



2017-2018

Annual Report

**BELCONNEN SOCCER CLUB LIMITED
OFFICE BEARERS AND PROFESSIONAL ADVISORS**

President:	John Dexter
Vice President:	Kim Clarke
Junior Vice President:	Patrick Blanchard
Treasurer:	Alan Jackson
Secretary:	Geoff Long
Directors:	Justin Hyland Sharon Griffin Jeff Turner Nigel Page Tibor Jerfy (appointed 19/11/2017)
Chief Executive Officer:	Geoff Long
Accountants and Auditors:	Nexia Australia
Bankers:	National Australia Bank, Canberra
Lawyers:	Bradley Allen Lawyers, Canberra
Patrons:	Margaret Reid (Honorary Life) Wayne Berry MLA Harold Hird Bob McMullan MP Jon Stanhope MLA Bill Stefaniak MLA
Life Members:	John McGready Chris Burgess Claude Hammond (Deceased) Peter Ashman Ralph Evans Geoff Chapman June Willett Ken Carter Allan Turnbull David Wright Peter Macaulay Bas Pietrukowski Rob Newman Jeff Turner John Dexter Alan Jackson Kim Hancock

PRESIDENTS REPORT 2018

Dear members

Changes to the ACT Government gaming machine taxes for clubs and diligent work of our CEO and Management Team has resulted in the club showing a profit of \$271,997 for the financial year. _ A good outcome _ Thank you all.

In reference to our financial results I refer you to the Treasurers and CEO's reports which have detailed figures re the clubs operation during the year.

I mentioned in my last report about development of a Childcare Centre at the McKellar Site was considered the best outcome for our club. I report to you that to date preliminary paperwork has been signed to commence the project moving forward. Great to see movement at last.

Our cash flows have been strong and the Management Team continues to develop strategies to further enhance income streams for our club.

I note that we have over sixteen thousand members and numbers are growing by the day. A warm welcome to our club.

Catering in the clubs seems to be going from strength to strength. Some members have passed comment to me that the food is both tasty and plentiful. Well done and thank you to our caterers.

To our valued staff, I wish to thank you all for your dedication to duty during the year. Your smiling faces and assistance to members and their guests is greatly appreciated.

I wish to thank our members for your ongoing support during the year, for without this support we would not exist.

On behalf of the board I wish all our members a happy and safe Christmas and a prosperous New Year for 2019. If you are travelling, be safe and we will see you at some time in the near future.

John Dexter
President

TREASURER'S REPORT 2018

Despite further reviews of the club industry, continued emphasis in the public domain on clubs' responsibilities for problem gambling within the community and proposed reductions in poker machines the past year has been good for Belconnen Soccer Club (the Club). The Club reporting a profit for the first time in several years.

A significant influence on the Club's profitability has been the changes the ACT Government made to poker machine taxes. This has resulted in the Club paying 46% less poker machine tax than last year.

Poker machine revenues have increased by 2%, however, the overall figure hides the fact that at the Hawker Club poker machine revenues have fallen by 7%. Bar revenues over the same period have increased by 7%, however, this again hides the fact that the bar revenues at Hawker have also fallen by 7%. Clearly the Hawker Club has not been able to benefit from the economic recovery to the same degree as the McKellar Club, most likely due to the demographics of the patrons at the two locations. Management will try and increase revenues at the Hawker Club during the next 12 months.

Improved cash flow during the year has enabled the Board to continue its policy of reducing its borrowings. Bank loans have been reduced by \$530,000, and lease liabilities by \$120,000 over the past year, while also reducing the need to use the Club's overdraft facility. The Board has again ensured that the debt reduction process has not come at the detriment of members, and has continued to make improvements at both the Hawker and McKellar properties, amounting to over \$320,000.

The Board has consciously positioned the Club so that financially it is in a position to take advantage of developments, that will diversify its income streams, as they are identified, and the reduction in poker machine taxes has obviously aided this.

Last year I informed you that the Club had been investigating several opportunities to diversify the Club's income streams, the most promising of which, with minimal risk to the Club, was the development of a Child Care facility on part of the Club's land at McKellar. In my report last year I stated that the Club had identified a potential partner for such a development, and was performing further due diligence in respect of the project. Unfortunately the potential partner withdrew from the project. The Club has, however, now found a new partner and at the time of writing is finalising contracts that will enable the development of a Child Care facility at McKellar.

Looking to the future the Club's balance sheet remains strong, the Club's income streams can be further developed, and the Club's regular activities maintained for the benefit of members.

I would like to thank Club members for their continued patronage and support and to congratulate the Club's management and staff and all my fellow directors for their continued dedication throughout the year.

Alan Jackson
Treasurer

CHIEF EXECUTIVE OFFICER'S REPORT

GEOFF LONG

It gives me much pleasure to report a solid profit for the 2017/2018 financial year.

Our net profit is \$271,997 compared to a loss of -\$159,393 the previous year, which represents a major turnaround of \$431,390.

We have continued with our key objective and goal which is to strengthen our Balance Sheet by paying down and reduce our overall debt position. We have once more successfully continued on that path with a reduction of \$120,000 on our Lease Liabilities over the year with a total current commitment outstanding of \$139,000. Our Term Loan to the National Bank of Australia (NAB) at the end of the financial year is now down to \$530,000 reducing by \$142,569 from \$672,569 the previous year.

In line with our key objective and goal to strengthen our Balance Sheet by paying down debt I am extremely pleased to report that we have retired from the NAB Term Loan a further \$250,000 after the end of the 2017/2018 financial year. The total debt currently owed to the NAB is \$280,000.

With such a good financial result and the continued strengthening of our Balance Sheet comes the assurance of the long term financial certainty of the business.

Table insert below showing Bar Revenue and Electronic Gaming Machine Revenue (EGM) for each club.

	2018	2017
<u>Total Bar revenue</u>	1,546,321	1,447,871
<u>Hawker</u>		
Sales Function Bar	2,249	3,457
Sales main bar	605,403	653,456
Sales non cash	12,963	7,791
Total	620,615	664,704
<u>McKellar</u>		
Sales main bar	838,089	710,530
Sales bistro bar	74,550	63,747
Sales non cash	13,067	8,890
Total	925,706	783,167

Total Poker Machine revenue(EGM)

<u>Hawker</u>	1,249,434	1,352,639
<u>McKellar</u>	2,322,863	2,151,954
Poker machine taxes	(365,652)	(683,520)
Total	3,206,645	2,821,073

Prior to the last election the current Labor ACT Government pledged if they were re-elected that they would give assistance to small clubs of the ACT by implementation of a tax rebate relief scheme for clubs with gaming revenue under four million dollars, which we are one of. This relief on our gaming taxation has had an important effect on our financial result and is now allowing us to source other revenue streams rather than be so reliant on gaming revenue.

I would like to acknowledge and thank the Labor lead ACT Government for recognising the fact that small clubs play a significant contribution to the fabric of the Canberra Community and clubs such as Belconnen Soccer Club Ltd have an opportunity to diversify our income streams and move to alternate opportunities.

To that end, as stated last year, we are advancing the opportunity for a 92 placement Early Learning Centre at McKellar and I am pleased to report that we are now at the design stage working together with the Tenant. Once this project completes, hopefully by mid to late next year, we will have a surplus income rent after the outgoing of the loan to our Bankers.

This development opportunity has only been achievable by the implementation of the Tax rebate relief scheme which has now given us the extra capital required for the development and the delivery of an additional community asset to the local district on our land.

Our strong financial pledge to the community continues and we believe that we are making a difference in our local district by such support. We have again this financial year contributed to our local community in excess of \$300,000 in cash and in-kind sponsorship through the Community Contributions Scheme.

Belconnen United Football Club is our major recipient each year with financial, in-kind support and the up-keep to the Football Stadium.

Thank you to all our wonderful staff for your continuing enthusiasm and the friendly and competent service that you bring to the business.

I wish to also recognise my appreciation to our Management Team whose professionalism and contribution to the business is always at the highest level of commitment.

I would like to take this opportunity to also thank our President John Dexter and the Board of Directors for being industrious and productive at our monthly Board Meetings and in particular the diligent nature of our decision making that was displayed to achieve the appropriate outcomes as we advance the development project of an Early Learning Centre at McKellar.

For those members that haven't eaten at either club I recommend that you give our food a try as we are very lucky to have two great Contract Caterers with the variety of food at each club relatively different. Thank you Paul and Grace at McKellar and Vikas at Hawker for not only providing our members great value for money but also not having to compromise the quality of your food, it is excellent.

In closing, I say thank you to the members for your patronage and support of your Club's we only exist through your continual visitation and we look forward to your ongoing support of your Club's into the future. Have a great festive season and don't forget to book in early for our outstanding Christmas Day Luncheon, keep an eye out in the email newsletter that we send to members for this event, our monthly Wine Club offers and further events that take place at the Club's.

Belconnen Soccer Club Limited

ABN: 60 527 470 200

ACN: 099 413 733

Financial Statements

For the Year Ended 30 June 2018

	Page
Financial Statements	
Directors' Report	1
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Directors' Declaration	21
Independent Auditor's Report	22

Belconnen Soccer Club Limited

ABN: 60 527 470 200

Directors' Report

30 June 2018

The Directors present their report on the Belconnen Soccer Club Limited (the Club) for the financial year ended 30 June 2018.

Information on Directors

The names of each person who has been a director during the year and to the date of this report are:

Director	Occupation	Role
Mr J Dexter	Retired	President
Mrs K Clarke	Sports Administrator	Vice-President
Mr P Blanchard	Business Proprietor	Junior Vice President
Mr A Jackson	Chartered Accountant	Treasurer
Mr J Hyland	Self Employed	Board Member
Ms S Griffin	Public Servant	Board Member
Mr J Turner	Retired	Board Member
Mr N Page	Public Servant	Board Member
Mr T Jeffrey (appointed 19/11/2017)	Retired	Board Member

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the Club during the financial year were the operation of a licensed club.

The Club's short and long term objectives are focused on managing the Club's assets, in order that members are able to maximise their utilisation and enjoyment of Club facilities.

The Board prepares long and short term plans, which are regularly reviewed at Board meetings. The Club measures the performance of the business through both members' feedback and its ability to meet its annual budgets.

No significant changes in the nature of the activities occurred during the financial year.

Result

The Club's operating surplus after income tax for the financial year was \$271,997 (2017: deficit of \$159,393).

Company Limited by Guarantee

The liability of members is limited. Every member of the Club undertakes to contribute to the assets of the Club in the event of the same being wound up during the time that he or she is a member or within one year afterwards for the payment of the debts and liabilities of the Club contracted before the time at which he/she ceases to be a member and of the costs, charges and expenses of winding up the same and for the adjustment of the rights of the contributories amongst themselves such amount as may be required not exceeding two dollars. There are 16,484 members of the Club and are liable to contribute a total of \$32,968 if the Club is wound up.

Corporate Information

The Club is a public company limited by guarantee. The Club is registered in the Australian Capital Territory and the registered address is McKellar ACT 2617.

Belconnen Soccer Club Limited

ABN: 60 527 470 200

Directors' Report

30 June 2018

Directors' Benefits

The Directors received no benefits during the year. They were reimbursed for expenses incurred in relation to the management of the Club.

Meetings of Directors

During the financial year, 9 meetings of directors were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
J Dexter	9	8
K Clarke	9	7
P Blanchard	9	7
A Jackson	9	9
J Hyland	9	3
S Griffin	9	8
J Turner	9	9
N Page	9	8
T Jefry	4	4

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 follows this Directors' Report.

Signed in accordance with a resolution of the Board of Directors:

Director:



Director:



Dated:

10 September 2018

**Auditor's Independence Declaration
Under Section 307C of the Corporations Act 2001 to the Directors of the
Belconnen Soccer Club Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been:

- i. no contraventions of the independence requirements of the Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



Nexia Duesburys (Audit)
Canberra, 10 September 2018



R C Scott
Partner

Canberra Office

Level 5, 17 Moore Street
Canberra ACT 2601
GPO Box 500
Canberra ACT 2601
p +61 2 6279 5400
f +61 2 6279 5444
e mail@nexiacanberra.com.au
w nexia.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Nexia Duesburys (Audit) (ABN 21 841 510 270) is an independent firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd, which is a member of Nexia International, a worldwide network of independent accounting and consulting firms. Neither Nexia International nor Nexia Australia Pty Ltd, deliver services in their own name or otherwise. Nexia International Limited and the member firms of the Nexia International network (including those members which trade under a name which includes NEXIA) are not part of a worldwide partnership.

The trademarks NEXIA INTERNATIONAL, NEXIA and the NEXIA logo are owned by Nexia International Limited and used under licence.

Belconnen Soccer Club Limited

ABN: 60 527 470 200

**Statement of Comprehensive Income
For the Year Ended 30 June 2018**

	Note	2018 \$	2017 \$
Income			
Poker machine revenue	3	3,206,645	2,821,073
Bar revenue	4	1,546,321	1,447,871
Cost of sales		(624,818)	(606,670)
Gross surplus		4,128,148	3,662,274
ACTTAB commission		84,519	58,193
Interest income		54	21
Membership and raffles		277,557	303,975
Profit/(loss) from sale of assets		16,777	8,483
Other income		90,969	81,157
		4,598,024	4,114,103
Expenses			
ACTTAB expenses		108,882	92,096
Administration		654,212	652,894
Board expenses		17,174	12,475
Borrowing costs		35,916	45,283
Depreciation		702,893	735,720
Donations		9,540	9,367
General expenses		1,065,104	1,064,636
Members promotions		470,526	511,665
Overheads (bar, poker machines and catering)		1,153,616	1,059,442
Sports development		19,969	19,938
Soccer centre		88,195	69,980
		4,326,027	4,273,496
Profit/(loss) before income tax		271,997	(159,393)
Income tax expense	2	-	-
Profit/(loss) after income tax		271,997	(159,393)
Other comprehensive income		-	-
Total comprehensive income for the year		271,997	(159,393)

Belconnen Soccer Club Limited

ABN: 60 527 470 200

Statement of Financial Position

As At 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	564,197	247,391
Trade and other receivables	6	3,326	-
Inventories	7	48,672	54,000
Other assets	8	40,364	29,706
TOTAL CURRENT ASSETS		<u>656,559</u>	<u>331,097</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	8,073,581	8,372,960
TOTAL NON-CURRENT ASSETS		<u>8,073,581</u>	<u>8,372,960</u>
TOTAL ASSETS		<u>8,730,140</u>	<u>8,704,057</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	373,254	345,089
Lease liabilities	11	91,447	179,117
Provisions	12	403,591	427,033
Borrowings	13	530,000	672,569
TOTAL CURRENT LIABILITIES		<u>1,398,292</u>	<u>1,623,808</u>
NON-CURRENT LIABILITIES			
Lease liabilities	11	47,545	79,020
Provisions	12	11,077	-
TOTAL NON-CURRENT LIABILITIES		<u>58,622</u>	<u>79,020</u>
TOTAL LIABILITIES		<u>1,456,914</u>	<u>1,702,828</u>
NET ASSETS		<u>7,273,226</u>	<u>7,001,229</u>
EQUITY			
Retained earnings		<u>7,273,226</u>	<u>7,001,229</u>
TOTAL EQUITY		<u>7,273,226</u>	<u>7,001,229</u>

Belconnen Soccer Club Limited

ABN: 60 527 470 200

**Statement of Changes in Equity
For the Year Ended 30 June 2018****2018**

	Retained earnings	Total
	\$	\$
Balance at the beginning of the year	7,001,229	7,001,229
Total comprehensive income	271,997	271,997
Balance at the end of the year	7,273,226	7,273,226

2017

	Retained earnings	Total
	\$	\$
Balance at the beginning of the year	7,160,622	7,160,622
Total comprehensive income	(159,393)	(159,393)
Balance at the end of the year	7,001,229	7,001,229

Belconnen Soccer Club Limited

ABN: 60 527 470 200

Statement of Cash Flows For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	5,722,669	5,217,894
Payments to suppliers and employees	(4,711,305)	(4,542,474)
Interest received	54	21
Interest paid	(35,916)	(45,283)
Net cash provided by/(used in) operating activities	<u>975,502</u>	<u>630,158</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(322,534)	(296,746)
Net cash provided by/(used in) investing activities	<u>(322,534)</u>	<u>(296,746)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(142,569)	(67,398)
Repayment of lease liabilities	(193,593)	(257,472)
Net cash provided by/(used in) financing activities	<u>(336,162)</u>	<u>(324,870)</u>
Net increase/(decrease) in cash and cash equivalents held	316,806	8,542
Cash and cash equivalents at beginning of year	247,391	238,849
Cash and cash equivalents at end of financial year	5 <u>564,197</u>	<u>247,391</u>

Belconnen Soccer Club Limited

ABN: 60 527 470 200

Notes to the Financial Statements For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

Basis of Preparation

Belconnen Soccer Club Limited (the Club) is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia. The financial statements cover the Club as an individual entity.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001.

A number of new or revised Australian Accounting Standards are effective for the first time in the current financial year. These standards have had no material impact on the Club.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The functional and presentation currency of the Club is Australian dollars. The amounts presented in the financial statements have been rounded to the nearest dollar.

Going Concern

The Directors have prepared the financial statements of the Club on a going concern basis which contemplates continuity of normal business activities and that the realisation of assets and settlement of liabilities will occur in the normal course of business. The Club has a deficiency in net current assets of \$741,733 at 30 June 2018 (2017: \$1,292,711) and net surplus after tax of \$271,997 for the year ended 30 June 2018 (2017: net deficit after tax of \$159,393).

The Directors consider the going concern basis to be appropriate on the following basis:

- The business market loan facility was renewed with NAB during the year. The facility expires on 31 January 2019.
- The Club has met all contractual repayment and interest obligations during the year ended 30 June 2018 and up to the date of these financial statements.
- The Club expects to be able to manage its cash balances and cash flows and pay its debts as and when they fall due.

The ability of the Club to continue as a going concern is dependent on the Club's ability to meet its debts as and when they become due and payable.

Accounting Policies

(a) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs include direct costs and appropriate overheads, if any. Costs are on the basis of weighted average costs.

(b) Comparative Amounts

Comparative figures have been adjusted, where necessary to conform to changes in presentation for the current financial year.

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies (continued)

(c) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date. Under the concept of mutuality, the Club is only assessed for income tax on the portion of income derived from non-members and other external sources.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is recognised in other comprehensive income and adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Club will derive sufficient assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Where a revaluation has been performed, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The carrying amount of property, plant and equipment is reviewed at the end of the reporting period to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Club and the cost of the item can be measured reliably. All other costs (e.g. repairs and maintenance) are charged to the statement of comprehensive income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation reserve and recognised in other comprehensive income. Decreases that offset previous increases of the same asset are charged against fair value reserves and recognised in other comprehensive income. All other decreases are charged to the profit or loss.

Notes to the Financial Statements For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies (continued)

(d) Property, Plant and Equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of the reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line basis from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The depreciation rates used for each class of depreciable asset are:

Asset class	Depreciation rate
Buildings and improvements	10 - 66 years
Equipment, furniture and fittings	2 - 17 years
Poker machines	5 - 8 years

(e) Financial Instruments

Initial recognition and measurement.

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Classification and subsequent measurement

Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

Belconnen Soccer Club Limited

ABN: 60 527 470 200

Notes to the Financial Statements For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies (continued)

(e) Financial Instruments (continued)

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Club's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. Available-for-sale assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investment revaluation reserve.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be sold within 12 months after the end of the reporting period.

Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost, comprising original debt less principal payments and amortisation.

Borrowings are classified as current liabilities unless the Club has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of the reporting period an assessment is made whether there is any objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instrument, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the profit or loss.

(f) Impairment of Assets

At the end of each reporting period, the Club reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Value in use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria in AASB 136 'Impairment of Assets' are met. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash generating unit to which the asset belongs is estimated.

Notes to the Financial Statements For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies (continued)

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(h) Employee Benefits

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs are disclosed as current liabilities. Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data.

Contributions are made by the Club to an employee superannuation fund and are charged as expenses when incurred.

(i) Provisions

Provisions are recognised when the Club has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Club are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values.

Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Club will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(k) Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Club and specific criteria relating to the type of revenue as noted below, has been satisfied.

Notes to the Financial Statements For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies (continued)

(k) Revenue and Other Income (continued)

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from poker machine clearances is the amount of monies collected from the poker machine, net of the amount paid out as winnings to customers.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

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

All revenue is stated net of the amount of goods and services tax (GST).

(l) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. 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 in the statement of financial position are stated inclusive GST.

Cash flows in the statement of cash flows are included on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Club.

The Directors do not believe that there were any key estimates or key judgments used in the development of the financial statements that give rise to a significant risk of material adjustment in the future.

Belconnen Soccer Club Limited

ABN: 60 527 470 200

Notes to the Financial Statements For the Year Ended 30 June 2018

2 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2018	2017
	\$	\$
Statement of Comprehensive Income		
Current tax expense		
Current income tax charge	819	(24,583)
Loss not recognised	(819)	24,583
Deferred tax expense		
Relating to the origination and reversal of temporary differences	30,195	5,988
Timing difference not recognised	(30,195)	(5,988)
	<u>-</u>	<u>-</u>

(b) Reconciliation of income tax to accounting profit:

	2018	2017
	\$	\$
Accounting net profit/(loss)	<u>271,997</u>	<u>(159,393)</u>
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2017: 30%)	74,799	(47,818)
Tax effect of:		
- deductible expenses not claimed in profit or loss	(150,863)	(57,613)
- non-deductible expenses	308,769	66,411
- proportion of mutual expenses not deductible	890,182	1,141,257
- proportion of mutual expenses not assessable	(1,122,068)	(1,126,820)
- losses not brought to account	(819)	24,583
	<u>-</u>	<u>-</u>

(c) Tax Losses

The Club has accumulated tax losses for which no deferred tax asset has been recognised of \$1,403,961 (2017: \$1,318,471). The deferred tax asset associated with the loss will only be realised in the future in the event of sufficient taxable profits being available to utilise the losses, subject to meeting the required loss recoupment rules.

Belconnen Soccer Club Limited

ABN: 60 527 470 200

**Notes to the Financial Statements
For the Year Ended 30 June 2018****3 Poker Machine Revenue**

	2018	2017
	\$	\$
Poker machine revenue - McKellar	2,322,863	2,151,954
Poker machine revenue - Hawker	1,249,434	1,352,639
Poker machine taxes	(365,652)	(683,520)
	<u>3,206,645</u>	<u>2,821,073</u>

4 Bar Revenue

	2018	2017
	\$	\$
Bar revenue - McKellar	925,706	783,167
Bar revenue - Hawker	620,615	664,704
	<u>1,546,321</u>	<u>1,447,871</u>

5 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash at bank and on hand	<u>564,197</u>	<u>247,391</u>

6 Trade and Other Receivables

	2018	2017
	\$	\$
Trade and other receivables	<u>3,326</u>	<u>-</u>

7 Inventories

	2018	2017
	\$	\$
Stock on hand	<u>48,672</u>	<u>54,000</u>

8 Other Assets

	2018	2017
	\$	\$
Prepayments	<u>40,364</u>	<u>29,706</u>

Belconnen Soccer Club Limited

ABN: 60 527 470 200

Notes to the Financial Statements For the Year Ended 30 June 2018

9 Property, Plant and Equipment

	2018	2017
	\$	\$
Leasehold land		
At cost	<u>200,000</u>	200,000
Buildings on leasehold land		
At cost	11,040,485	11,001,716
Accumulated depreciation	<u>(4,442,984)</u>	<u>(4,152,520)</u>
	<u>6,597,501</u>	6,849,196
Equipment, furniture and fittings		
At cost	2,540,336	2,499,913
Accumulated depreciation	<u>(2,273,775)</u>	<u>(2,169,903)</u>
	<u>266,561</u>	330,010
Poker machines		
At cost	4,219,773	4,135,675
Accumulated depreciation	<u>(3,357,927)</u>	<u>(3,191,247)</u>
	<u>861,846</u>	944,428
Capital work in progress		
At cost	<u>147,673</u>	49,326
	<u>8,073,581</u>	<u>8,372,960</u>

Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Leasehold land	Buildings on leasehold land	Equipment, furniture and fittings	Poker machines	Capital work in progress	Total
	\$	\$	\$	\$	\$	\$
Year ended 30 June 2018						
Balance at the beginning of the year	200,000	6,849,196	330,010	944,428	49,326	8,372,960
Additions	-	28,369	40,423	231,838	118,992	419,622
Disposals	-	-	-	(5,863)	(10,245)	(16,108)
Depreciation	-	(290,464)	(103,872)	(308,557)	-	(702,893)
Transfers	-	10,400	-	-	(10,400)	-
Balance at the end of the year	<u>200,000</u>	<u>6,597,501</u>	<u>266,561</u>	<u>861,846</u>	<u>147,673</u>	<u>8,073,581</u>

Belconnen Soccer Club Limited

ABN: 60 527 470 200

Notes to the Financial Statements For the Year Ended 30 June 2018

10 Trade and Other Payables

	2018	2017
	\$	\$
Trade payables	190,915	180,832
Accruals	114,525	83,231
Other payables	67,814	81,026
	<u>373,254</u>	<u>345,089</u>

11 Lease Liabilities

	2018	2017
	\$	\$
<i>Current</i>		
Hire purchase liability	<u>91,447</u>	<u>179,117</u>
<i>Non-current</i>		
Hire purchase liability	<u>47,545</u>	<u>79,020</u>
	<u>138,992</u>	<u>258,137</u>

Lease liabilities are secured by the underlying leased assets.

12 Provisions

	2018	2017
	\$	\$
<i>Current</i>		
Provision for annual leave	249,613	285,968
Provision for long service leave	153,978	141,065
	<u>403,591</u>	<u>427,033</u>
<i>Non-current</i>		
Provision for long service leave	<u>11,077</u>	-
	<u>11,077</u>	-
	<u>414,668</u>	<u>427,033</u>

Belconnen Soccer Club Limited

ABN: 60 527 470 200

Notes to the Financial Statements For the Year Ended 30 June 2018

13 Financial Liabilities

	2018	2017
	\$	\$
Business market loan	530,000	585,000
Bank overdraft	-	87,569
	<u>530,000</u>	<u>672,569</u>

The business market loan from the National Australia Bank is secured by a registered mortgage over the Club's land and buildings. The loan was renegotiated during the year and expires on 31 January 2019. The Club expects the loan to be extended for 12 months on expiry. The interest rate was 6.115% at 30 June 2018 (2017: 5.72%). The loan facility limit at year end was \$530,000.

The Club does not have a legal unconditional right to defer repayment of the loans for 12 months in the event the bank requests repayment, due to a clause in the loan agreement stating that the loan facility is subject to annual review. Accordingly, the bank loan is classified as a current liability, in accordance with the Australian Accounting Standards.

Despite the foregoing, the Directors do not believe that the Club is likely to be required to repay the loans during the next financial year.

At 30 June 2018, the Club had an overdraft limit of \$200,000 (2017: \$200,000) with National Australia Bank of which \$200,000 was unused (2017: \$113,902). At year end, the overdraft facility attracts an interest rate of 8.32% (2017: 8.32%).

The Club also holds indemnity guarantees totalling \$40,000 with National Australia Bank.

14 Finance Leasing Commitments

	2018	2017
	\$	\$
Payable - minimum lease payments:		
- not later than one year	91,553	182,098
- later than 12 months but not later than five years	47,564	79,146
Minimum lease payments	<u>139,117</u>	<u>261,244</u>
Less future finance charges	(125)	(3,107)
Present value minimum lease payments	<u>138,992</u>	<u>258,137</u>

The finance leases are for poker machines and have a term of three years. The interest rates applicable on the leases range from 5.2% to 7.5%.

Belconnen Soccer Club Limited

ABN: 60 527 470 200

Notes to the Financial Statements For the Year Ended 30 June 2018

15 Financial Risk Management

The Club's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and bank loans and overdraft.

The accounting policies and terms and conditions of each class of financial asset and financial liability at the balance date are consistent with those regularly adopted by businesses in Australia.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		2018	2017
		\$	\$
Financial Assets			
Cash and cash equivalents	5	564,197	247,391
Loans and receivables	6	3,326	-
Total financial assets		<u>567,523</u>	<u>247,391</u>
Financial Liabilities			
<i>Financial liabilities at amortised cost:</i>			
- Trade and other payables	10	373,254	345,089
- Lease liabilities	11	138,992	258,137
- Financial liabilities	13	530,000	672,569
Total financial liabilities		<u>1,042,246</u>	<u>1,275,795</u>

Net fair values

Financial assets and financial liabilities are carried at their net fair value at the end of the reporting period. The carrying value of financial assets and financial liabilities approximates their net fair value due to their short term maturity or market interest rate. No financial assets or financial liabilities are traded on organised markets in standardised form.

16 Key Management Personnel Disclosures

Key management personnel is defined by AASB 124 "Related Party Disclosures" as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Club.

The total of remuneration paid to the key management personnel of the Club during the year is:

	2018	2017
	\$	\$
Total key management personnel compensation	<u>465,099</u>	<u>442,847</u>

Belconnen Soccer Club Limited

ABN: 60 527 470 200

Notes to the Financial Statements For the Year Ended 30 June 2018

17 Related Party Transactions

Key management personnel transact with the Club from time to time on normal terms and conditions that are no more favourable than those available to other members of the Club. The types of transactions involved include the purchase of food, beverages and membership. The transactions are settled at the time of the transaction, and no amounts are owing to the Club at year end in respect of these transactions. The total value of these transactions is low and is considered by the Club to be immaterial.

With the exception of compensation of key management personnel, which is separately disclosed in these statements, the following related party transactions took place with director related entities during the year:

- payments totalling \$7,737 to Pat's Plumbing First Choice Pty Ltd, owned by Pat Blanchard (Director), for plumbing services.
- payments totalling \$12,882 to Pacific Facilities Maintenance Pty Ltd, owned by Justin Hyland (Director), for electrical and air conditioning services.

These services were provided to the Club at normal arm's length rates.

The Directors of the Club did not receive any compensation for their services. During the year the Club paid \$5,527 (2017: \$5,500) to insure the Directors and officers of the Club.

18 Members' Guarantee

The Club is incorporated under the Corporations Act 2001 as a company limited by guarantee. In the event the Club is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstandings and obligations of the Club. At 30 June 2018 the number of members was 16,484 (2017: 16,869).

19 Contingent Liabilities and Assets

In the opinion of the Directors, the Club did not have any contingent liabilities or assets at 30 June 2018 (30 June 2017: None).

20 Events After the Reporting Period

The financial statements were authorised for issue by the Board of Directors, on the date of signing the attached Directors' Declaration. The Directors have the right to amend the financial statements after they are issued.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

21 Information to be Provided under the Gaming Machine Act 2004 (ACT) for the Year Ended 30 June 2018

a) Arrangements with Influential Persons

The Club has written employment contracts, on normal commercial terms, with the executive management. There are no contracts or arrangements with Directors.

b) Contracts Over \$99,999

The Club has one contract with the following supplier for amounts over \$99,999:

- Encore Cleaning Services for cleaning services

c) Staff Benefits

Two employees of the Club received remuneration in excess of \$150,000 for the financial year ended 30 June 2018 (2017: 2).

Belconnen Soccer Club Limited

ABN: 60 527 470 200

Directors' Declaration

The Directors of the Belconnen Soccer Club Limited (the Club) declare that:

1. The financial statements and notes, as set out on pages 4 to 20, are in accordance with the Corporations Act 2001 and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements and Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Club.
2. In the Directors' opinion, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: 

Director: 

Dated: 10 September 2018

Independent Auditor's Report to the Members of Belconnen Soccer Club Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Belconnen Soccer Club Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial statements of Belconnen Soccer Club Limited are in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

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 responsibility for the audit of the financial statements section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial statements 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.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Company realised a net surplus of \$271,997 during the year ended 30 June 2018 and, as of that date, the Company's current liabilities exceeded its total assets by \$741,733. These results, along with the other matters set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Company's directors' report for the year ended 30 June 2018, but does not include the financial statements and the auditor's report thereon.

Canberra Office

Level 5, 17 Moore Street
Canberra ACT 2601
GPO Box 500
Canberra ACT 2601
p +61 2 6279 5400
f +61 2 6279 5444
e mail@nexiacanberra.com.au
w nexia.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Nexia Duesburys (Audit) (ABN 21 841 510 270) is an independent firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd, which is a member of Nexia International, a worldwide network of independent accounting and consulting firms. Neither Nexia International nor Nexia Australia Pty Ltd, deliver services in their own name or otherwise. Nexia International Limited and the member firms of the Nexia International network (including those members which trade under a name which includes NEXIA) are not part of a worldwide partnership.

The trademarks NEXIA INTERNATIONAL, NEXIA and the NEXIA logo are owned by Nexia International Limited and used under licence.

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

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

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

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company'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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 the financial statements.

A further description of our responsibilities for the audit of the financial statements is located at The Australian Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Nexia Duesburys (Audit)
Canberra, 10 September 2018



R C Scott
Partner

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2018

INFORMATION PROVIDED UNDER THE GAMING MACHINE ACT 2004

BENEFITS

Position	Benefit	Purpose	Value (\$)	Provider of Benefit
9 Directors	Christmas Ham	Christmas Gift	\$90 each	Club
Management x 6	Christmas Ham	Christmas Gift	\$90 each	Club
Staff x 40	Christmas Hamper	Christmas Gift	\$30 each	Club