

56th
ANNUAL REPORT

SUNDAY 26th March, 2017.

BOARD OF DIRECTORS

President : J.D. EWERS

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

CLUB INFORMATION

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

AUDITOR :

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

AUBURN SOCCER SPORTS CLUB LIMITED
ACN 001 391 346

2017

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 26th March, 2017 at 10:30a.m.

BUSINESS

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

To confirm the Minutes of the Fifty sixth 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, 2016.

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

To consider, and if 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 24th February 2017

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 26th March, 2017 commencing at 10:30am at the premises at 5/7 Northumberland Road, Auburn New South Wales.
The Members will be asked to consider and if thought fit pass the following resolutions.

FIRST ORDINARY RESOLUTION

That pursuant to the Registered Clubs Act:

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

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

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

SECOND ORDINARY RESOLUTION

That pursuant to the Registered Clubs Act:

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

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

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

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

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

DATED: 24th February 2017

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: 24th February, 2017.

NEILL HENDRY

GENERAL MANAGER

(By Order of the Board)

PRESIDENTS REPORT

To our valued members,

Hello and welcome to another President's Report.

I am very proud that another year has passed very successfully with the Club making a profit of \$1,340,043 compared to last years record profit of \$1,373,288.

The Board and management have continued to be proactive since the decision was made to develop the three club sites. As you would be seen by the architect's advertising drawings of the Auburn Grand buildings a lot has occurred. Unfortunately stage 2 in Station Road had to be started before stage 1 due to delays getting the DA through Council. On the positive side in stage we have procured a commercial lease for a child care centre which will ensure an income stream for many years for the club.

I would like to thank Neill, our General Manager and his management team and our staff for their efforts, as your roles are crucial in making the club profitable.

To all our members who have lost loved one's in the past year, er extend our deepest sympathy.

In closing, the success of our club is due to you, our loyal members. We will continue to invest in our activities and service standards.

Thankyou for your support.

JOHN D. EWERS
PRESIDENT

GENERAL MANAGER'S REPORT

The operating profit for your club in 2016 was \$1,340,043, this is compared to a profit of \$1,373,288 last year. The club continues to have an excellent cash flow and there is no reason to think that this will change this year.

The club building project has finally commenced, but unfortunately stage 2 in Station Road had to be started before stage 1 due to DA consent being held up in Council. At the time of this report, excavation of the site has been completed and the pouring of cement has started.

There are many people to thank for theire support over the last year. Firstly I would like to thank your Board of directors for their support and help throughout the year. A good deal of time is spent behind the scenes by Directors that goes unnoticed, but is greatly appreciated.

To my management team and staff, thank you once again for your efforts throughout the year, your friendly attitude can make a bad day in someone's life a good day at our club.

Finally yo the most important group of all. I would like to thank you, the members and your guests for your continued patronage, for without your attendance at the club, the Auburn Soccer sports Club, could not survive.

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 2016 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 2016 was \$1,340,043 (2015 \$1,396,157). Net revenue from Poker Machine operations for the 12 months trading to 31st December, 2016 was \$2,746,317. The Company contributed an aggregate amount of \$77,635 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 2016.

4) DIVIDENDS

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

5) STATE OF AFFAIRS

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

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

6) EVENTS SUBSEQUENT TO BALANCE DATE

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

DIRECTORS' REPORT TO THE MEMBERS

-continued-

7) INFORMATION ON DIRECTORS

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

<u>Name</u>	<u>Qualifications and Experience</u>	<u>Experience Years as</u>
J.D. Ewers	Retired	40
J. Holder	Hospital Orderly	33
K. Poole	Driver	32
I. McLellan	Postal Worker	13
P. Finch	Postal Worker	15
A. Strachan	Retired	24
P. Westaway	Trainer	4

8) LIKELY AND FUTURE DEVELOPMENTS AND EXPECTED RESULTS

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

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

9) DIRECTORS BENEFITS

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

10) OVERSEAS TRAVEL

Nil

11) DIRECTORS INDEMNITY

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

DIRECTORS' REPORT TO THE MEMBERS

-continued-

12) ENVIRONMENTAL LEGISLATION

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

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

13) DIRECTOR AND EMPLOYEE INTEREST IN HOTELS

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

14) EMPLOYEE REMUNERATION

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

15) PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

16) AUDITOR'S INDEPENDENCE DECLARATION

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

Dated at Auburn this 23rd day of February, 2017.

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, 2016, 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 24th February, 2017.

7 Gilbert Street
Elderslie NSW 2570

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

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

SCOPE

The Financial Report and Directors Responsibility

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

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

Audit Approach

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

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

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

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

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

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

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

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

INDEPENDENCE

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

AUDIT OPINION

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

- a) the Corporations Act 2001 including
 - i) giving a true and fair view of the company's financial position at 31st December 2016 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 24th February, 2017.

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, 2016:

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, 2015 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
- (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001;and
- (iii) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Auburn this 23rd day of February, 2017.

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, 2016

	2015	2016
	\$	\$
Revenues from Sale of Goods	581,623	553,858
Revenue from Rendering Services	4,202,652	4,302,601
Other Revenue	32,936	29,458
Total Revenue	<u>4,817,211</u>	<u>4,885,917</u>
Cost of Goods Sold	293,089	301,433
Poker Machine Duty	708,673	724,499
Employee Expenses	1,066,007	1,092,021
Entertainment and Promotions	335,007	277,240
Repairs and Maintenance	191,672	145,633
Insurance	68,894	77,794
Light and Power	114,689	83,893
Cleaning	49,734	57,812
Security	3,710	50,434
Other Expenses	518,625	477,804
	<u>3,350,100</u>	<u>3,288,565</u>
Earnings before borrowing costs, tax And depreciation expenses	1,467,111	1,597,352
Depreciation	90,434	257,468
Borrowing costs	4,701	-
	<u>95,135</u>	<u>257,468</u>
Profit/(Loss) from ordinary activities before related Income Tax Expense	1,371,976	1,339,884
Income Tax expense relating to ordinary activities		159
Net Profit /(Loss)	1,371,976	1,340,043

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, 2016

	2015	2016
	\$	\$
<u>CURRENT ASSETS</u>		
Cash	293,095	4,032,062
Receivables	59,121	75,936
Inventories	40,225	40,517
<u>TOTAL CURRENT ASSETS</u>	<u>392,441</u>	<u>4,148,515</u>
<u>NON CURRENT ASSETS</u>		
Property, Plant & Equipment	18,715,686	18,965,046
<u>INTANGIBLE ASSETS</u>		
Future Income Tax Benefit	17,641	19,112
<u>TOTAL ASSETS</u>	<u>19,125,768</u>	<u>23,132,673</u>
<u>CURRENT LIABILITIES</u>		
Creditors & Borrowings	1,187,088	1,206,857
Provisions	367,290	370,383
<u>TOTAL CURRENT LIABILITIES</u>	<u>1,554,378</u>	<u>1,577,240</u>
<u>TOTAL LIABILITIES</u>	<u>1,554,378</u>	<u>1,577,240</u>
<u>NET ASSETS</u>	<u>17,571,390</u>	<u>21,555,433</u>
<u>ACCUMULATED FUNDS</u>		
Retained Profits	10,015,450	10,015,450
Asset Revaluation Reserve	10,199,940	10,199,940
	<u>20,215,390</u>	<u>20,215,390</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, 2016

	2015		2015
	\$		
	Inflows		Inflows
	(Outflows)		
Cash Flows - Operating			
Receipts from outside activities	5,276,973		5,354,455
Payments	-	3,707,787	-
Interest & other costs of Finance paid	-	4,701	-
Interest Received	32,936		29,458
Net Cash Flows from Operating	1,597,421		1,632,564
Cash Flows from Investing			
Payment for Property and Plant	-	199,667	-
Net Cash used in Investing Activities	-	199,667	-
Cash from Financing			
Borrowings	-		-
Net Cash Flows - Financing Activities	-	199,667	-
Net Increase/(Decrease) in cash held	1,397,754		1,094,965
Cash at the beginning of the year	1,539,343		2,937,097
<u>CASH AT THE END OF THE YEAR</u>	<u>2,937,097</u>		<u>4,032,062</u>

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

AUBURN SOCCER SPORTS CLUB LIMITED

NOTES TO THE STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31ST DECEMBER, 2016

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 :

	2015		2016
	\$		\$
Cash on Hand	77,300		77,300
Cash at Bank	3,954,762		3,954,762
	4,032,062		4,032,062

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF PREPARATION

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

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

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

REVENUE RECOGNITION

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

Sales of Goods

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

Rendering of services revenue

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

Interest Revenue

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

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Sale of Property, Plant and Equipment

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

GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of item of the expense.

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

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

BORROWING COSTS

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

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

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

TAXATION

Income Tax

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

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

ACQUISITION OF ASSETS

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

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

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

Subsequent additional costs

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the company in future years. Costs that do not meet the criteria for capitalisation are 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 2016 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.

NOTES TO AND FORMING PART OF THE 2016 ACCOUNTS

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

DEPRECIATION AND AMORTISATION

Complex Assets

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

Useful Lives

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

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

PAYABLES

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 30 days.

INTEREST BEARING LIABILITIES

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

EMPLOYEE ENTITLEMENTS

Wages, salaries, annual and sick leave

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

LONG SERVICE LEAVE

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

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

SUPERANNUATION PLAN

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

NOTE 2 – REVENUE FROM ORDINARY ACTIVITIES

	2015	2016
Sale of Goods Revenue	581,623	553,858
Rendering of Services Revenue	4,202,652	4,302,601
Other revenues		
Interest other parties	32,936	29,458
Total revenue from ordinary activities	4,817,211	4,885,917

NOTE 3 – PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX

	2015	2016
Profit from Ordinary activities before Income Tax		
Profit from ordinary activities before income tax has been		
Arrived at after charging		
Crediting the following		
Borrowing Costs	4,701	-
Provision-Employee Entitlements	- 10,934	3,092
Depreciation	90,434	257,468

KEY PERFORMANCE INDICATORS

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

Note 4

Auditors Remuneration

Audit Services	17,000	17,000
Other Services	17,252	23,260
	34,252	40,260

Note 5

Income Tax Expense

Income Tax Expense

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

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

	2015	2016
Net taxable income attributable to non-members	19,770	299,158
Add other taxable income	110,583	148,271
	<u>130,353</u>	<u>447,428</u>
less other deductible expenses	-	447,428
Net Income Subject to tax	<u>-</u>	<u>0</u>

Note 6 - Cash

	2015	2016
Cash on Hand	77,300	77,300
Cash at Bank	3,954,762	3,954,762
	<u>4,032,062</u>	<u>4,032,062</u>

NOTE 7 RECEIVABLES

	2015	2016
<u>Current</u> -		
Trade Debtors	54,953	54,953
Prepayments	20,983	20,983
	<u>75,936</u>	<u>75,936</u>

NOTE 8 INVENTORIES

	2015	2016
Trading Stock and Prize Items	40,225	40,517

Note 9

Intangible Assets

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

Property, Plant and Equipment

Freehold land, buildings and improvements at Independent valuation (Note 1)	18,107,683	18,297,155
Less: Accumulated depreciation		
Net Book Value	18,107,683	18,297,155
General Plant at cost	314,949	314,949
Less: Accumulated depreciation	271,260	303,817
Net Book Value	<u>43,689</u>	<u>11,132</u>

Poker Machines at cost	1,167,926	1,417,061
Less: Accumulated depreciation	777,295	940,440
Net Book Value	<u>390,631</u>	<u>476,621</u>
Furniture & Equipment at cost	716,777	784,998
Less: Accumulated depreciation	576,137	622,649
Net Book Value	<u>140,640</u>	<u>162,349</u>
Motor Vehicle	42,636	42,636
Less: Accumulated amortisation	9,593	24,847
Net Book Value	<u>33,043</u>	<u>17,789</u>
Total at Net Book Value	<u>18,715,686</u>	<u>18,965,046</u>
TOTAL PROPERTY, PLANT & EQUIPMENT		
At cost & Independent Valuation	20,349,971	20,856,799
Accumulated Depreciation	1,634,285	1,891,753
NET BOOK VALUE	<u>18,715,686</u>	<u>18,965,046</u>

Core and Non Core Land

With reference to Section 41J of the Registered Clubs Act as amended by the Registered Clubs Amendment Act 2006, the properties owned or occupied by Auburn Soccer Sports Club Limited as at 31st December, 2016 are as follows:

Core Properties

5-7 Northumberland Road, Auburn

Non-Core Properties

As at 31st December, 2016 there the following are non-core properties owned or occupied by Auburn Soccer Sports Club Limited
 12-14 Northumberland Road Auburn
 6 Station Road Auburn
 8 Station Road Auburn

VALUATION

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

Note 11

Creditors and Borrowings

Current

Trade creditors & accruals	1,226,433	1,267,803
GST Payable	- 38,017 -	60,946
	<u>1,188,416</u>	<u>1,206,857</u>

Note 11 - Continued

Interest Bearing Liabilities

Current

Bank Facility	2,374	-
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Financing Arrangements

The company has access to the following lines of credit:

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

Facilities Used at Reporting Date

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

Facilities not utilised at Reporting Date

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

Security

Nil

Note 12 - Provisions

Current

Holiday and sick pay	203,921	197,228
Long service leave	163,370	173,155
	<u>367,291</u>	<u>370,383</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*

2016

Financial Assets

	Fixed	Weighted Average Interest Rate %	Fixed Floating interest	maturing Rate %	interest maturing in 1 year
Cash Assets		4%			
Receivables		-		4,032,062	

Financial Liabilities

Payables					
Bank Facility		-			
		8.90%		0	
Employee Benefits		5.05%		367,291	

2015

Financial Assets

	Non in 1-5 or less \$	interest	interest years \$	bearing \$	
Cash Assets					2,937,097
Receivables					

Financial Liabilities

Payables					
Bank Facility					
Employee Benefits					367,290

NOTES TO AND FORMING PART OF THE 2016 ACCOUNTS

(CONTINUED)

a) *Credit Risk Exposure*

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

Recognised Financial Instruments

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

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

NOTE 13- ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE – (continued)

Net Fair Values

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

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

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

NOTE 14 GUARANTEE OF MEMBERS

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

NOTE 16 RELATED PARTY TRANSACTIONS

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

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

No director has received or is due to receive any income, directly or indirectly from the economic entity during the financial year except for honorariums paid of \$6,005 (2015 \$6005).

NOTE 17 - FINANCIAL REPORTING BY SEGMENTS

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

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

NOTE 18 – DIRECTORS REMUNERATION

Directors income	2015	2016
The number of Directors of the Company whose income From the Company falls within the following bands:		
\$0 - \$9,999	7	7
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) Bill 2005 was tabled in Parliament on 7th December, 2005 to amend the Income Tax Assessment Act 1997 to restore the long standing benefits of the mutuality principle to those non-profit organisations affected by the Coleambally decision.

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

NOTE 19 – IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO IFRS

Australian equivalents to IFRs have been adopted in the financial report for the year ended 31st December, 2015 and in the comparative information presented in the report for the year ended 31st December, 2014.

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

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, 2016.

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 24th February, 2017.

7 Gilbert Street
Elderslie NSW 2570

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

NOTES TO AND FORMING PART OF THE 2016 ACCOUNTS

Note 20

Consolidated Income & Expenditure

		2015	2016
Bar Trading	11 -	10,773 -	54,496
Poker Machines	12	2,594,448	2,746,317
Catering Trading	-	4,959 -	1,850
Keno Trading		40,221	38,873
Other			
Membership Subscriptions		6,368	7,086
Commission Received		29,673	35,385
Booking Fees		310	-
Sundry Income		55,619	39,459
Interest Received		32,936	29,458
		<u>2,743,843</u>	<u>2,840,232</u>
LESS: EXPENSES			
Expenditure on Social			
Events		290,875	224,539
Administration & General			
Expenses		1,080,992	1,275,809
Profit/- Loss before Income Tax		<u>1,371,976</u>	<u>1,339,884</u>

	2015	2016
Note 11 Bar Trading		
SALES	581,623	553,858
Less: Opening Stock	29,424	40,225
Purchases	299,013	300,232
Less closing stock	- 40,225 -	40,517
	<u>288,212</u>	<u>299,940</u>
Gross Profit	293,411	253,918
Less Direct Bar Expenses		
Wages	297,241	298,770
Maintenance & Supplies	3,343	6,043
Stocktaking fees	3,600	3,600
	<u>304,184</u>	<u>308,414</u>
Net Loss	<u>- 10,773 -</u>	<u>54,496</u>

	2015	2016
Note 11 - Poker Machines		
Receipts	4,062,892	4,176,702
Less: Duty	708,673	724,499
Poker Machine Promotions	11,951	11,001
Repairs & Maintenance	107,982	59,248
Depreciation	60,000	163,145
Wages	278,765	264,800
Giveaways	30,116	41,700
Rental Charges	207,272	148,896
Monitoring	63,685	17,095
	<u>1,468,444</u>	<u>1,430,385</u>
Net Profit	<u>2,594,448</u>	<u>2,746,317</u>

	2015	2016
Note 12 - Catering		
Sales	-	-
Less: Opening Stock	-	-
Purchases	-	-
Less: Closing Stock	-	-
Gross Profit	<u>-</u>	<u>-</u>
Less: Direct Expenses		
Wages	-	-
Maintenance & Supplies	4,959	1,850
Net Loss	<u>- 4,959 -</u>	<u>1,850</u>

Note 13 - Keno Trading

Commission	47,790	43,969
Less: Direct Expenses	7,569	5,096
Net Profit	<u>40,221</u>	<u>38,873</u>

Note 23 - Socials

Entertainment	12,873	2,850
Members Functions	278,002	221,689
Directors Expenses	-	-
Staff Expenses	-	-
Total Socials Expense	<u>290,875</u>	<u>224,539</u>

2015

\$

2016

\$

Note 24 - Admin and General

Advertising	300	-
Accounting & Audit	34,252	40,260
Badges & Membership Expenses	-	-
Bank, FID Charges & Interest	1,242	1,508
Club Journal	3,500	-
Cleaning Contractors	49,734	57,812
Computer Expenses	11,383	25,082
Depreciation	30,434	94,323
Donations & Subscriptions	78,735	77,636
Electricity & Gas	114,689	83,893
Filing Fees	- 254	438
Fringe Benefits Tax	4,782	10,479
General Expenses	32,680 -	10,755
Interest	4,701	-
Insurance	68,894	77,794
Staff Provisions	- 10,934	3,092
Motor Vehicle Expenses	2,880	4,573
Payroll Tax	- 34,956	15,319
Printing, Stationery & Postage	5,947	18,005
Rates	43,183	66,866
Repairs & Maintenance	75,365	76,002
Security	3,710	50,434
Staff Training	565	90
Superannuation	114,281	159,277
Superstation Fees	56,721	55,864
Telephone	7,286	12,214
Wages	381,872	355,602
Total Expenses	<u>1,080,992</u>	<u>1,275,809</u>