

**Ainslie Football and Social Club Limited**  
**2006 Annual Report**



## Board of Directors //



President  
Ralph Rendell



Senior Vice President  
Greg Vickers



Vice President  
David Lalor



Director  
Barry Browning



Director  
Barbara Marshall



Director  
Laurie Laffan



Director  
Tony Jamieson



Director  
Malcolm Scholes



Director  
John Bradley



Director  
Peter Lawless



General Manager  
Kevin Grace

## Ainslie Football and Social Club //

**T**he Ainslie Football and Social Club Limited (AF&SC) was formed in 1957 as a community and sporting based Canberra Club with the principal aim of supporting Australian Rules Football.

The Ainslie Football Club Incorporated (AFC) was formed some 30 years earlier and together with the AF&SC, actively remains a living part of the Canberra community. Both Clubs will continue to promote their activities with a strong community focus.

While support for Australian Rules Football remains AF&SC's principal focus, assistance to many community organisations continues to be a key objective through direct donations, the use of AF&SC's facilities for meetings and functions and assistance with fund-raising.

AF&SC also provides considerable support to Golf and Lawn Bowls through its operations at Gungahlin Lakes Golf and Community Club (Gungahlin Lakes) and Canberra City Bowling Club (Canberra City Bowls).

AF&SC now has a membership in excess of 50,000 and is one of Canberra's premier clubs, winning numerous industry awards.

### Life Members

Mr H J Gaylard\*, Mr L James, Mr J B McCabe, Mr G A Bennett\*, Mr A L Ray, Mr R J Venables\*, Mr B M Browning, Mr D Lalor, Mr H R Pennay.

\* Deceased

### Executive Management

Mr K H Grace — Group General Manager  
Mr B A Dobson — Assistant General Manager  
Mr A Dowling — Ainslie Assistant Manager  
Mr A P M Bruzga — Gungahlin Lakes Assistant Manager  
Miss L J Rourke — Chief Financial Officer  
Ms E L Brohan — Group Human Resource Manager

### Principal Bankers

Commonwealth Bank

### Solicitors

Clayton Utz

### Auditors

RSM Bird Cameron Partners





President  
Ralph Rendell

**O**n behalf of the Board of Directors I report a very successful 2005-2006 trading period, greatly improved Member facilities and being awarded Club of the Year for 2006.

### Activities

Trading revenue of \$26.2M and a surplus \$3.04M for 2005-2006 (\$24.2M and \$2.3M for 2004-2005) was achieved through exceptional Member patronage, a low cost structure, close scrutiny of operating costs and improved outcomes in all business sections.

The Board sincerely thanks Members for their continued patronage over the 12 months.

Ainslie Football and Social Club (AF&SC) again disbursed extensive contributions to sporting and community organizations as well as numerous charities.

AF&SC Boards have always sought to provide contemporary facilities and exceptional services for the benefit of Members. The genesis for the latest Ainslie Wakefield Avenue refurbishment was to provide an area for Members affected by the prohibition of smoking in enclosed spaces within clubs effective from 1 December 2006. However, Directors and management used the ACT Government's sensible three year transitional period to make better use of the ground floor area by removing a Board Room and relocating administrative offices to enlarge Member facilities involving Choices Restaurant, Members' and Gaming lounges and adding alfresco terraces.

AF&SC wishes to acknowledge and commend the:

- co-operation of ACT Government agencies such as ACT Planning and Land Authority, former Department of Urban Services, Canberra Urban Parks and Places and Environment ACT in the planning stages leading to the building works;
- Wood Day Partnership, Architects and Interior Designers, McCann Property and Planning and Project Coordination (Australia) Pty Ltd for designing, planning and completing the works to a very high standard;
- Kevin Grace, General Manager for his tireless efforts in bringing the project to completion; and
- Adrian Dowling, Operation's Manager and his staff for minimising disruption to Members during the building works.

Your Board trusts the up-to-date club facilities coupled with a first-rate service provided by enthusiastic and responsive staff, have benefited Members when dining and socialising with their guests. Staff are highly commended for providing high levels of service.

The performance standards for Member facilities and services can be measured by such things as Membership renewals and new Memberships, patronage and benchmarking against other clubs. ClubsACT, the peak body representing the Canberra club industry, conduct annual Awards for Excellence to recognize achievements across a range of club activities. The awards scheme is open to all Canberra clubs and AF&SC received five awards in the large club division in 2006:

- The Lakes Bistro, for consecutive years, received the Club Dining Bistro Award recognising excellence in club bistro services and facilities;
- Club Development Award recognising improvements in member facilities and services at Ainslie's Wakefield Avenue and Gungahlin Lakes Community and Golf Club's alfresco terrace and development works on the golf course;
- Human Resource Management Award;
- Responsible Gaming Award, for consecutive years; and
- Emma Brohan was awarded the Young Achiever of the Year for her outstanding role as the Ainslie Group's Human Resource Manager.

In recognition of overall excellence across the award categories and for contributing to the growth and development of the club industry, AF&SC was awarded the 2006 Club of the Year. This is an excellent outcome and all staff should be extremely proud of their pivotal role over 12 months leading to the award including staff who compiled the award submissions and readied the properties for inspection.

Management and staff have effectively dealt with a multitude of statutes, regulations, codes, rules and practices, which is to be expected in operating gaming and serving alcohol. Also the senior management team is highly commended for a high work ethic, providing leadership and direction throughout the year, so well done to Kevin Grace, Brian Dobson, Lisa Rourke, Emma Brohan, Adam Bruzga and Adrian Dowling.

Directors are not remunerated for their work and I extend my sincere thanks to all fellow Directors for their dependable and constructive contribution throughout the year. Directors, through sound governance, deal with a variety of matters and issues ranging from a healthier food preparation methodology to new building works. Also Directors continuously monitor the performance of the business by examining key performance indicators and are cognisant of the operational responsibilities of management and staff.

Another role of your Board is to secure the foreseeable future of AF&SC. Directors have tasked themselves to bring forward options to position the Ainslie Group over the next decade including the commitment to proceed with the Ainslie Oval Grandstand project. Your Board has asked Pegrum and Associates, Architects and Planners, to prepare and submit a Development Application for the grandstand to ACT Planning and Land Authority. AF&SC purchased two land parcels adjacent to the existing Beach Park Apartments at Coffs Harbour in December 2005 to underpin our asset.

Ainslie Football Club's First Grade Team under Coach Andrew Bishop won ten games during the 2006 season and played in the final series which was a very commendable effort. This result was even more meritorious as there was a senior player exodus post the 2005 season. Also it was especially pleasing during the season to see the young group of players continue to progress as their playing experience increased and skills developed due to continued opportunities to play at the top level.

AF&SC had very good relations with Gungahlin Lakes Golf Club through President Ken Wark and the committee and congratulate the club on their 10<sup>th</sup> Anniversary Celebrations on 1 and 2 July 2006, in fostering golf in the Gungahlin District and progressing improvements to the golf course. The GLGC's vision for the golf course is mapped out in the Long Term

Development Plan and AF&SC provides financial assistance to realise the plan.

The Canberra City Bowling Club operated very successfully under the leadership of Co-Presidents Bob Howse and Barbara Parker and the lawn bowls committee. Your Board has approved the refurbishment of the kitchen and ladies bathroom at CCBC and construction should be completed around Christmas 2006.

In early 2006 Allan "Ackie" Hawke and Bert Bennett passed away. Allan played 128 Ainslie Football Club First Grade games from 1952 to 1965 and was a member of the 1952 First Grade Champion team and 1958 and 1959 First Grade Premierships teams. Bert was AFC Secretary during a very successful era of First Grade Premierships and Champion teams including 1979, 1980 (Champions), 1982 (Champions) and 1983.

Allan and Bert made significant contributions as a player and administrator, respectively and were steadfast and loyal members of both AF&SC and AFC. All Members will miss their company.

### Outlook

Your Board considers the future is bright for AF&SC. AF&SC forecasts continued increased trade over the next few years, however this will be somewhat tempered by the likely adverse affect on patronage due to the prohibition of smoking in enclosed spaces within clubs effective from 1 December 2006 and higher costs caused by gaming tax increases scheduled for 1 July 2007.

Your Board's corporate objective is the long term financial sustainability of the AF&SC Group. Your Board will adopt a cautious approach to major capital works in relation to Member facilities in the next 24 months, however Directors will continue to plan strategically to ensure that Member facilities and services remain first class.



**T**he AF&SC Human Resources Department faced many challenges during 2006 including overcoming industry-wide skill and labour shortages, improving staff retention rates, implementation of the new Work Choices legislation and better succession management.

Staff retention is continuing to be one of the biggest challenges facing not only AF&SC but the Hospitality Industry in general. In response, AF&SC has developed a number of strategies to improve staff retention, including:

- Continuation and improvement of the staff rewards scheme;
- Access for staff to Certificate II, III and IV in Hospitality Operations;
- Improved staff induction and appraisal processes; and
- Additional personnel in the Human Resource Department to improve communication and build stronger relationships with staff.

During the year AF&SC continued their association with a number of learning institutions to assist the Club meet their staff training and development objectives while providing a valuable recruitment source. Organisations included local Colleges, Registered Training Organisations and various apprenticeship centres.

### Training & Development

During the year a number of key operational and administrative staff received nationally recognised qualifications in Certificate II, III and IV while on the job. AF&SC worked closely with hospitality training specialists to deliver and facilitate the training to participating staff members allowing them the necessary time to complete the training during their working day. AF&SC understands the importance of providing staff with opportunities to develop and improve their skills while receiving recognition for previous work experience. AF&SC plans to expand this program in 2007.



Megan Horsman



Karen James

Throughout the year staff participated in numerous technical and relevant industry training sessions including responsible service of alcohol, responsible conduct of gambling, gambling contact officer training, occupational health and safety, armed robbery survival skills, customer service, conflict resolution, barista / coffee preparation, wine appreciation and effective writing and communication.

### Staff Member Awards

Congratulations to Megan Horsman and Karen James who were the dual recipients of 'Employee of the Year' for 2005. The award recognises and rewards excellent work performance throughout the year. In addition to the staff award presentations, AF&SC Group Human Resource Manager, Emma Brohan, received the ClubsACT Young Achiever of the Year award at the ClubsACT Awards for Excellence.

### Megan Horsman – Employee of the Year

Megan joined the AF&SC Group as a Hospitality Trainee in 2003 before accepting a permanent operational position in mid 2004. Megan became proficient in many operational areas throughout the club and was promoted to the position of Assistant Marketing Manager in March 2006.

In 2001, while still at high school, Megan received an award under "The Ministers Certificate for Excellence" for coming first place in Hospitality Operations. Megan has recently commenced university studies in business administration and marketing.

### Karen James – Employee of the Year

Following family tradition, Karen James commenced employment at the Club in the mid-eighties and has worked in most operational areas. In 2004 Karen was appointed as Duty Manager and remained in this key position until accepting the role of Restaurant Manager (Choices Restaurant) in July 2006.

### Emma Brohan – ClubsACT Young Achiever of the Year

Emma Brohan commenced her career in the Club Industry in 1994 as a Casual Waitperson with AF&SC as a direct result of her Hospitality Management studies at the Canberra Institute of Technology. After successfully completing this course, Emma continued with her studies completing a Bachelor of Tourism and Hospitality with the University of South Australia.

A strong advocate of life-long learning, Emma has continued here studies and has since completed a Post Graduate Degree in Human Resource Management and is currently working towards obtaining her Masters in this field.

Emma has undertaken a number of roles at AF&SC including Waitperson, Restaurant and Function Supervisor; Assistant Functions Manager; Functions Manager and her current role as AF&SC Group Human Resource Manager.

Emma has been instrumental in the development of the staff rewards and recognition program, staff quit smoking campaign and the Club's mentoring and succession planning initiatives. The experience and knowledge Emma brings to her current position injects a fresh perspective to the human resource strategies of the AF&SC Group.

### Ten Years of Service

Congratulations to Diana Ciuffetelli who during the year completed ten years of service to the AF&SC Group. Diana's roles have included Banking Clerk, Payroll Officer and Marketing Assistant and the Club would like to thank her for her efforts over the years.

### Coffs Harbour Apartments

The Club's Coffs Harbour Apartment caretakers Ken and Lynn Mousdell have decided to retire. The Club would like to thank Ken and Lynn for their great performance and hospitality to Members over five years and wish them all the best in their future endeavors.

### Club of the Year Awards

Your Board is pleased to advise the Club received the major "Club of the Year" award at the 2006 ClubsACT Awards for Excellence. AF&SC has now received this award three times and is the leading recipient of this major ACT Club Industry award. In addition to receiving "Club of the Year" AF&SC also received a number of other awards.



Emma Brohan



Diana Ciuffetelli

AF&SC awards for 2006:

- Club of the Year;
- Club Development;
- Responsible Gaming;
- Best Club Bistro (Over 200) – The Lakes Restaurant;
- Human Resource Management; and
- Young Achiever of the Year – Emma Brohan AF&SC Group Human Resource Manager.

### Quit Smoking Seminars

As part of AF&SC's commitment to Members' and staff well being, free quit smoking seminars by the ACT Cancer Council were continued during 2006. The monthly seminars are available at the Ainslie and Gungahlin Lakes properties.

As a responsible employer, AF&SC encourages staff to participate in the quit programs. After much consultation with key staff, the Club will introduce a smoke-free work environment in 2007 with the aim of improving the health of all staff and providing a more equitable working environment.

### Responsible Gambling

During the year AF&SC continued their association with Lifeline Canberra through the Clubcare agreement. AF&SC is an enthusiastic supporter of this program and actively seeks to enhance the support mechanisms to identify and find help for problem gamblers. All AF&SC operational staff are provided with responsible conduct of gambling training at regular intervals so they are kept abreast of their responsibilities and obligations in relation to problem gambling.

AF&SC's commitment to responsible gambling was recognised during the year with the Club receiving the responsible gaming award at the ClubsACT Awards for Excellence. AF&SC has received this award in consecutive years and is the only club to ever receive this award since its inception.



## Ainslie Property Renovations //

**2006** saw the completion of extensive building works at the Ainslie property. The works were the result of a two-year planning process in response to the announcement to prohibit smoking in enclosed spaces in clubs to take effect from 1 December 2006. AF&SC took advantage of the transition period to plan more extensive refurbishment and redevelopment for the greater benefit of Members.

The redevelopment included the construction of two outdoor entertainment areas, upgrade of Choices Restaurant, relocation of poker machines to the eastern perimeter of the building, relocation and redesign of the Members Lounge area, and upgrade of the ACTTAB/Sports Bar area.

### Outdoor Entertainment Areas

The focal point of the renovations was the construction of two outdoor entertainment areas that provide an additional 390 square metres of floor space including a 260 square metre smoke-free outdoor dining and bar area.

### Choices Restaurant Upgrade

The new Choices Restaurant provides a new roast carvery service area, a pizza shop and 'cook your own' indoor barbeque. All these new facilities and services to Members are in addition to the extensive à la carte menu.

The construction involved the demolition of the boardroom and administration areas to make room for a new bar, restaurant seating and indoor BBQ area. New larger tables were purchased which provide greater space for meals and drinks. The old restaurant bar was demolished and a new pizza shop and carvery area was established linking it directly to the kitchen. Most of the floor was tiled replacing carpet and new carpet was laid in the remaining area. An innovative approach to the menu board was used with the installation of digital menu boards that greatly improve presentation of menu items and allow convenient menu updates to items such as chef's specials and vegetables of the day.

### Ainslie Renovation Before and After Shots



### Member's Lounge Upgrade

The new Members Lounge was relocated to the old Poker Machine Lounge and provides considerably more floor space than the previous Members Lounge. The new lounge provides one large space whereas the previous lounge was in two adjoining areas. The pool tables were relocated to the Members Lounge and a new raffle prize display cabinet, a new refrigerated meat display cabinet and stage were constructed. New carpet was laid and two wide screen digital projectors were installed along with five plasma screens.

### ACTTAB Upgrade

The ACTTAB area received a new audio-visual system including the installation of plasma screens and a surround sound system providing uninterrupted quality audio. A dedicated bar area was established with new beer fonts and electronic spirit dispense units.

### Poker Machine Lounge Upgrade

The change box, vault and cash count room were demolished and relocated to the south-east corner of the building. The old space was approximately 70 square meters of prime floor space and forms part of the new Members Lounge. All the poker machines were relocated as much to the perimeter of the building as possible and new change boxes were built in unused areas of the main bar.

### Audio-Visual Upgrade

A new audio-visual system was installed throughout the Club greatly enhancing the entertainment facilities for Members. The new system has a centrally located control pad that provides simple and instantaneous control over all audio-visual devices throughout the entire ground floor.

## Gungahlin Lakes Community and Golf Club //

**A**F&SC is pleased to report a good year of trading for the Gungahlin Lakes property. The result saw Gungahlin Lakes continue its year on year growth and as the population continues to increase in the Gungahlin district and the prospect of new members, it is expected that Gungahlin Lakes trading position will continue to improve.

The encouraging growth pattern has been a result of the continual commitment by management and staff towards providing the best service and facilities for Members at all times.

### The Award Winning Lakes Restaurant

For consecutive years, the Lakes Restaurant received the ClubsACT industry award for Best Club Bistro in 2006 recognising excellence in club bistro services and facilities catering for over 200 people.

As well as the ambience of the restaurant area with its panoramic view of the golf course, the award is testament to the hard work and commitment of front and back of house staff and management to provide quality catering and customer services.

### Gungahlin Lakes Golf Course Developments

AF&SC, in conjunction with Gungahlin Lakes Golf Club, continued to make improvements to the Golf Course during the year including:

- New pathways built to the halfway house and the third and ninth holes;
- Rock walls constructed at the halfway house and surrounding the first and third tees;
- Sand bunkers added to the fourth, eighth and seventeenth holes;
- New tees built for the seventh and seventeenth holes;
- A new design for the seventeenth hole;
- Upgrade to the watering system for better control of water usage; and
- Native grass planting on the third and seventeenth holes for better water conservation.

Well done to Golf Course Superintendent Shane Dawson and his team for their efforts throughout the golf season in maintaining the playing course to a very high standard often with unsupportive weather.

### Volunteer Labour

A special mention to the volunteer Golf Members affectionately known as 'Dad's Army' who undertake routine golf course maintenance tasks and regularly beautify the course during the year.

### Gungahlin Lakes Golf Course Ten Year Anniversary

AF&SC wish to extend their congratulations to the Gungahlin Lakes Golf Club Committee for their commitment, dedication and capable direction over the past ten years. The Golf Course is now arguably one of the best courses in the ACT and is a credit to all who have been involved in its management and development.

The anniversary was celebrated with a gala dinner held in the corporate golf function area. The night was attended by past presidents, present and past committee members, golf members and volunteers and included the presentation of special medallions for individuals who have provided ten years of continual service to Gungahlin Lakes Golf Club.

### Ten Year Anniversary Commemorative Tree Planting

The ten year anniversary was commemorated with the planting of a tree by past and present Presidents of AF&SC and Gungahlin Lakes Golf Club. Located on the first hole the tree pays tribute to all who have been involved in the development of the course over the past ten years.



Commemorative Tree Planting  
L-R Ralph Rendell, Ben Hall, Ken Wark, David Lalor, Jim Hourigan



**D**uring the year, Canberra City Bowls marked its fifth season as part of the AF&SC Group with a steady level of activity.

**Lawn Bowls**

Social bowls and Club Championships continue to be very well supported and while the Club did not achieve the broad levels of recent State Championship and Pennant victories, a steady influx of new Members bodes well for the future, and a number of Members developed substantial skill levels over the year. Several City players were selected for representative honours.

A special mention should be made of the increasing number of new bowlers enjoying "barefoot bowls" and experiencing the joys of the game for perhaps the first time. The Bowls Committee is actively pursuing ways and means to build on this interest and plans to start, in early 2007, a social league for new bowlers drawing on the Club's proximity to the Civic business district. Additionally, special days have been held for new Members and the Club's coaches continue to be available to develop skills for Members.

Special days and competitions were held during the year, with the "Paul Bradbury" day in January a highlight. The event will be repeated in January 2007 and is sure to be very well supported yet again, with a number of charities benefiting from the sponsorship.

**Anniversary Celebrations**

The Club's 75th Anniversary celebrations, including the launch of the commemorative book "Growing with the Capital" and a prestige dinner at the Ainslie Function Centre, went very well. Special thanks to Helen Burden for her overall organisation and to David Kilby (ABC Triple 6) for making the dinner truly memorable.



**Clubhouse Activities**

The Club's hall remains a cost-effective venue for parties and special events and has been heavily booked, and plans are well advanced to completely renovate the kitchen facilities and ladies bathroom, with improved access.

The renovations have been modeled on the catering facilities present at AF&SC's Ainslie property with the construction of a carvery area, pizza shop and inside and outside dining area's. The new restaurant area will seat approximately 100 persons and will be a welcome addition to the facilities offered by Canberra City Bowls.

The in-house management of Deddo Wolthof and his team has been exceptional and contributed towards a friendly social environment, not only for bowls but for billiards and snooker as well.

**Lawn Bowls Playing Surface**

The three couch greens, already among the best in the district, continued to play very well, due in no small part to the efforts of Head Green Keeper Peter Sullivan and his greens staff. The Club has received continuous "A" rankings for its greens and surrounds, and was selected for the ACT Pennant Grand Finals and several days of play in the Past Presidents Interstate Carnival.

Special equipment has been purchased to minimise the restrictions on water use and allow the greens to carry heavier traffic with substantially less natural rainfall. During the coming year, the Club plans to improve the facilities even further and continue to maintain the greens at the best possible level.

**T**he Members of the Ainslie Football Club (AFC) voted in a new Committee at the Annual General Meeting (AGM) in 2005.

The 2006 AFC Committee brought a broad spectrum of expertise, a variety of skills, enthusiasm and fresh ideas to the Club. The new Committee inherited the reigns for the running of the Club in December and has progressed the Club towards success on and off the field.

Season 2006 saw many positives come from the year, particularly in the development of our junior players who received the opportunity to play senior football.

Leading the junior players was Playing Assistant Coach, Billy Neely, a great leader and inspiration for our young players. Billy was runner-up in the AFL Canberra's 2006 Mulrooney Medal for the Best and Fairest player in the competition, and also won Ainslie's Best and Fairest award.

It's exciting to see our young players doing so well, and it's even more exciting in that our Club has great numbers of juniors coming through the ranks – the Ainslie Junior Football Club (AJFC) this year had the most juniors registered since 1997. AJFC also had four teams in the finals, two premierships and 21 players in representative teams and programs – our future is looking very bright. Well done to AJFC President, Salvo Delorenzo and all the hard working committee, players and volunteers.

Some older stalwarts also performed well, with Todd Pulford becoming the Club's all time record holder of the most First Grade games played. Todd retired at season end, bringing to an end a fantastic football career. James Kavanagh won AFL Canberra's award for top goal kicker in the competition.

Our teams in Reserve Grade, Third Grade and Under 18's all performed well, while not experiencing much joy on the scoreboard.

Our Women's team had a vastly improved season winning several games this season. The Women's team is also to be congratulated on their involvement in the junior club – their support of the girls in our junior teams was voluntary and most commendable.

Our Club functioned largely due to our very valuable sponsors, support staff and volunteers – we greatly appreciate all of their support. We particularly appreciate the support of the Ainslie Football & Social Club – the Board, staff and members have all been tremendously supportive and we greatly value our relationship.

Moving forward, the Club has developed a strategic plan for 2007 – 2011. The plan was developed to map out the way to success and to drive the Club towards future success.

As part of the Club's future strategic direction, the Club structure has been strengthened through additional administration and junior development staff. This new structure brings our Club in line with other Clubs in the region, and will position us well for the future.

2007 will see a new, positive and exciting Club that will host several key initiatives and events.

The Adelaide Crows will conduct their pre-season training in Canberra and will utilise the superb facilities of Ainslie Oval, and in turn will share their expertise with our coaching staff.

The Ainslie Football Club will celebrate its 80th Birthday – a very special occasion. This birthday will be marked with a major event. We look forward to sharing this with all people involved with the Club past and present.

**Ian Muir  
President 2006**



Todd Pulford



## Community and Sporting Donations //

**C**ommunity and Sporting Donations saw yet another increase from previous years. Your Board is committed to continuing the support of worthwhile community projects and sporting organisations, and this is reflected in assistance given to the following organisations this year:

Academy Calisthenics  
 ACT Clubs Community Foundation  
 ACT Cycling Federation  
 ACT Department of Education & Training  
 ACT Endurance Riders Association  
 ACT Equestrian Association  
 ACT Fire Brigade  
 ACT Ladies Tennis Branch  
 ACT Masters Squash  
 ACT Monaro District Golf Association  
 ACT Waterski Association  
 ACTCOSS  
 AF&SC Social Golf Club  
 AF&SC Touch Football Team  
 Aglow Australia  
 Ainslie Football Club  
 Ainslie Junior Football Club  
 Ainslie Junior Baseball Club  
 Ainslie Neighbourhood Watch  
 Ainslie Pains Eight Ball Team  
 Ainslie Primary School  
 Ainslie Tennis Club  
 Ainslie-Gungahlin Baseball Club  
 Amaroo Neighbourhood Watch  
 Amaroo School  
 ANU Hockey Club  
 A Town Netball Team  
 Baker Gardens Preschool  
 Barnardos Australia

Black Mountain Community Child Care Centre  
 Blue Gum Community Group  
 Brindabella Cricket Club  
 Campbell High School  
 Campbell Primary School  
 Campbell Tigers Cricket Club  
 Canberra All Breeds Kennel Club  
 Canberra Amatuer Swimming Club  
 Ulysses Club - Canberra Branch  
 Canberra Central Probus Club  
 Canberra City Bowling Club  
 Canberra City Bowling Club Snooker Team  
 Canberra Harness Club  
 Canberra Off Road Cyclists  
 Canberra Open Men's Softball Squad  
 Canberra Pony Riding Club  
 Canberra Working Dog Club  
 Cancer Council ACT  
 Capital Football Club  
 Catholic Women's League  
 Cavalier King Spaniel Club  
 Combined Probus Clubs  
 Cook Primary School  
 Council on the Aging  
 Cranleigh School  
 Daramalan College  
 DebRA Australia  
 Dickson College  
 Eagles Touch Club  
 Eight Ball Competition  
 Evatt Preschool  
 Fastpitch Softball League  
 Good Shepherd Primary School  
 Goodwin Retirement Village

Gundaroo Public School  
 Gungahlin Community Council  
 Gungahlin Day Club  
 Gungahlin Jets Football Club  
 Gungahlin Jets Junior Football Club  
 Gungahlin Junior Cricket Club  
 Gungahlin Junior Soccer Club  
 Gungahlin Lakes Panthers Basketball Team  
 Gungahlin Lakes Golf Club  
 Gungahlin Lakes Junior Softball  
 Gungahlin Lakes Softball Club  
 Gungahlin Lions Club  
 Gungahlin Little Athletics Club  
 Gungahlin Oztag Team  
 Gungahlin Regional Community Service  
 Gungahlin United Football Club  
 Hawker Primary School  
 Kama Scout Group  
 Koomari  
 Lifeline Canberra  
 Lyneham Primary School  
 Macquarie Primary School  
 Majura Primary School  
 McKellar Preschool  
 Miles Franklin Primary School  
 MS Society  
 Ngunnawal Neighbourhood Watch  
 Ngunnawal Primary School  
 Nicholls Neighbourhood Watch  
 North Ainslie Preschool P & C  
 North Canberra Community Council  
 North Canberra Gungahlin Athletics  
 North Canberra Gungahlin Cricket Club

North Canberra Gungahlin Junior Cricket Club  
 Oxfam Australia  
 Palmerston District Primary School  
 Palmerston Neighbourhood Watch  
 Pegasus Riding School  
 Raiders Charity Golf Day  
 Rolls Royce Car Club  
 Rosary Primary School  
 RSL Day Club  
 Softball Canberra  
 Southern Cross Primary School  
 Spence Preschool Parent Association  
 St Anthony's Parish School  
 St Bridget's Parish  
 St Michael's Primary School  
 St Monica's Primary School  
 St Patricks Hockey Club  
 Strikezone Softball Club  
 Tharwa Primary School  
 Toastmasters  
 Towncentre Neighbourhood Watch  
 UC Hockey Club  
 United Hockey Club  
 Vietnam Veterans' Federation  
 War Memorial Voluntary Guides  
 War Widows Guild  
 Watson Preschool  
 West Belconnen Softball Club  
 World Vision Canberra North



# Financial Report

For the year ended 30 September 2006

## FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

### Annual General Meeting

#### Ainslie Football and Social Club Limited

Notice is hereby given that the 4th Annual General Meeting of the Ainslie Football and Social Club Ltd will be held at the Club, 52 Wakefield Avenue, Ainslie, ACT on Sunday 10th December 2006 at 10:00 a.m.

The business of the meeting shall be:

- (1) To confirm the minutes of Meeting held on 11 December 2005
- (2) To receive from the Directors reports on the activities of the Club for the year ended 30 September 2006
- (3) To receive and consider the Statements of Accounts and Reports required under the Corporations Act (2001)
- (4) To elect Directors
- (5) To appoint an Auditor
- (6) To transact any other business which may be brought forward in conformity with the Club Rules.

**Kevin H Grace**  
Secretary/General Manager

### Election of Directors

Nominations are called for the Committee of Management and proforma's are available from the General Manager during normal business hours.

Nominations should be lodged with the General Manager by no later than 5 p.m. on 1st December 2006.

Nominees are advised that Nominees, Proposers and Seconders must be Ordinary Members of the Club.

**Kevin H Grace**  
Secretary/General Manager  
17 November 2006

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**Directors' Report**

Your directors present their report on the club for the financial year ended 30 September 2006.

**Directors**

The names of directors in office at any time during or since the end of the year are:

|                                     |  |
|-------------------------------------|--|
| Mr H J Bradley                      | Mr P J Lawless                           |
| Mr B M Browning                     | Mr H R Pennay (did not stand 11/12/2005) |
| Mr A J Jamieson                     | Mr Malcolm Scholes                       |
| Mr L Laffan                         | Mr R Rendell                             |
| Mr D Lalor                          | Mr G Vickers                             |
| Mrs B Marshall (elected 11/12/2005) |  |

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

**Principal activity**

The principal activity of the club during the financial year was the maintenance and conduct of a licensed social club. There were no significant changes in the nature of the club's principal activities during the financial year.

**Operating results**

The result of the club after providing for income tax amounted to a surplus of \$3,038,307 (2005: \$2,300,468).

**Dividends paid or recommended**

In accordance with the provisions of the club's articles, no distribution is available to members.

**Review of operations**

The operations of the club remained largely unchanged from previous years. The activities of the club are set out in the Annual Report preceding these accounts.

**Significant changes in state of affairs**

There were no significant changes in the state of affairs of the club during the financial year.

**After balance date events**

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.

**Future developments**

The directors will continue to operate the club in the best interests of the members.

## FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

### Information on Directors

|                 |   |
|-----------------|---|
| Mr R Rendell    | President<br>Committee Member 7 years             |
| Mr G Vickers    | Senior Vice President<br>Committee Member 7 years |
| Mr D Lalor      | Vice President<br>Committee Member 15 years       |
| Mrs B Marshall  | Committee Member 1 year                           |
| Mr B M Browning | Committee Member 18 years                         |
| Mr H J Bradley  | Committee Member 22 years                         |
| Mr A J Jamieson | Committee Member 5 years                          |
| Mr L Laffan     | Committee Member 9 years                          |
| Mr P J Lawless  | Committee Member 6 years                          |
| Mr M Scholes    | Committee Member 3 years                          |

### Directors' and Executive Officers' emoluments

No director has become entitled to receive, during or since the financial year, a benefit because of a contract made by the club, or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest.

### Meetings of Directors

During the year 23 meetings of directors (including finance meetings) were held. Attendances were

|                  | Board Meetings            |                 | Finance Meetings          |                 |
|------------------|---------------------------|-----------------|---------------------------|-----------------|
|                  | Number eligible to attend | Number attended | Number eligible to attend | Number attended |
| Ralph Rendell    | 12                        | 12              | 11                        | 11              |
| Greg Vickers     | 12                        | 11              | 11                        | 10              |
| David Lalor      | 12                        | 10              | 11                        | 11              |
| Barbara Marshall | 12                        | 12              | -                         | -               |
| Barry Browning   | 12                        | 11              | 11                        | 10              |
| Tony Jamieson    | 12                        | 11              | -                         | -               |
| Malcolm Scholes  | 12                        | 10              | -                         | -               |
| Peter Lawless    | 12                        | 11              | -                         | -               |
| John Bradley     | 12                        | 12              | -                         | -               |
| Laurie Laffan    | 12                        | 11              | -                         | -               |

## FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

### Indemnifying Officers or Auditor

During or since the end of the financial year the club has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The company has paid premiums in respect of a Director's and Officer's Liability insurance contract. The insurance contract insures against certain liability (subject to exclusions), persons who are or have been directors or officers of the club or related parties corporate. A condition of the insurance contract is that the nature of the liability indemnified, the premium payable and certain other details of the policy not be disclosed.

### Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the club or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

The auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is included as part of these financial statements.

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



Director

Dated this 15<sup>th</sup> day of November 2006.

## FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

### Independent Audit Report to the Members of Ainslie Football and Social Club Limited

#### Scope

We have audited the financial report of the Ainslie Football and Social Club Limited for the financial year ended 30 September 2006 consisting of the Director's Declaration, Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the financial statements. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

#### Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

#### Audit Opinion

In our opinion, the financial report of the Ainslie Football and Social Club Limited is in accordance with:

- a. the Corporations Act 2001, including:
  - i. giving a true and fair view of the company's financial position as at 30 September 2006 and of its performance for the year ended on that date; and
  - ii. complying with Accounting Standards in Australia and the Corporations Regulations; and
- b. other mandatory professional reporting requirements in Australia.

Canberra, Australian Capital Territory

**RSM Bird Cameron Partners**  
Chartered Accountants



Dated: 15 November 2006

Ged Stenhouse  
Partner

## FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

### Auditor's Independence Declaration

#### Under Section 307c of the Corporations Act 2001 To the Directors of Ainslie Football and Social Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2006 there have been:

- i. no contraventions of the auditor independence requirements as set out in 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.

Canberra, Australian Capital Territory

**RSM Bird Cameron Partners**  
Chartered Accountants



Dated: 15 November 2006

Ged Stenhouse  
Partner

## FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

### Income Statement for the year ended 30 September 2006

|  | Note | 2006<br>\$  | 2005<br>\$  |
|--|------|-------------|-------------|
| Revenues                                   | 2    | 26,176,444  | 24,133,480  |
| Poker Machine expenses                     |      | (9,561,932) | (8,974,133) |
| Administration expenses                    |      | (6,948,885) | (6,482,213) |
| Bar expenses                               |      | (2,314,962) | (2,157,331) |
| Grants and donations                       |      | (1,146,768) | (1,259,510) |
| Functions and related expenses             |      | (1,290,735) | (1,292,427) |
| Golf course expenses                       |      | (785,122)   | (803,570)   |
| Finance costs                              |      | (234,889)   | (177,080)   |
| Other expenses                             |      | (854,944)   | (686,748)   |
| Result before income tax expense           | 3    | 3,038,207   | 2,300,468   |
| Income tax expense                         | 4    | -           | -           |
| Result for the year                        |      | 3,038,207   | 2,300,468   |
| Result attributable to members of the club |      | 3,038,207   | 2,300,468   |

The accompanying notes form part of these financial statements.

## FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

### Balance Sheet as at 30 September 2006

|                                      | Note | 2006<br>\$ | 2005<br>\$ |
|--------------------------------------|------|------------|------------|
| <b>Current assets</b>                |      |            |            |
| Cash assets                          | 5    | 1,793,736  | 1,552,091  |
| Trade and other receivables          | 6    | 223,790    | 218,217    |
| Inventories                          | 7    | 134,297    | 132,213    |
| Other                                | 8    | 123,315    | 253,427    |
| <b>Total current assets</b>          |      | 2,275,138  | 2,155,948  |
| <b>Non-current assets</b>            |      |            |            |
| Property, plant and equipment        | 9    | 48,011,413 | 44,444,672 |
| <b>Total non-current assets</b>      |      | 48,011,413 | 44,444,672 |
| <b>Total assets</b>                  |      | 50,286,551 | 46,600,620 |
| <b>Current liabilities</b>           |      |            |            |
| Trade and other payables             | 10   | 1,598,642  | 2,194,307  |
| Provisions                           | 12   | 430,714    | 395,508    |
| <b>Total current liabilities</b>     |      | 2,029,356  | 2,589,815  |
| <b>Non-current liabilities</b>       |      |            |            |
| Interest-bearing liabilities         | 11   | 2,800,000  | 1,600,000  |
| Provisions                           | 12   | 8,183      | -          |
| <b>Total non-current liabilities</b> |      | 2,808,183  | 1,600,000  |
| <b>Total liabilities</b>             |      | 4,837,539  | 4,189,815  |
| <b>Net assets</b>                    |      | 45,449,012 | 42,410,805 |
| <b>Equity</b>                        |      |            |            |
| Reserves                             |      | 13,966,252 | 13,996,252 |
| Retained earnings                    |      | 31,452,760 | 28,414,553 |
| <b>Total equity</b>                  |      | 45,499,012 | 42,410,805 |

The accompanying notes form part of these financial statements.

## FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

### Statement of Changes in Equity as at 30 September 2006

|   | Asset<br>Revaluation<br>Reserve<br>\$ | Retained<br>Earnings<br>\$ | Total<br>\$       |
|---|---------------------------------------|----------------------------|-------------------|
| <b>Balance at 30 September 2004</b>       | 13,996,252                            | 26,114,085                 | 40,110,337        |
| Surplus attributable to member of entity  | -                                     | 2,300,468                  | 2,300,468         |
| <b>Balance at 30 September 2005</b>       | 13,996,252                            | 28,414,553                 | 42,410,805        |
| Surplus attributable to members of entity | -                                     | 3,038,207                  | 3,038,207         |
| <b>Balance at 30 September 2006</b>       | <b>13,996,252</b>                     | <b>31,452,760</b>          | <b>45,449,012</b> |

The accompanying notes form part of these financial statements.

## FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

### Cash Flow Statement for the year ended 30 September 2006

|   | Note | 2006<br>\$   | 2005<br>\$   |
|---|------|--------------|--------------|
| <b>Cash flows from operating activities</b>         |      |              |              |
| Receipts from customers                             |      | 28,459,488   | 26,731,180   |
| Payments to suppliers and employees                 |      | (21,707,320) | (20,038,539) |
| Interest received                                   |      | 26,147       | 22,798       |
| Finance costs                                       |      | (234,889)    | (156,098)    |
| Net cash provided by (used in) operating activities | 14   | 6,543,426    | 6,559,341    |
| <b>Cash flows from investing activities</b>         |      |              |              |
| Payment for property, plant and equipment           |      | (7,585,354)  | (4,171,389)  |
| Proceeds from sale of property, plant and equipment |      | 83,573       | 115,659      |
| Net cash provided by (used in) investing activities |      | (7,501,781)  | (4,055,730)  |
| <b>Cash flows from financing activities</b>         |      |              |              |
| Proceeds from borrowings                            |      | 2,300,000    | -            |
| Repayment of borrowings                             |      | (1,100,000)  | (2,005,322)  |
| Net cash provided by (used in) financing activities |      | 1,200,000    | (2,005,322)  |
| Net increase (decrease) in cash held                |      | 241,645      | 498,289      |
| Cash at the beginning of year                       |      | 1,552,091    | 1,053,802    |
| Cash at the end of the year                         | 5    | 1,793,736    | 1,552,091    |

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements for the year ended 30 September 2006

**Note 1: Statement of Significant Accounting Policies**

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group, Interpretations, Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The following is a summary of the material accounting policies adopted in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**Basis of Preparation***First-time Adoption of Australian Equivalents to International Financial Reporting Standards*

Ainslie Football and Social Club Limited as an individual entity has prepared this financial report in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the companies accounts resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of Ainslie Football and Social Club Limited to be prepared in accordance with AIFRS.

The transition from previous AGAAP to AIFRS has resulted in no adjustments.

*Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**a. Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct purchase costs.

**b. Property, Plant and Equipment**

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

*Property*

Leasehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the club to have an independent valuation on a cyclical basis, with annual appraisals being made by the directors.

*Plant and equipment*

Plant and equipment are measured on the cost basis.

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which 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.

*Depreciation*

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the club commencing from the time the asset is held ready for use.

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

| Class of Fixed Asset                           | Depreciation Rate |
|--|-------------------|
| Leasehold buildings                            | 2.5% to 27%       |
| Poker machines                                 | 20% to 40%        |
| Plant, equipment and furniture                 | 5% and 40%        |
| Ainslie oval development                       | 2.5% and 27%      |
| Motor vehicles                                 | 15%               |
| Apartments – Coffs Harbour plant and equipment | 2.5% and 100%     |

**c. 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 entities in the economic entity 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 the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

**d. Employee Benefits**

(i) Provision is made for the Club's liability for employee benefits arising from services rendered by employees to balance date. 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. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Contributions are made by the club to employee superannuation funds and are charged as expenses when incurred.

(ii) Remuneration

There was one employee earning more than one hundred thousand dollars and less than two hundred thousand dollars and one employee earning more than three hundred thousand dollars but less than four hundred thousand dollars.

**e. 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, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**f. Comparative Figures**

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

**g. Revenue**

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).

**h. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax 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 shown inclusive of GST.

**i. Income Tax**

The club is taxed according to the principle of mutuality. The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

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 income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is 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 economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**j. Finance Costs**

Finance costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other finance costs are recognised in income in the period in which they are incurred.

**k. Company Limited by Guarantee**

On 1 October 2002, the Club was incorporated as a company limited by guarantee, under the Corporations Act 2001. Previous to that date, the Club was incorporated as an association, under the Associations Incorporations Act 1991 (ACT). This change was brought about by changes to the Gaming Machine Act 1987 (ACT).

The above legislation provides that no change has occurred to the legal status of the Club and that all assets and liabilities of the association are subsumed into the company. Accordingly, there is no need to provide separate accounts for the association and the company.

In accordance with the Constitution the Club is a company limited by guarantee and accordingly no shares have been issued and no dividends recommended or paid. Liability of each member is limited to the amount of \$2.

|                                      | 2006              | 2005              |
|--------------------------------------|-------------------|-------------------|
|                                      | \$                | \$                |
| <b>Note 2: Revenue</b>               |                   |                   |
| Operating activities                 |                   |                   |
| — trading revenue                    | 23,702,193        | 21,955,754        |
| — golf course                        | 658,533           | 635,918           |
| — membership and membership services | 1,789,571         | 1,519,010         |
|                                      | <u>26,150,297</u> | <u>24,110,682</u> |
| Non-operating activities             |                   |                   |
| — interest received                  | 26,147            | 22,798            |
|                                      | <u>26,147</u>     | <u>22,798</u>     |
| Total Revenue                        | <u>26,176,444</u> | <u>24,133,480</u> |

**Note 3: Result from Ordinary Activities**

Result from ordinary activities before income tax has been determined after:

|                                    |           |           |
|------------------------------------|-----------|-----------|
| Expenses:                          |           |           |
| Finance costs                      | 234,889   | 177,080   |
| Cost of Sales                      | 1,380,976 | 1,284,232 |
| Depreciation of non-current assets |           |           |
| — Buildings                        | 1,438,791 | 1,282,294 |
| — Plant and equipment              | 2,329,283 | 1,941,633 |
| Total depreciation                 | 3,768,074 | 3,223,927 |
| Lease Rental Payments              | 41,000    | 41,000    |
| Net Loss on disposal of assets     | 166,966   | 54,507    |

**Note 4: Income Tax**

The directors estimate that the cumulative potential future income tax benefit at 30 September 2006 in respect of tax losses not brought to account is \$576,553 (2005: \$482,067).

This benefit from tax losses will only be obtained if:

- (i) The club derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) The club continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iii) No changes in the tax legislation adversely affect the club in realising the benefit from the deductions for the losses.

Income tax is payable on that proportion of the income less expenses contributed by non-members. The aggregate amount of income tax attributable to the financial year differs from the amount prima facie payable on the operating surplus. The difference is reconciled as follows:

|   | 2006<br>\$  | 2005<br>\$ |
|---|-------------|------------|
| Result before income tax                                      | 3,038,207   | 2,300,468  |
| Prima facie tax payable at 30% (2005: 30%)                    | 911,460     | 690,140    |
| Tax effect of:  |             |            |
| Non taxable member income arising from principle of mutuality | (1,005,946) | (792,833)  |
|   | (94,486)    | (102,693)  |
| Benefit of current year tax losses not recognised             | 94,486      | 102,693    |
| Income tax expense  | -           | -          |
| <b>Note 5: Cash</b>   |             |            |
| Cash at bank  | 994,748     | 883,325    |
| Cash on hand  | 798,988     | 668,766    |
|   | 1,793,736   | 1,552,091  |
| <b>Note 6: Receivables</b>                                    |             |            |
| <b>Current</b>  |             |            |
| Trade debtors   | 223,790     | 218,217    |
| <b>Note 7: Inventories</b>                                    |             |            |
| Bar stocks  | 130,360     | 125,039    |
| Sundry stocks   | 3,937       | 7,174      |
|   | 134,297     | 132,213    |
| <b>Note 8: Other Assets</b>                                   |             |            |
| <b>Current</b>  |             |            |
| Prepayments   | 123,315     | 253,427    |

**Note 9: Property, Plant and Equipment**

|  | 2006<br>\$  | 2005<br>\$  |
|--|-------------|-------------|
| Leasehold land at valuation            | 5,661,000   | 5,661,000   |
|  | 5,661,000   | 5,661,000   |
| Buildings at valuation                 | 36,450,023  | 32,950,575  |
| Less accumulated depreciation          | (6,092,929) | (4,739,411) |
|  | 30,357,094  | 28,211,164  |
| Poker machines at cost                 | 12,242,392  | 10,966,135  |
| Less accumulated depreciation          | (6,718,858) | (5,725,677) |
|  | 5,523,534   | 5,240,458   |
| Plant, equipment and furniture at cost | 7,709,380   | 6,790,020   |
| Less accumulated depreciation          | (4,832,937) | (4,554,593) |
|  | 2,876,443   | 2,235,427   |
| Ainslie oval development at valuation  | 397,995     | 382,123     |
| Less accumulated depreciation          | (88,776)    | (70,367)    |
|  | 309,219     | 311,756     |
| Motor vehicles at cost                 | 81,788      | 81,788      |
| Less accumulated depreciation          | (59,493)    | (50,952)    |
|  | 22,295      | 30,836      |
| Apartments – Coffs Harbour             |             |             |
| Land at valuation                      | 2,194,115   | 1,650,000   |
| Buildings at valuation                 | 950,000     | 950,000     |
| Less accumulated depreciation          | (47,957)    | (24,207)    |
|  | 3,096,158   | 2,575,793   |
| Apartments – Coffs Harbour             |             |             |
| Improvements at valuation              | 150,000     | 150,000     |
| Plant and equipment at cost            | 41,300      | 40,236      |
| Less accumulated depreciation          | (25,630)    | (11,998)    |
|  | 165,670     | 178,238     |
| Total Property, Plant and Equipment    | 48,011,413  | 44,444,672  |

**Note 9: Property, Plant and Equipment**

The basis of valuation of land and buildings is market value based on existing use.

The Coffs Harbour valuation was carried out in 1996 by Jason Carey AVLE (VAL) of Patrick Magann & Associates Pty Ltd. The apartments at Coffs Harbour were revalued in 2004 by Ken Dover AAPI of North Coast Valuation Service Pty Ltd.

The valuation of land and buildings at Wakefield Avenue and the Canberra City Bowling Club was carried out in 2003 by Brian Pitt AVLE (VAL) of McCann and Associates.

**Ainslie Oval Development**

The Ainslie Oval Development was revalued at 30 September 2003. The land and buildings at valuation that relate to the Ainslie Oval Development are disclosed in the land and buildings at valuation classes. Up to the date of the valuation, the actual costs incurred on the Ainslie Oval Development were \$3,493,473.

**Movements in Carrying Amounts**

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

|  | Leasehold Land | Buildings   | Poker Machines | Plant, Equipment & Furniture |
|--|----------------|-------------|----------------|------------------------------|
|  | \$             | \$          | \$             | \$                           |
| Balance at the beginning of the year   | 5,661,000      | 28,211,164  | 5,240,458      | 2,235,427                    |
| Additions                              | -              | 3,659,430   | 2,041,241      | 1,323,632                    |
| Disposals                              | -              | (159,982)   | (764,984)      | (404,274)                    |
| Depreciation expense                   | -              | (1,415,041) | (1,668,889)    | (619,812)                    |
| Depreciation written back on disposals | -              | 61,523      | 675,708        | 341,470                      |
| Carrying amount at the end of year     | 5,661,000      | 30,357,094  | 5,523,534      | 2,876,443                    |

|  | Ainslie Oval | Motor Vehicles | Coffs Harbour Land & Build at valuation | Coffs Harbour Plant & Equip at valuation | Total       |
|--|--------------|----------------|---|--|-------------|
|  | \$           | \$             | \$                                      | \$                                       | \$          |
| Balance at the beginning of the year   | 311,756      | 30,836         | 2,575,793                               | 178,238                                  | 44,444,672  |
| Additions                              | 15,872       | -              | 544,115                                 | 1,064                                    | 7,585,354   |
| Disposals                              | -            | -              | -                                       | -  | (1,329,240) |
| Depreciation expense                   | (18,409)     | (8,541)        | (23,750)                                | (13,632)                                 | (3,768,074) |
| Depreciation written back on disposals | -            | -              | -                                       | -  | 1,078,701   |
| Carrying amount at the end of year     | 309,219      | 22,295         | 3,096,158                               | 165,670                                  | 48,011,413  |

**Note 10: Payables**

**Current**

|                              | 2006 \$   | 2005 \$   |
|------------------------------|-----------|-----------|
| Trade creditors              | 313,450   | 835,755   |
| Other creditors and accruals | 1,285,192 | 1,358,552 |
|                              | 1,598,642 | 2,194,307 |

**Note 11: Interest-bearing Liabilities**

**Non-current**

|                  | 2006 \$   | 2005 \$   |
|------------------|-----------|-----------|
| Commercial bills | 2,800,000 | 1,600,000 |
|                  | 2,800,000 | 1,600,000 |

**Note 12: Provisions**

**Current**

|                       | 2006 \$ | 2005 \$ |
|-----------------------|---------|---------|
| Employee entitlements | 430,714 | 395,508 |

**Non-current**

|                                 | 2006 \$ | 2005 \$ |
|---------------------------------|---------|---------|
| Employee entitlements           | 8,183   | -       |
| Number of employees at year-end | 125     | 115     |

**Note 13: Commitments**

Total expenditure contracted for at balance date but not provided for in the statement of financial position:

|                         | 2006 \$ | 2005 \$   |
|-------------------------|---------|-----------|
| — not later than 1 year | -       | 3,262,256 |

|  | 2006<br>\$       | 2005<br>\$       |
|--|------------------|------------------|
| <b>Note 14: Cash Flow Information</b>  |                  |                  |
| Reconciliation of Cash Flow from Operations with Result after income tax                       |                  |                  |
| Result after income tax  | 3,038,207        | 2,300,468        |
| Non-cash flows in result from ordinary activities  |                  |                  |
| Depreciation   | 3,768,074        | 3,223,927        |
| Net loss on disposal of property, plant and equipment  | 166,966          | 54,507           |
| Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries |                  |                  |
| (Increase)/decrease in accounts receivable   | (5,573)          | 204,477          |
| (Increase)/decrease in prepayments   | 130,112          | (152,709)        |
| (Increase)/decrease in inventories   | (2,084)          | (20,531)         |
| Increase/(decrease) in trade creditors and accruals  | (595,665)        | 922,520          |
| Increase/(decrease) in provisions  | 43,389           | 26,682           |
| Cash Flows from operations   | <u>6,543,426</u> | <u>6,559,341</u> |

The club has credit stand-by facilities in place.

Subject to the continuance of a satisfactory financial position, the unused facilities may be drawn at any time. The value of unused facilities at balance date was \$3,200,000.

The bank overdraft, which was unused at year end, and the line of credit facilities are secured by a registered first mortgage over the club's premises and Ainslie Football Oval situated at 52 Wakefield Avenue, Ainslie ACT, the club's premises and land located at Gundaroo Drive Nicholls ACT, the club's Golf Course land and improvements located at Gundaroo Drive Ngunnawal ACT and by a registered first fixed and floating charge over assets and undertakings of Ainslie Football and Social Club Limited.

There were no non-cash financing or investing activities during the period.

#### Note 15: Statement of Operations by Segments

The club operates in predominantly one business and geographic segment, being the leisure sector providing social facilities to Members of the club throughout Australia.

#### Note 16: Financial Instruments

##### a. Interest Rate Risk

The club's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

|                             | Weighted<br>Average<br>Effective<br>Interest Rate |     | Fixed Interest Rate Maturing |         |                |      |                 |           | Non-interest<br>Bearing |           |
|-----------------------------|---|-----|------------------------------|---------|----------------|------|-----------------|-----------|-------------------------|-----------|
|                             |   |     | Floating<br>Interest<br>Rate |         | Within<br>Year |      | 1 to 5<br>Years |           |                         |           |
|                             |   |     | 2006                         | 2005    | 2006           | 2005 | 2006            | 2005      |                         |           |
| Financial Assets:           |   |     |                              |         |                |      |                 |           |                         |           |
| Cash on hand                |   |     | -                            | -       | -              | -    | -               | -         | 798,988                 | 668,766   |
| Cash at bank                | 3.7   | 3.5 | 994,748                      | 883,325 | -              | -    | -               | -         | -                       | -         |
| Receivables                 |   |     | -                            | -       | -              | -    | -               | -         | 223,790                 | 218,217   |
| Total Financial Assets      |   |     | 994,748                      | 883,325 | -              | -    | -               | -         | 1,022,778               | 886,983   |
| Financial Liabilities:      |   |     |                              |         |                |      |                 |           |                         |           |
| Commercial bills            | 6.5   | 6.2 | -                            | -       | -              | -    | 2,800,000       | 1,600,000 | -                       | -         |
| Payables                    |   |     | -                            | -       | -              | -    | -               | -         | 1,598,642               | 2,194,307 |
| Total Financial Liabilities |   |     | -                            | -       | -              | -    | 2,800,000       | 1,600,000 | 1,598,642               | 2,194,307 |

##### b. Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The club does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the club.

##### c. Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

**Note 17: Related Party Transactions**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

**a) Directors**

The names of person who were Directors of the club at any time during the financial year are as follows:

Mr Ralph Rendell

Mr Greg Vickers

Mr David Lalor

Ms Barbara Marshall (elected 11 December 2005)

Mr Barry Browning

Mr Tony Jamieson

Mr Malcolm Scholes

Mr Peter Lawless

Mr John Bradley

Mr Laurie Laffan

Mr H R Penney (did not stand 11 December 2005)

Directors did not receive any remuneration during the financial year. No amounts were paid into any superannuation funds in connection with retirement of Directors.

The Ainslie Football and Social Club had a contractual arrangement with Mr Peter Lawless for \$10,296 (GST inclusive) via his company Canberra Air Conditioning and Mechanical Services Pty Ltd. Transactions were on normal commercial terms and conditions and no more favourable than those available to other parties.

**b) Key management personnel compensation**

The aggregate compensation of key management personnel of the company, is set out below:

|                              | 2006<br>\$     | 2005<br>\$     |
|------------------------------|----------------|----------------|
| Short-term employee benefits | 624,897        | 572,833        |
| <b>Total benefits</b>        | <b>624,897</b> | <b>572,833</b> |

**Note 18: Auditors' Remuneration**

Remuneration of the auditor for:

|  |        |        |
|--|--------|--------|
| - auditing or reviewing the financial report | 25,500 | 24,500 |
| - taxation services                          | 2,000  | 2,000  |

**Note 19: Company Details**

The registered office of the company is:

Ainslie Football and Social Club Limited  
52 Wakefield Avenue Ainslie ACT 2602

The principal places of business are:

Ainslie Football and Social Club Limited  
52 Wakefield Avenue Ainslie ACT 2602

Canberra City Bowling Club  
Elder Street Braddon ACT 2612

Gungahlin Lakes Community and Golf Club  
Gungahlin Drive Nicholls ACT 2913

**Note 20: Contractual Arrangements or Consulancies in excess of \$49,999.99**

For the year ended 30 September 2006:

ActewAGL  
Blair Leisure Pty Ltd  
Bluewest Pty Ltd  
Aristocrat Leisure Industries Ltd  
Canberra Air Conditioning and Mechanical Services Pty Ltd  
Chubb Security Australia Pty Ltd  
ClubsACT  
Coca Cola Amatil (Australia) Pty Ltd  
Fox Sports  
Hamilton Insurance Brokers Pty Ltd  
C. Holford  
IGT (Australia) Pty Ltd  
Lifeline Canberra Inc  
Manteena Pty Ltd  
BD & CM Mills  
Otis Elevator Company Pty Ltd  
Premier Media Group Pty Ltd  
Project Co Ordination (Australia) Pty Ltd  
Norfolk Facilities Management Pty Ltd  
Lion Nathan Pty Ltd  
Sound Advice Pty Ltd  
Stadium Turf Management  
Sky Channel Pty Ltd  
Telstra Ltd  
Thorough Vision Pty Ltd  
Wilson Security Pty Ltd  
Wood and Day Partnership Pty Ltd

## FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

### Directors' Declaration

The directors of the company declare that:

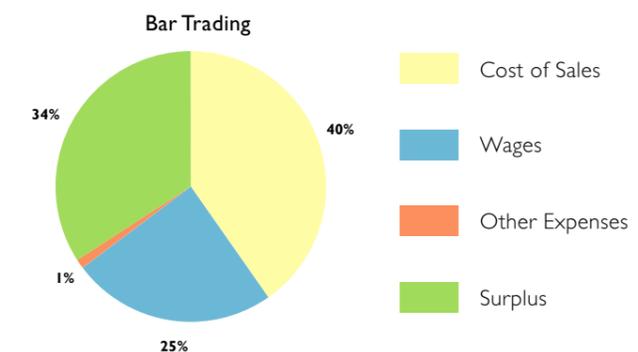
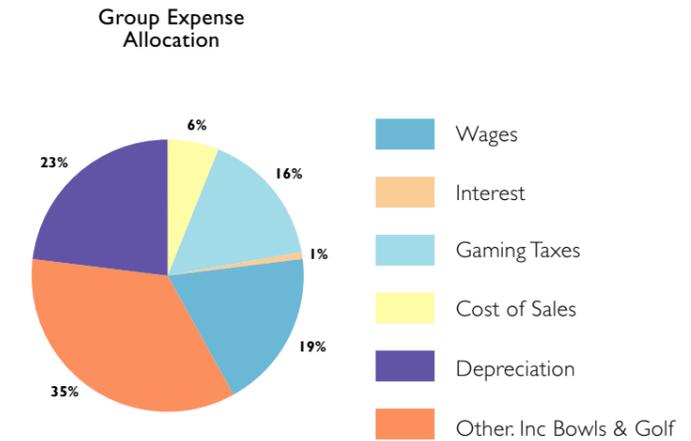
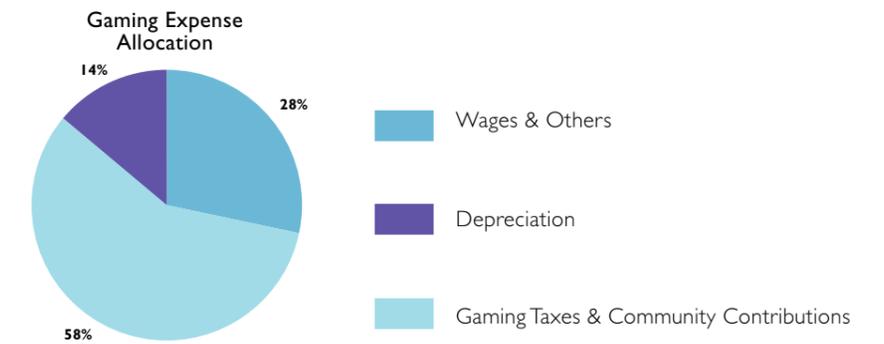
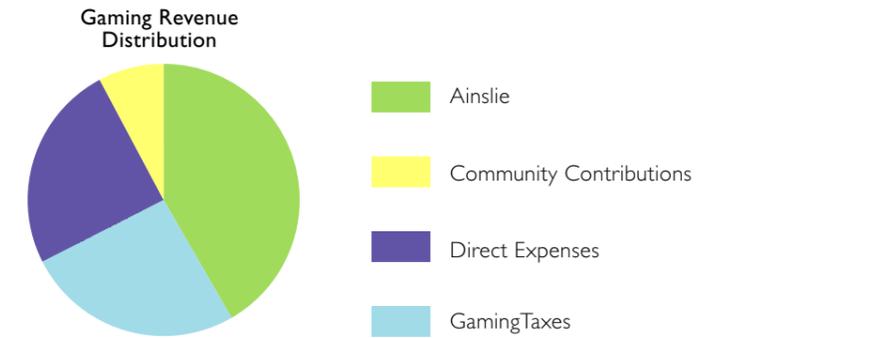
1. the financial statements, being the Income Statement, Balance Sheet, Statement in Changes in Equity, Cash Flow Statement and Notes to the Financial Statements, are in accordance with the *Corporations Act 2001*;
  - a. comply with Accounting Standards and the Corporations Regulations 2001; and
  - b. give a true and fair view of the financial position as at 30 September 2006 and performance for the year ended on that date of the company;
2. in the directors' opinion there are reasonable grounds to believe that the company 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.

*R Russell*

Director

Dated this *15<sup>th</sup>* day of *November* 2006.





Ainslie Football and Social Club  
52 Wakefield Avenue  
Ainslie



Canberra City Bowling Club  
Elder Street  
Braddon



Gungahlin Lakes  
Cnr Gundaroo Road & Gungahlin Drive  
Nicholls