<u>Current</u>		
Trade creditors & accruals	112,541	129,782
Members subscriptions in advance	1,932	-
Secured Commercial Facility	300,132	300,132
GST Payable	13,646	8,835
	<u>\$428,251</u>	<u>\$438,749</u>
	<u>=====</u>	<u>=====</u>

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2009 ACCOUNTS (CONTINUED)

NOTE 11 - CREDITORS AND BORROWINGS – (continued)

Interest Bearing Liabilities

	2008	2009
Current		
Bank Facility	300,132	300,132

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	300,132	300,132
Bank Guarantees	15,000	15,000
Overdraft Facility	-	-

Facilities not utilised at Reporting Date

Line of Credit	209,868	209,868
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 2009 ACCOUNTS (CONTINUED)

NOTE 12 - PROVISIONS

	2008	2009
<u>Current</u>		
Holiday and sick pay	143,395	148,371
Long service leave	111,207	118,747
	\$254,602	\$267,118
	=====	=====

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

2008

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%	279,896			67,122	279,896
Receivables	-				20,218	20,218

Financial Liabilities

Payables					128,119	128,119
Bank Facility	8.9%	300,132	-			300,132
Employee Benefits	5.05%	254,601				254,601

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2009 ACCOUNTS (CONTINUED)

NOTE 13- ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE – (continued)

2009

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%	396,466			66,075	462,541
Receivables	-				23,526	23,526

Financial Liabilities

Payables					138,597	138,597
Bank Facility	8.9%	300,132				300,132
Employee Benefits	5.05%	267,118				267,118

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 2009 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 2009 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 (2008 \$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	2008	2009
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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 2009 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) Bi 12005* 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, 2009 and in the comparative information presented in the report for the year ended 31st December, 2008.

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, 2009.

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 11th February, 2010.

**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 2009 ACCOUNTS

	<u>Note</u>	2008 \$	2009 \$
<u>NOTE 18 - CONSOLIDATED INCOME & EXPENDITURE ACCOUNT</u>			
INCOME			
Net Revenue			
Bar Trading	16	(23,483)	(29,420)
Poker Machines	17	1,193,151	1,165,759
Catering Trading	18	(15,176)	(18,609)
Keno Trading	19	34,785	40,948
Other			
Membership Subscriptions		17,788	8,714
Commission Received - vending machines & TAB		17,023	19,311
Booking Fees		1,908	1,860
Sundry Income		29,101	32,058
Interest Received		7,641	3,513
		<u>1,262,738</u>	<u>1,224,134</u>
LESS: EXPENSES			
Subsidy to ASF Club		1,270	1,158
Expenditure on Social Events	23	187,446	170,398
Administration & General Expenses	24	852,496	830,506
		<u>1,041,212</u>	<u>1,002,062</u>
NET PROFIT/(LOSS) BEFORE TAXATION AND ABNORMAL ITEMS		<u>\$221,526</u> =====	<u>\$222,072</u> =====

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2009 ACCOUNTS

	2008 \$	2009 \$
<u>NOTE 19 - BAR TRADING ACCOUNT</u>		
SALES	524,467	514,993
Less: Opening Stock	29,306	35,574
Purchases	248,348	256,560
Cartage	4,656	4,734
Less closing stock	(35,827)	(37,372)
	<u>246,483</u>	<u>259,496</u>
GROSS PROFIT	<u>277,984</u>	<u>255,497</u>
Less Direct Bar Expenses		
Wages	273,843	268,205
Maintenance & Supplies	24,624	13,712
Stocktaking fees	3,000	3,000
	<u>301,467</u>	<u>284,917</u>
NET PROFIT	<u>\$(23,483)</u>	<u>\$(29,420)</u>
<u>NOTE 20 - POKER MACHINES TRADING ACCOUNT</u>		
Receipts	2,110,366	2,058,444
Less: Duty	338,584	326,191
Poker Machine Promotions	24,723	17,033
Repairs & Maintenance	36,131	59,366
Depreciation	69,843	60,465
Wages	173,902	180,244
Giveaways	69,301	74,484
Rental Charges	174,150	144,413
Monitoring	30,581	30,489
	<u>917,215</u>	<u>892,685</u>
NET PROFIT	<u>\$1,193,151</u>	<u>\$1,165,759</u>

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2009 ACCOUNTS

	2008	2009
	\$	\$
<u>NOTE 21 - CATERING TRADING</u>		
Sales	-	-
Less: Opening Stock	-	-
Purchases	-	-
Less: Closing Stock	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
GROSS PROFIT	-	-
Less: Direct Expenses		
Wages	-	-
Maintenance & Supplies	15,176	18,609
	<u>15,176</u>	<u>18,609</u>
NET LOSS	<u>\$(15,176)</u>	<u>\$(18,609)</u>
	=====	=====
<u>NOTE 22 - KENO TRADING</u>		
Commission	35,652	43,038
Less: Direct Expenses	867	2,090
	<u>\$34,785</u>	<u>\$40,948</u>
NET PROFIT	<u>\$34,785</u>	<u>\$40,948</u>
	=====	=====
<u>NOTE 23 - EXPENDITURE ON SOCIAL EVENTS</u>		
Entertainment	46,754	42,708
Members Functions	116,502	103,711
Directors Expenses	3,761	5,195
Staff Expenses	20,429	18,784
	<u>\$187,446</u>	<u>\$170,398</u>
TOTAL EXPENSE	<u>\$187,446</u>	<u>\$170,398</u>
	=====	=====

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO AND FORMING PART OF THE 2009 ACCOUNTS

	2008	2009
	\$	\$
<u>NOTE 24 - ADMINISTRATION & GENERAL EXPENSES</u>		
Advertising	349	287
Accounting & Audit	31,480	30,996
Badges & Membership Expenses	1,998	195
Bank, FID Charges & Interest	2,509	2,120
Club Journal	5,547	3,705
Cleaning Contractors	36,239	55,035
Computer Expenses	25,039	8,508
Depreciation	36,062	38,271
Donations & Subscriptions	27,456	35,735
Electricity & Gas	76,543	82,398
Filing Fees	310	40
Fringe Benefits Tax	4,586	3,584
General Expenses	13,570	13,503
Interest	23,890	18,695
Insurance	55,820	52,066
Long Service, Sick Leave & Annual Leave	16,803	12,516
Motor Vehicle Expenses	3,153	3,205
Payroll Tax	7,297	6,143
Printing, Stationery & Postage	7,548	10,314
Rates	36,325	40,495
Repairs & Maintenance	106,398	63,635
Security	1,073	5,201
Superannuation	64,117	66,944
Superstation Fees	32,928	34,751
Telephone	7,908	9,859
Wages	227,548	232,305
TOTAL EXPENSES	\$852,496	\$830,506
	=====	=====