

**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
<b>CURRENT ASSETS</b>			
Trade and Other Receivables	2	429	429
<b>TOTAL CURRENT ASSETS</b>		429	429
<b>NON-CURRENT ASSETS</b>			
Intangible Assets	3	390	390
<b>TOTAL NON-CURRENT ASSETS</b>		390	390
<b>TOTAL ASSETS</b>		819	819
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	4	63	59
<b>TOTAL CURRENT LIABILITIES</b>		63	59
<b>TOTAL LIABILITIES</b>		63	59
<b>NET ASSETS</b>		756	760
<b>EQUITY</b>			
Reserves	5	884	884
Retained Losses	5	(128)	(124)
<b>TOTAL EQUITY</b>		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
<b>REVENUE</b>			
Revenue		-	-
<b>TOTAL REVENUE</b>		<hr/> -	<hr/> -
<b>EXPENDITURE</b>			
Legal Fees		4	5
<b>TOTAL EXPENDITURE</b>		<hr/> 4	<hr/> 5
<b>OPERATING DEFICIT</b>		<hr/> <u>(4)</u>	<hr/> <u>(5)</u>

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
<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>	<b>7</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
		-	-
<b>CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>			
		-	-
<b>NET MOVEMENT IN CASH HELD</b>		<b>-</b>	<b>-</b>
<b>CASH AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<b>-</b>	<b>-</b>
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	<b>7</b>	<b>-</b>	<b>-</b>

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)
<b>COMPREHENSIVE LOSS FOR THE YEAR</b>	<b>(4)</b>	<b>(200)</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 2015**

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

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
<b>2. RECEIVABLES</b>			
<b>Current - SAJC</b>			
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
<b>Total Retained Earnings</b>		<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>
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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 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
<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)	(5)
<b>Change in assets and liabilities</b>			
Change in assets and liabilities during the financial year			
Increase in receivables		-	(429)
Decrease in Gaming Entitlements		-	390
Increase in payables		4	44
<b>NET CASH PROVIDED BY OPERATIONS</b>		<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.

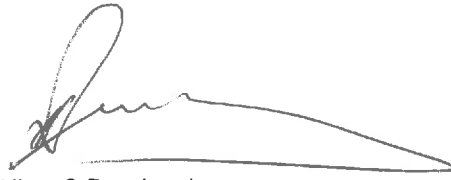
During the financial year, no officer of the Club has received directly or indirectly from the Club any payment or other benefit of a pecuniary value.

*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.

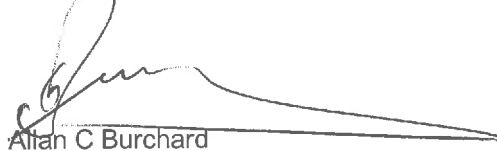
As at the date of this statement, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they fall due.

*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



## **Independent audit report to the members of the Norwood Community Club Inc.**

We have audited the accompanying financial report of the Norwood Community Club (the Club), which comprises the balance sheet as at 31 July 2015, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, Notes 1 to 7 comprising a summary of significant accounting policies and other explanatory information, and the statement by the Board of the Club.

### *Board's responsibility for the financial report*

The Board is responsible for the preparation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Associations Incorporation Act 1985*, as amended, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Associations Incorporation Act 1985*, as amended, and Australian Accounting Standards - Reduced Disclosure Requirements, a view which is consistent with our understanding of the Club's financial position, and of its performance.

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



*Independence*

In conducting our audit, we have complied with the independence requirements of the *Accounting Professional and Ethical Standards Board*.

*Auditor's opinion*

In our opinion the financial report of the Norwood Community Club Inc. is properly drawn up so as to present fairly, in all material respects, the financial position of the Club as at 31 July 2015, and of its financial performance for the year then ended in accordance with the *Associations Incorporation Act 1985*, as amended, and Australian Accounting Standards – Reduced Disclosure Requirements.

A handwritten signature in blue ink, appearing to read 'KPMG'.

KPMG

A handwritten signature in blue ink, appearing to read 'John Evans'.

John Evans  
*Partner*

Adelaide

29 October 2015