

NORWOOD COMMUNITY CLUB INC

FINANCIAL REPORT

FOR THE YEAR ENDED

31 JULY 2015

NORWOOD COMMUNITY CLUB INC
BALANCE SHEET AS AT 31 JULY 2015

| | NOTE | 2015 \$000 | 2014 \$000 |
|----------------------------------|------|---------------|---------------|
| CURRENT ASSETS | | | |
| Trade and Other Receivables | 2 | 429 | 429 |
| TOTAL CURRENT ASSETS | | 429 | 429 |
| NON-CURRENT ASSETS | | | |
| Intangible Assets | 3 | 390 | 390 |
| TOTAL NON-CURRENT ASSETS | | 390 | 390 |
| TOTAL ASSETS | | 819 | 819 |
| CURRENT LIABILITIES | | | |
| Trade and Other Payables | 4 | 63 | 59 |
| TOTAL CURRENT LIABILITIES | | 63 | 59 |
| TOTAL LIABILITIES | | 63 | 59 |
| NET ASSETS | | 756 | 760 |
| EQUITY | | | |
| Reserves | 5 | 884 | 884 |
| Retained Losses | 5 | (128) | (124) |
| TOTAL EQUITY | | 756 | 760 |

The accompanying notes form part of these financial statements.

NORWOOD COMMUNITY CLUB INC
INCOME STATEMENT FOR THE YEAR ENDED 31 JULY 2015

| | NOTE | 2015 \$000 | 2014 \$000 |
|--------------------------|------|---------------|---------------|
| REVENUE | | | |
| Revenue | | - | - |
| TOTAL REVENUE | | - | - |
| EXPENDITURE | | | |
| Legal Fees | | 4 | 5 |
| TOTAL EXPENDITURE | | 4 | 5 |
| OPERATING DEFICIT | | (4) | (5) |

The accompanying notes form part of these financial statements.

NORWOOD COMMUNITY CLUB INC
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2015

| | NOTE | 2015 \$000 | 2014 \$000 |
|--|------|-----------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from operating activities | | - | - |
| Payments to suppliers and employees | | - | - |
| Interest received | | - | - |
| Interest paid | | - | - |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 7 | <u>-</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| | | <u>-</u> | <u>-</u> |
| CASH FLOWS PROVIDED BY FINANCING ACTIVITIES | | | |
| | | <u>-</u> | <u>-</u> |
| NET MOVEMENT IN CASH HELD | | - | - |
| CASH AT THE BEGINNING OF THE FINANCIAL YEAR | | - | - |
| CASH AT THE END OF THE FINANCIAL YEAR | 7 | <u><u>-</u></u> | <u><u>-</u></u> |

The accompanying notes form part of these financial statements.

NORWOOD COMMUNITY CLUB INC
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2015

| | 2015 \$000 | 2014 \$000 |
|---|---------------|---------------|
| Deficit for the year | (4) | (5) |
| Other comprehensive loss – revaluation decrements | - | (195) |
| COMPREHENSIVE LOSS FOR THE YEAR | (4) | (200) |

The accompanying notes form part of these financial statements.

NORWOOD COMMUNITY CLUB INC
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2015

| | Retained Losses \$000 | Reserves \$000 | Total \$000 |
|---|--------------------------|-------------------|----------------|
| BALANCE AT 1 AUG 2013 | (509) | 1,469 | 960 |
| Deficit for the year | (5) | - | (5) |
| Other comprehensive loss – revaluation decrements | - | (195) | (195) |
| Transfer to / (from) Reserves | 390 | (390) | - |
| BALANCE AT 31 JUL 2014 | (124) | 884 | 760 |
| BALANCE AT 1 AUG 2014 | (124) | 884 | 760 |
| Deficit for the year | (4) | - | (4) |
| BALANCE AT 31 JUL 2015 | (128) | 884 | 756 |

The accompanying notes form part of these financial statements.

NORWOOD COMMUNITY CLUB INC
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 JULY 2015

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 29th day of October 2015.

Statement of Compliance

The financial report of the Club is a Tier 2 general purpose financial statements which has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs) adopted by the Australian Accounting Standards Board (AASB) and the Associations Incorporation Act 1985, as amended.

Basis of Preparation

The financial report is prepared in Australian Dollars.

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

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.

NORWOOD COMMUNITY CLUB INC
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 JULY 2015

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 SAJC, which has been formalised through a letter of support confirming that financial support will be granted by the SAJC for a period of at least 13 months from the date of this financial report.

NORWOOD COMMUNITY CLUB INC
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 JULY 2015

| | NOTE | 2015 \$000 | 2014 \$000 |
|-----------------------|------|---------------|---------------|
| 2. RECEIVABLES | | | |
| Current - SAJC | | | |
| Other Receivables | | 429 | 429 |
| | | <u>429</u> | <u>429</u> |

There were no impairment losses to be recognised.

3. INTANGIBLE ASSETS

Gaming Machine Entitlements

| | | | |
|----------------------------------|--|------------|------------|
| Opening Balance at 1 August 2014 | | 390 | 975 |
| Gaming Entitlements Sold | | - | (390) |
| Revaluation Decrement | | - | (195) |
| Total Licences & Entitlements | | <u>390</u> | <u>390</u> |

On 14 July 2011, the South Australian Government introduced a trading system for gaming entitlements. The most recent trading round was held on 30 July 2015 and resulted in a sell price of \$29,125. Given the low volume of entitlements traded, the Club has assessed that there is not a material difference between the book value and realizable value of the gaming entitlements, therefore has maintained its valuation at \$30,000 per entitlement.

4. TRADE & OTHER PAYABLES

Current - SAJC

| | | | |
|----------------|--|-----------|-----------|
| Other Payables | | 63 | 59 |
| | | <u>63</u> | <u>59</u> |

5. RESERVES & RETAINED EARNINGS

Retained Earnings

| | | | |
|------------------------------------|--|--------------|--------------|
| Balance Brought Forward | | (124) | (509) |
| Add: Operating Deficit | | (4) | (5) |
| Add: Transfers from Reserves (net) | | - | 390 |
| Total Retained Earnings | | <u>(128)</u> | <u>(124)</u> |

Capital Profits Reserve

| | | | |
|-------------------------|--|------------|------------|
| Balance Brought Forward | | 494 | 494 |
| Balance at Year End | | <u>494</u> | <u>494</u> |

Asset Revaluation Reserve

| | | | |
|--------------------------------------|--|------------|------------|
| Balance Brought Forward | | 390 | 975 |
| Less: Revaluation Decrements | | - | (195) |
| Less: Transfers to Retained Earnings | | - | (390) |
| Balance at Year End | | <u>390</u> | <u>390</u> |

Total Reserves

| | | | |
|--|--|------------|------------|
| | | <u>884</u> | <u>884</u> |
|--|--|------------|------------|

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.

**NORWOOD COMMUNITY CLUB INC
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 JULY 2015**

6. 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 | 2015 \$000 | 2014 \$000 |
|--|------|---------------|---------------|
|--|------|---------------|---------------|

7. CASH FLOW INFORMATION

RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT FROM ORDINARY ACTIVITIES

| | | | |
|--|--|----------|----------|
| Surplus/(Deficit) from ordinary activities | | (4) | (5) |
| Change in assets and liabilities | | | |
| Change in assets and liabilities during the financial year | | | |
| Increase in receivables | | - | (429) |
| Decrease in Gaming Entitlements | | - | 390 |
| Increase in payables | | 4 | 44 |
| NET CASH PROVIDED BY OPERATIONS | | <u>-</u> | <u>-</u> |

8. ROUNDING OFF AMOUNTS

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

**NORWOOD COMMUNITY CLUB INC
REPORT AND STATEMENT BY THE BOARD
FOR THE YEAR ENDED 31 JULY 2015**

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.

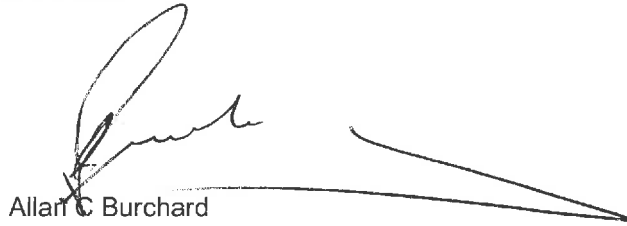
During the financial year, no officer of the Club has received directly or indirectly from the Club any payment or other benefit of a pecuniary value.

Dated at Adelaide this 29th day of October, 2015.

Signed in accordance with a resolution of the Board.



A.P. (Tony) Newman
Chairman



Allan C Burchard
Chairman of Finance & Investment 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 2015, are in our opinion properly drawn up:

- (a) so as to present fairly the financial position of the Club as at 31 July 2015 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 – Reduced Disclosure Requirements and the Associations Incorporation Act 1985, as amended.

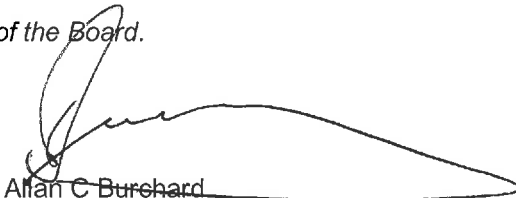
As at the date of this statement, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they fall due.

Dated at Adelaide this 29th day of October, 2015.

Signed in accordance with a resolution of the Board.



A.P. (Tony) Newman
Chairman



Allan C Burchard
Chairman of Finance & Investment Committee