

**NORWOOD COMMUNITY CLUB INC**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED**

**31 JULY 2018**

**NORWOOD COMMUNITY CLUB INC**  
**BALANCE SHEET AS AT 31 JULY 2018**

	NOTE	2018 \$000	2017 \$000
<b>CURRENT ASSETS</b>			
Trade and Other Receivables	2	485	429
<b>TOTAL CURRENT ASSETS</b>		485	429
<b>NON-CURRENT ASSETS</b>			
Intangible Assets	3	101	146
<b>TOTAL NON-CURRENT ASSETS</b>		101	146
<b>TOTAL ASSETS</b>		586	575
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	4	74	67
<b>TOTAL CURRENT LIABILITIES</b>		74	67
<b>TOTAL LIABILITIES</b>		74	67
<b>NET ASSETS</b>		513	508
<b>EQUITY</b>			
Reserves	5	595	640
Retained Losses	5	(82)	(132)
<b>TOTAL EQUITY</b>		513	508

The accompanying notes form part of these financial statements.

**NORWOOD COMMUNITY CLUB INC**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR**  
**ENDED 31 JULY 2018**

	NOTE	2018 \$000	2017 \$000
<b>REVENUE</b>			
Revenue		6	-
<b>TOTAL REVENUE</b>		<hr/> -	<hr/> -
<b>EXPENDITURE</b>			
Legal Fees		2	2
<b>TOTAL EXPENDITURE</b>		<hr/> 2	<hr/> 2
<b>OPERATING SURPLUS / (DEFICIT)</b>		<hr/> 4	<hr/> (2)
<b>OTHER COMPREHENSIVE INCOME</b>			
Revaluation of gaming entitlements		<hr/> -	<hr/> (244)
<b>TOTAL COMPREHENSIVE INCOME / (LOSS)</b>		<hr/> 4	<hr/> (246)

The accompanying notes form part of these financial statements.

**NORWOOD COMMUNITY CLUB INC**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2018**

	NOTE	2018 \$000	2017 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from operating activities		-	-
Payments to suppliers and employees		-	-
Interest received		-	-
Interest paid		-	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	7	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
		-	-
<b>CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>			
		-	-
<b>NET MOVEMENT IN CASH HELD</b>		-	-
<b>CASH AT THE BEGINNING OF THE FINANCIAL YEAR</b>		-	-
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>		-	-

The accompanying notes form part of these financial statements.

**NORWOOD COMMUNITY CLUB INC**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2018**

	Retained Losses \$000	Reserves \$000	Total \$000
<b>BALANCE AT 1 AUG 2016</b>	(130)	884	754
Deficit for the year	(2)	-	(2)
Revaluation Decrements	-	(244)	(244)
<b>BALANCE AT 31 JUL 2017</b>	(132)	640	508
<b>BALANCE AT 1 AUG 2017</b>	(132)	640	508
Surplus /(Deficit) for the year	4	-	4
Revaluation Decrements	-	-	-
Transfer to/from Reserves	45	(45)	-
<b>BALANCE AT 31 JUL 2018</b>	(83)	595	512

The accompanying notes form part of these financial statements.

**NORWOOD COMMUNITY CLUB INC**  
**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 JULY 2018**

**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 25th day of October 2018.

**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.

**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.

**NORWOOD COMMUNITY CLUB INC**  
**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 JULY 2018**

	NOTE	2018 \$000	2017 \$000
<b>2. RECEIVABLES</b>			
<b>Current - SAJC</b>			
Other Receivables		485	429
		<u>485</u>	<u>429</u>

There were no impairment losses to be recognised.

**3. INTANGIBLE ASSETS**

**Gaming Entitlements**

Opening Balance at 1 August 2017		146	390
Gaming Entitlements Sold		(45)	-
Revaluation Decrement		-	(244)
Total Licences & Entitlements		<u>101</u>	<u>146</u>

The Gaming Entitlements are to be sold. These entitlements are valued as an asset held for sale at a recoverable amount commensurate with the expected net sales proceeds.

**4. TRADE & OTHER PAYABLES**

**Current - SAJC**

Other Payables		74	67
		<u>74</u>	<u>67</u>

**5. RESERVES & RETAINED EARNINGS**

**Retained Earnings**

Balance Brought Forward		(132)	(130)
Add: Operating Surplus / (Deficit)		4	(2)
Add: Transfers from Reserves (net)		45	-
<b>Total Retained Earnings</b>		<u>(82)</u>	<u>(132)</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		146	390
Less: Revaluation Decrements		-	(244)
Less: Transfers to Retained Earnings		(45)	-
Balance at Year End		<u>101</u>	<u>146</u>

**Total Reserves**

		<u>595</u>	<u>640</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.



**NORWOOD COMMUNITY CLUB INC  
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 JULY 2018**

**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	2018 \$000	2017 \$000
<b>7. CASH FLOW INFORMATION</b>			
<b>RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT FROM ORDINARY ACTIVITIES</b>			
Surplus/(Deficit) from ordinary activities		4	(2)
<b>Change in assets and liabilities</b>			
Change in assets and liabilities during the financial year			
Increase in payables		7	2
(Increase) in receivables		(56)	-
Decrease in Gaming Entitlements		45	-
<b>NET CASH PROVIDED BY OPERATIONS</b>		<hr/> - <hr/>	<hr/> - <hr/>

**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 2018**

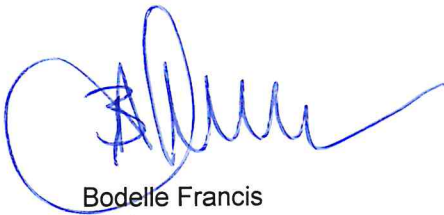
**REPORT BY BOARD**

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 25th day of October, 2018.*

*Signed in accordance with a resolution of the Board.*



Bodelle Francis  
Chairman



Bob Holton  
Board Member

**STATEMENT BY BOARD**

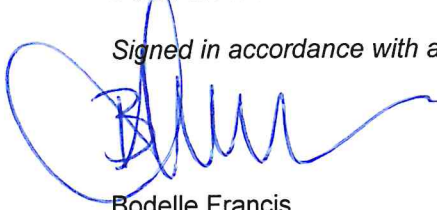
The attached financial statements and notes of the Norwood Community Club Inc. as set out on pages 2 to 9, for the year ended 31 July 2018, are in our opinion properly drawn up:

- (a) so as to present fairly the financial position of the Club as at 31 July 2018 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 25th day of October, 2018.*

*Signed in accordance with a resolution of the Board.*



Bodelle Francis  
Chairman



Bob Holton  
Board Member

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORWOOD COMMUNITY CLUB INC

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Norwood Community Club Inc, which comprises the balance sheet as at 31 July 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the statement by the board.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of Norwood Community Club Inc as at 31 July 2018, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *South Australia Associations Incorporations Act 1985*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is the report by board, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **Responsibilities of management and those charged with governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *South Australia Associations Incorporations Act 1985* and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

## **Report on other legal and regulatory requirements**

In accordance with section 37(3e) of the *South Australia Associations Incorporations Act 1985*, we are required to report whether we have obtained all the information and explanations required from the entity in performing our duties as auditor. We have obtained all the information and explanations required.

**BDO Audit (SA) Pty Ltd**

Andrew Tickle  
Director

Adelaide, 29 October 2018