

**NORWOOD COMMUNITY CLUB INC**

**FINANCIAL REPORT**

**FOR THE PERIOD ENDED**

**31 JULY 2012**

**NORWOOD COMMUNITY CLUB**  
**BALANCE SHEET AS AT 31 JULY 2012**

	NOTE	2012 \$000	2011 \$000
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents		1	-
Inventories		-	-
Trade and Other Receivables	2	3	4
<b>TOTAL CURRENT ASSETS</b>		4	4
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment		-	-
Intangible Assets	3	975	975
<b>TOTAL NON-CURRENT ASSETS</b>		975	975
<b>TOTAL ASSETS</b>		979	979
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables		17	17
<b>TOTAL CURRENT LIABILITIES</b>		17	17
<b>TOTAL LIABILITIES</b>		17	17
<b>NET ASSETS</b>		962	962
<b>EQUITY</b>			
Reserves	4	1,469	1,469
Retained Earnings	4	(507)	(507)
<b>TOTAL EQUITY</b>		962	962

The accompanying notes form part of these financial statements.

**NORWOOD COMMUNITY CLUB**  
**INCOME STATEMENT FOR THE PERIOD ENDED 31 JULY 2012**

	NOTE	2012 \$000	2011 \$000
<b>TOTAL REVENUE</b>		-	-
<b>EXPENDITURE</b>			
Audit and Legal Fees		-	5
<b>TOTAL EXPENDITURE</b>		<u>-</u>	<u>5</u>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<u>-</u>	<u>(5)</u>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>		<u><u>-</u></u>	<u><u>(5)</u></u>

The accompanying notes form part of these financial statements.

**NORWOOD COMMUNITY CLUB**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2012**

	NOTE	2012 \$000	2011 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from operating activities		1	-
Payments to suppliers and employees		-	(4)
Interest received		-	-
Interest paid		-	-
		<hr/>	<hr/>
<b>NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>	6	1	(4)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
		-	-
		<hr/>	<hr/>
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>		-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
		-	-
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		1	(4)
<b>CASH AT THE BEGINNING OF THE FINANCIAL YEAR</b>		-	4
		<hr/>	<hr/>
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	6	<u>1</u>	<u>-</u>

The accompanying notes form part of these financial statements.

**NORWOOD COMMUNITY CLUB**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2012**

	Retained Earnings \$000	Reserves \$000	Total \$000
<b>BALANCE AT 31 JUL 2010</b>	(502)	1,469	967
Surplus/(Deficit) for the year	(5)	-	(5)
<b>BALANCE AT 31 JUL 2011</b>	(507)	1,469	962
<b>BALANCE AT 1 AUG 2011</b>	(507)	1,469	962
Surplus/(Deficit) for the year	-	-	-
<b>BALANCE AT 31 JUL 2012</b>	(507)	1,469	962

The accompanying notes form part of these financial statements.

## **1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The Norwood Community Club Incorporated ('Club') is a not-for-profit entity domiciled in Australia and is owned wholly by the South Australian Jockey Club Inc (SAJC). On 1 December 2004 the Club adopted the constitution of the SAJC, giving the SAJC effective control over the Club.

The financial report was authorised for issue by a resolution of the Directors on the 6th day of November 2012.

### **Statement of Compliance**

The Club early adopted AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-02 Amendments to Australian Standards arising from Reduced Disclosure Requirements for the financial year beginning 1 July 2009 to prepare Tier 2 general purpose financial statements. The consolidated financial report of the Group and the financial report of the Club are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB).

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Interpretations) adopted by the Australian Accounting Standards Board ('AASB') and the Associations Incorporation Act 1985.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). A statement of compliance with International Financial Reporting Standards cannot be made due to the Group applying the not for profit sector specific requirements contained in the AIFRS.

### **Basis of Preparation**

The financial report is prepared in Australian Dollars.

The financial report is prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: intangible assets.

The Club has disclosed rounded amounts in the financial report and Directors' Report to the nearest thousand dollars, unless otherwise stated.

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Club.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **1.1 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash balances.

## **1.2 Income Tax**

The Club is exempt from Income Tax.

## **1.3 Goods and Services Tax**

Revenue, 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 Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an 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 ATO is included as a current asset or liability in the balance sheet.

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 ATO are classified as operating cash flows.

## **1.4 Receivables**

Trade and other receivables are stated at their amortised cost less impairment losses.

## **1.5 Payables**

Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing and are normally settled on 60-day terms.

## **1.6 Intangible Assets**

In February 2005 the State Government of South Australia amended the Gaming Machines Act (1992) ("Act") inserting Division 3A into the Act. The act provides a mechanism for gaming machine entitlements to be sold at a fixed legislated value. Club controlled gaming machine entitlements are recorded at their fair value. This class of non-current assets, measured at fair value, is assessed annually to ensure the carrying amount does not materially differ from its fair value.

Revaluation increments, on a class of assets basis, are recognised in the Asset Revaluation Reserve except that, amounts reversing a decrement previously recognised as an expense are recognised as revenues. These intangible assets have not been internally generated and have indefinite useful lives.

Revaluation decrements are only offset against revaluation increments relating to the same class of asset and an excess is recognised as an expense.

Effective 28 February 2006 the Club ceased operations and these Gaming Machine Entitlements are not in use, however, remain the property of the Club.

## **1.7 Going Concern**

The financial report has been prepared on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business. The Club operates as a going concern due to the continuing support of the parent entity, the South Australian Jockey Club Inc (SAJC).

	NOTE	2012 \$000	2011 \$000
<b>2. RECEIVABLES</b>			
<b>Current - SAJC</b>			
Other Receivables		3	4
		<u>3</u>	<u>4</u>

There were no impairment losses to be recognised.

### 3. INTANGIBLE ASSETS

Gaming Machine Entitlements			
Norwood Community Club		975	975
Total Licences & Entitlements		<u>975</u>	<u>975</u>

On 14 July 2011, the South Australian Government introduced a trading system for gaming entitlements. The first and only trading round held on 5 June 2012 resulted in a sell price of \$54,473. The SAJC has valued its entitlements at \$37,500 per entitlement until such time as the recently introduced trading scheme has proven to be an active market on which to determine an alternative fair value.

### 4. RESERVES & RETAINED EARNINGS

#### Retained Earnings

Balance Brought Forward	(507)	(502)
Add: Operating Surplus/(Deficit)	-	(5)
Less: Transfers to Reserves (net)	-	-
	<u>(507)</u>	<u>(507)</u>
Balance at Year End		

#### Capital Profits Reserve

Balance Brought Forward	494	494
Add: Capital Profits transferred to Reserves	-	-
	<u>494</u>	<u>494</u>
Balance at Year End		

#### Asset Revaluation Reserve

Balance Brought Forward	975	975
Add: Revaluation Increments	-	-
Less: Revaluation Increments	-	-
	<u>975</u>	<u>975</u>
Balance at Year End		

Total Reserves	<u>1,469</u>	<u>1,469</u>
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#### Capital Profits Reserve

The Capital Profits Reserve includes the capital profits realised by the Club.

#### Asset Revaluation Reserve

The Asset Revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of intangible assets measured as fair value, in accordance with note 1.6.



## 5. KEY MANAGEMENT PERSONNEL DISCLOSURES

The Board Members receive no remuneration for their services and there were no other transactions with Members of the Board.

### Key Management Personnel Compensation

- There were no transactions with Key Management Personnel.
- There were no amounts receivable from or payable to Key Management Personnel at reporting date arising from the above transactions.

	NOTE	2012 \$000	2011 \$000
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## 6. CASH FLOW INFORMATION

### (i) RECONCILIATION OF CASH

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:-

Cash		<u>1</u>	<u>-</u>
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### (ii) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT FROM ORDINARY ACTIVITIES

Surplus/(Deficit) from ordinary activities		-	(5)
<b>Change in assets and liabilities</b>			
Change in assets and liabilities during the financial year			
(Increase)/decrease in receivables		1	(4)
Increase/(decrease) in payables		-	5
<b>NET CASH PROVIDED BY OPERATIONS</b>		<u>1</u>	<u>(4)</u>

## 7. ROUNDING OFF AMOUNTS

Amounts in this report have been rounded off to the nearest thousand dollars, unless specifically stated to be otherwise.

## 8. AUDITOR'S REMUNERATION

KPMG earned the following remuneration from the Club during the year:

	2012 \$000	2011 \$000
Audit or review of financial reports	-	1

**NORWOOD COMMUNITY CLUB  
REPORT AND STATEMENT BY THE BOARD  
FOR THE YEAR ENDED 31 JULY 2012**

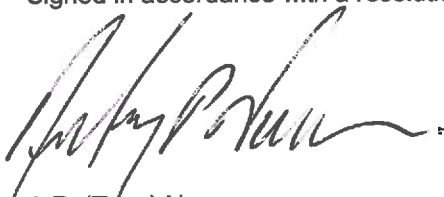
**REPORT BY BOARD**

During the financial year, no officer of the Club, or any firm of which an officer is a member, or any corporate in which an officer has a substantial financial interest, has received or become entitled to receive a benefit as a result of a contract between an officer, firm or corporate and the Club.

During the financial year, no officer of the Club has received directly or indirectly from the Club any payment or other benefit of a pecuniary value.

Dated at Adelaide this 6th day of November, 2012.

Signed in accordance with a resolution of the Board.



A.P. (Tony) Newman  
Chairman



Allan C Burchard  
Chairman of Finance Committee

**STATEMENT BY BOARD**

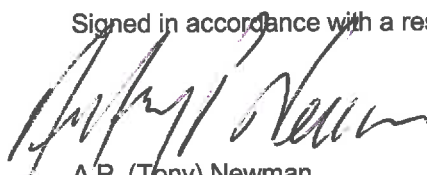
The attached financial statements and notes of the Norwood Community Club Inc. as set out on pages 2 to 9, for the year ended 31 July 2012, are in our opinion properly drawn up:

- (a) so as to present fairly the financial position of the Club as at 31 July 2012 and the results and cash flows for the year then ended;
- (b) in accordance with the provisions of the Club Rules; and
- (c) in accordance with Australian Accounting Standards and the Associations Incorporation Act 1985.

As at the date of this statement, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they fall due.

Dated at Adelaide this 6th day of November, 2012.

Signed in accordance with a resolution of the Board.



A.P. (Tony) Newman  
Chairman



Allan C Burchard  
Chairman of Finance Committee