



AINSLIE FOOTBALL & SOCIAL CLUB Limited 2012 Annual Report





Contents

President's Message	2
Ainslie Football Club President's Message	4
Gungahlin Lakes Golf Club President's Message	8
Canberra City Bowling Club President's Message	10
Human Resources	12
Community & Sporting Donations	14
Promotional Activity	15
Board of Directors	16
FINANCIAL REPORT	ii
Corporate Sponsors	xxxiv



Malcolm Scholes

I hereby report to members on the performance of the Ainslie Football and Social Club (Ainslie Group) for the Financial Year 2011/12.

For the Ainslie Group Board of Directors and Management, the past financial year has been a challenging one, with a downturn in gaming revenue and increasing cost base resulting in a loss of \$1.929m. Revenue was \$23.665m (2010-11 \$24.1m (\$520,312)).

On a positive note, trading revenue in the last quarter (July-September) has increased on the same quarter last year, bringing the Group back to satisfactory levels of trading. This is due to a combination of factors including overall improved market conditions in the ACT club industry as well as the implementation of targeted business strategies to win back member participation at our sites, particularly Gunghalin Lakes after a disruptive renovation period. These strategies included:

- Changes to the gaming machine layout at Gunghalin;
- Gaming machine reinvestment;
- Increased focus on customer service levels across our Group;
- Effective and targeted member promotions across the Group; and
- Provision of member entertainment.

In addition to the financial performance outlined above, I am happy to report the following:

- Membership has increased from 36,000 to 41,000
- The Group will repay \$1.2m of debt in 2012/13 (\$300k 2011/12)
- Corporate Sponsorship is a new concept introduced by our CEO Richard Hogg that allows organisations to leverage the assets of our business to promote their own brand and drive positive affiliation with Ainslie Group's strong brand. This revenue will in large be used to assist in the funding of our key constitutional objectives, mainly AFL.
- Branding and Advertising. The club has been rebranded from a corporate and marketing perspective and we are now known as the Ainslie Group. The Ainslie Football Club, Gunghalin Lakes Golf Club and Canberra City Bowling club all retain their very important and traditional identities within this new brand.

- The net cost of running Golf and Bowls is at its lowest in our history.

Whilst trading revenue has come back in the last quarter, increased operating costs continue to challenge our financial performance. Management are working hard to contain rising costs as well as stripping down the business to see where new savings can be achieved. This change in culture and thinking is being implemented club wide.

Despite these challenging times, the Ainslie Group has maintained a strong community donations program providing \$1,501,330 in community support for the year. This level of funding has been challenged through our agreed borrowing covenants and looking forward, the board and management have had to review and reduce the amount of cash donations we make to our community organisations in line with ACT Gaming and Racing's prescribed levels of community donations.

The multi-million dollar renovation at Gunghalin Lakes was completed and the building was commissioned in February 2012. Our debt peaked at \$5.3m for the project, some \$200k less than estimated and reported this time last year. This was achieved by paying the balance of the project out of cashflow rather than borrowings. The need to service this debt is keeping management and the board of directors focussed on business performance improvement in generating revenue growth and reducing/containing costs.

Gaming continues to be a significant and core activity of the Group (75% of all revenue). However, the environment we operate in continues to bring uncertainty in our industry and the long-term viability of this activity continues to remain under threat. Through our membership of Clubs ACT, a Memorandum of Understanding was struck with the ACT Government that provided for more certainty in our industry over the next four-year period. Whilst not a panacea for the challenges we continue to face or a commitment etched in stone, it does show a level of understanding and commitment from the ACT Government of the day to work together with clubs for mutual success.

The board and management undertook a series of strategic planning sessions throughout the year and unanimously resolved to diversify our business interests to reduce our reliance on gaming revenue. To this end, the board and management have commenced a process to examine our assets, their purpose and profitability with a view to seeking out development opportunities on and around our existing club sites via an agreed Master Plan.

Meetings have been held with senior ACT Government officials to test our intent and secure some guidance to ensure an understanding of the environment, planning restrictions and key stakeholders prior to further planning and or any considerable financial outlay.

The board and management will consult with members, relevant community groups, government and business to ensure that, where possible, we provide for the local community's needs through the consultation process whilst achieving optimal business outcomes to further support our objects. A joint committee will be established with key stakeholders of the Ainslie Football Club, Ainslie Football & Social Club (including representation from Ainslie Football & Social Club Life members) to ensure that the Master Plan is consistent with our objectives and will provide long-term, sustained benefit to the group. We all recognise that we will only get one opportunity to get this right!

I am delighted to report that Emma Brohan has joined the board of directors in September this year. Emma resigned her position as HR Manager in August this year to take on a new and exciting role outside of club administration. Emma was a highly regarded and valued employee and her departure has left a positive and lasting legacy, yet a huge hole in our organisational stability. Emma brings valuable corporate history to the board serving under the current and past two CEO's spanning some 17 years! Emma also brings contemporary views to our board as a working mother of a young family. We are fortunate to have someone of Emma's standing serving our members.

The Board of Directors remains committed to the improvement of amenity at Ainslie Oval.

The Football Club created a building fund from generous member donations throughout 2012 to ensure that the club can continue to play NEAFL games at Ainslie Oval. The extent of this fund will kick off the project, with the balance of the project being funded by the Ainslie Football & Social Club. It is expected that the required renovation will be completed by March 2012.

As previously reported, 2012 marked the first year of sponsorship partnership between Ainslie Football and Social Club and newly formed AFL team Greater Western Sydney. Whilst the decision was primarily based around our core constitutional objective of developing Australian Rules Football, there were planned or perceived benefits to both Ainslie Football and Social Club and the Ainslie Football Club with the hope of significant marketing

opportunities, football development and corporate partner activities. However, due to current trading performance, the Group is yet to make any cash donation to the GWS Giants in support of AFL being played in Canberra as foreshadowed in my 2009-10 president's message. As a result, there has also been no formal agreement between the two parties.

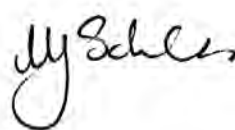
Group Sub-Committees

I am pleased to report that the Board continues to have strong relationships with its counterparts at Ainslie Football Club, Gungahlin Lakes Golf Club and Canberra City Bowling Club.

Outlook

The Board acknowledges the continuing pressure and challenges on the club industry. We continue to focus on growth and diversification opportunities to maintain revenues at levels commensurate to fund our core and community activities. In this context management is being constantly challenged to innovate and provide a point of differentiation to our members. Looking ahead, the focus will be to continue to implement strategies to improve patronage through marketing and improved member services. Reducing and managing overheads and better asset utilisation also form part of our objectives for continued growth.

The Board of Directors and Management look forward to reporting positive outcomes in 2013.



Malcolm Scholes

President

Ainslie Football and Social Club



Ian Muir

It gives me great pleasure to present to you the President's Report for the Ainslie Football Club for Season 2012. Although I must admit the tone of this report may not come across as successful, I can tell you from our perspective this year as a football club has been very

successful, but for reasons other than I have had the pleasure of reporting in the past few years.

After winning back to back premierships the previous two years in the 1st Grade and playing off in the 2nd Grade Grand Final, we were very much the hunted and knew we were going to be. That's a great position to be in, as it keeps the hunger and desire up for us all as a Club to try and keep ahead of the pack. This position has its challenges, however gives us a chance to grow as a Club and expose new people and talent into our organisation at all levels.

We came to the end of the period from where we had set a five year plan in 2007. Many of the goals and objectives set in that strategic plan have been successfully achieved. It was a great journey despite many very trying times for all involved but we knew if we all believed and stayed focused, we would achieve these goals. History will judge us in our quest to meet these goals and plans in years to come, but I can tell you I feel very proud as President of this great football club that I think we met these goals, targets and achievements and really exceeded expectations.

As we had now come to the end of that five year strategic plan, it was time to start planning for 2012-2017. This started with a Planning Day in November with the help of David O'Rourke, a professional Facilitator and Project Manager who gave us great guidance and discussion about our long, mid and short term goals and we developed our new strategic plan for the above period.



Ainslie Football Club

"To be the best football club in Canberra and the region"

Strategic Plan 2012-2016

CLUB VALUES

'Grow stronger as one through':

☐ **Tradition**

Pride in our past while shaping our future

☐ **Respect**

For our club, partners, community and each other

☐ **Unity**

Where everyone is included as part of our club

☐ **Commitment**

To continuous improvement

☐ **Integrity**

In our behaviours on and off the field

MISSION

The Ainslie Football Club will deliver a positive environment that breeds success on & off the field.

OBJECTIVES

Short Term (by end 2012)

- ☐ Enhance and maintain the club's culture
- ☐ Develop the Club Communications Plan by Mar 2012
- ☐ Fill all volunteer roles within the Club
- ☐ Address immediate facilities requirements
- ☐ Define Junior Club Terms of Reference by Feb 2012
- ☐ Review Junior Development Strategy by Jun 2012
- ☐ Increase sponsorship funding by 100%
- ☐ Develop the Club Building Fund
- ☐ Formalise the Club Harrison / Gungahlin Strategy
- ☐ Build a resource and documentation library

Medium Term (by end 2014)

- ☐ Enhance and maintain the club's culture
- ☐ Develop Facilities Long Term Plan
- ☐ Leverage the Social Club Membership base
- ☐ Maximise Greater Western Sydney (GWS) involvement

Long Term (by end 2016)

- ☐ Enhance and maintain the club's culture
- ☐ Undertake a major facilities upgrade
- ☐ Win two (2) more senior premierships

Although we didn't achieve every short term goal in 2012, it gave us some focus to work on throughout the year and gave us a great platform for discussion and planning for the future.

Our five values as a club, TRADITION, RESPECT, UNITY, COMMITMENT and INTEGRITY were always front of mind in all areas of our Club to the extent where we had these words placed in change rooms, canteens, offices, gyms and sponsors rooms. We thought this was a great reminder of what we are about.

The Club had experienced unprecedented retention in 2010 and 2011. As much as we all know sporting success will help, we feel it is our culture at all levels that has been a contributor to this. Along with this retention we built a huge following with the 3rd and 4th Grade players interested in playing with our Club. We needed to explore this opportunity and find out where this group of players commitment sat within our organisation. More about that a bit later!

We also had a new coaching group which kept everything fresh;

- Ken McGregor – former Adelaide Crows player joined the Club as a playing Assistant Coach
- Michael Johnston – former senior player took over as 2nd Grade Coach
- John Tootell – Joined us from Gungahlin Jets looking for a bigger challenge and giving Michael a hand
- Stuart Walsh – approached us with a desire to coach at U18's level and was ably supported by Greg Birch and Greg Chapman
- Ben Kenny and Andrew Ferrell were again leading the charge in our 3rd and soon to be 4th Grade teams along with Corey Grandin

We lost three key players from the 2011 Premiership Team – Skipper John Holmes who decided to venture back home with fiancée Jess, Assistant Coach Rob Shirley who went home to S.A. with wife Meg and baby Annabel to be with family and Ben Hughes who went home to Warrigal. Coming into the Senior squad was Ken McGregor, Best and Fairest Simon Horner from W.A., a young crew of NSW lads – Jack Mahoney, Jono Gourlay, Beau Black and Matt Thomas. Jed Costigan joined us from Casey Scorpions and Josh Bennett from Frankston.

The senior team qualified again for the Foxtel Cup and met West Perth in the 1st Round. West Perth was just too good for us but yet again a great advert for the Club with the game being televised.

The 1st Grade team then embarked on the season proper. It was a challenging year with season ending injuries hitting us as early as intra-club pre season games and this trend continued throughout the year to the extent where we had played 43 players in NEAFL for the season, more or less two teams. This toll of injuries came to a head in the semi-final with Ainslie losing the game after the siren against Eastlake with only 9 of the 2011 Premiership Team on the paddock that day and 10 sitting on the sidelines. This unveiled some depth and showed that the club was now seriously deep in talent. Despite these injuries, Chris Rourke could not have been more proud of the players who took the field each week and the way many of them stepped up to NEAFL level.

Our 2nd's, under first year Coach Michael Johnston and Assistant Coach John Tootell had a great year; coming from 3rd to win the Grand Final. Another indication of our depth was in the Preliminary Final where we had to call upon our 3rd Grade players and U18's to play due to the depletion in the 1st Grade ranks, it was a great victory. We were then lucky enough to have many of the players who played 1st Grade the weekend before return to 2nd Grade and help the team to a great victory against Belconnen in the Grand Final. We also had Djali Bloomfield win the League Medal in the Reserves.

Stuart Walsh our 18's Coach came on board for the first time this year. We had a very young side that often lacked a bit of consistency which comes with youth at this level. We had some great performances with youngsters Lachie Carter and Jake Whatman still being eligible for U18's football playing the whole year in the senior ranks. We finished off the year well and certainly gave some of the contenders a run for their money. Young McKinley Drummond who travelled from the South Coast weekly was awarded the League Medal for the 18's and he played an important role in the Reserves Preliminary Final win. Some exciting times ahead for this group along with the successful U16's premiership coming through as well.

A highlight of the year for the Club was fielding a 3rd Grade team and for the first time in the Clubs history we fielded a 4th Grade team. As a Club we must take our hat off to Ben Kenny and Andrew Ferrell who drove this initiative and hit some aggressive targets we had set them. These target included getting numbers on board and payed up Pre-Christmas. To their credit Ben and Andrew achieved those numbers. We went on to play finals footy in the 3rd's which was fantastic. Our 4th's under Corey Grandin also had a great year and enjoyed every minute of their football and time together.

Our Women's team under Danielle Glatz and Stephen Staines had another very consistent year. Making the finals again and looking for that elusive premiership we were struck down badly with injury towards the pointy end of the season and went down to arch rival Tuggeranong in the semi-final. None the less they continued to enjoy themselves as a group and were often seen out supporting the boys across all grades.

Our Junior Club again grew in numbers which is just fantastic given the battle we face with our demographic in the Inner North. We had four sides out of a possible six competing in finals in the competitive age groups with the U16's winning the Grand Final in a great performance against Tuggeranong. Our U12's Division 1 beat Gungahlin and we won the Inaugural Youth Girls Premiership which was very exciting for the young girls.

Our Red, White and Black Ball continued to be a resounding success on the social scene. We also had a reunion of premiership years ending in 2's and 3's. We decided to do this as we had a very successful period from the 2's to the 7's, however it is very hard to reproduce an event like this year after year. So from now on we will be celebrating two years at a time. We had a fantastic evening celebrating Premierships from 1952, 1972/73, 1982/83, 1992/93 across all grades including 1st's, 2nd's, U19's and Monaro. A great night and weekend was had by all with people travelling from every state in Australia to enjoy each other's company.

Our Football Department continued to work tirelessly week in, week out to ensure our players, volunteers and coaches were supported across all levels and age groups. The team was lead once again by General Manager John Smith. Lyndon Hirst continued in his "BP Quiet Achiever" role and all facets of administration, assisted by Mitch Samin in a part time role. El Stewart continued to be the face of the junior organisation for the football department. El has decided to move on and I would like to thank her for her contribution over her time as an employee of the Club.

As a Club we did embark on a few other initiatives in 2013;

- We invested in our coaches and their development by sending a group of senior and junior coaches to the AFL coaches conference in Sydney
- We introduced a "100 Club Building Fund" to help with the renovations required at Ainslie Oval which will help us meet NEAFL Standards. These works will start at the back end of 2012 and continue into 2013 to be ready for the start of season.

I would like to take this opportunity to thank and congratulate all coaches, medical staff, sponsors, football department staff and last but not least the backbone of our Club, the Volunteers for their contributions in 2012. We look forward to seeing them all again in 2013. To our key stakeholders, the players, thanks for flying the flag again when you pull on that wonderful "Red, White and Black" jumper. You have achieved a great deal together and I am sure the hunger still burns brightly for everyone to improve even more in 2013.

To my Board, thanks for your support throughout the season and all sharing the same vision and patience to keep our Club heading in the right direction in all facets. To John Smith and his football department, thanks again for your tireless work and cooperation in working with the board on delivering the outcomes and direction we set. To Malcolm Scholes and his AF&SC Board, Richard Hogg and your Management team and staff - thanks again for your support not only financially but also your unconditional support in a tough market place. We continue to work together to share information and knowledge in a very harmonious manner and we thank you sincerely for that.

As I always do, I will sign off with - "I look forward to seeing many of your smiling faces down at the beautiful Ainslie Oval in 2013".

Ian Muir
President
Ainslie Football Club







Barry Morgan

It is with great pleasure that I present my first report as the President of the Gungahlin Lakes Golf Club.

2012 Australian Women's Senior Amateur Championships

The 2012 Australian Women's Senior Championships was the second Australian Championships played at the course. The event was played from Monday 22nd October to Friday 26th October 2012 and I encourage everyone to support the Championships by attending and watching some good golf.

The Golf Course

The course continues to improve and mature. The growing status of the course can be demonstrated by its selection as a venue for Australian Championships. Our thanks must go to the AF&SC Board for their support in maintaining the course and implementing the golf course master plan. Course Superintendent Shane Dawson and his team are to be congratulated for their excellent work on the course, particularly following the floods earlier this year.

Volunteers

Dad's Army as always continue to keep the course looking good. Dad's Army is dedicated to improving the golf course for the benefit of fellow golfers and their contribution is immense.

The Golf Club is fortunate to have many other volunteers, such as the flag collectors and those who look after the gardens. The Golf Club is very grateful to these committed and industrious volunteers.

Junior Golf Development

Junior Golf Development is important for the future of the Club and the Junior Coordinator Bruce Perry continues to manage this important function in conjunction with Club Professional Murray Blair and Junior Development Officer Lindsay Warden. The young and inexperienced Encourage Shield Pennant team played very well this year and exceeded expectations by making the semi-finals. The 2013 Junior Champion is Callum Williams and the Nett Champion is Joshua Cohen. Hope Cohen is flying the flag for the girls as she was selected in a representative team for a NSW Combined High School golf carnival.

Women's Golf

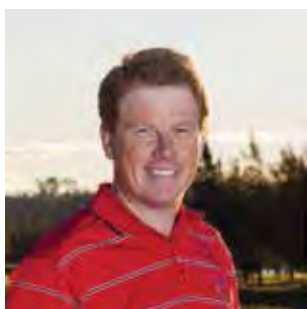
Sue Hanley as the Women's Captain was the Chair of the Women's Golf Sub-Committee and the number of lady golfers continue to increase. The Women's Pennant teams performed very well but the stars were the Bronze Shield team which defeated Royal Canberra by four matches to one in the grand final. Gungahlin Lakes Golf Club won the Bronze Shield previously in 2004, 2009 and 2011 a magnificent record.

Senior Golf

Seniors (Members over 55) at Gungahlin represent about 30% of our membership. The Gungahlin Lakes Seniors Classic was conducted in March this year and some of the best senior golfers in the ACT and NSW competed. Bill Banks, from Royal Canberra Golf Club, was the winner of the 2012 title. The ACT Senior Championships will be held in November with one of the three rounds at Gungahlin Lakes Golf Club on Wednesday 14th November.

Club Championships

The Golf Club Committee decided to trial the Club Championships in May this year to allow the greens staff to undertake a major greens renovation prior to the Australian Women's Senior Championships. The Club Champion is Ross McLoughlin and the Ladies Champion is Tanya Rutley; both adding to their list of previous Gungahlin Lakes Golf Club titles. The Men's A Grade Champion is last year's Club Champion Nick Cochrane, the Men's B Grade Champion is Dan Callaghan and the Men's C Grade Champion is Vice President Norm Loughton.



Murray Blair

Club Professional

Murray Blair and Warren Coulson are doing a marvellous job in developing our very promising junior golfers. The Pro Shop now has an impressive range of golfing products and it is very pleasing that Murray and the team continue to provide an expert service to Members and Visitors at a time when many Club Professionals are struggling. I encourage you to support the Gungahlin Lakes Pro Shop for your golfing needs. The Club Professional will be holding a new event on Tuesdays during the daylight savings period. The event will be an Open competition comprising of an individual and team stableford events which will be open to all golfers with a Golf Australia handicap and a 'number.

Golf Manager

Last year, the previous Golf Club Committee submitted a business case to the AF&SC Board in order to employ a part time Golf Manager. Lindsay Warden has been employed as the Golf Manager this last year and he has been of great assistance to the Golf Club Committee as well as being the major point of contact with Gungahlin Lakes Golf Club Members from Wednesday to Fridays.

Conclusion

Finally, I would like to thank the AF&SC Board, CEO Richard Hogg, Brian Dobson (former Club Manager), Adrian Dowling (Venue Manager) and Judy O'Connor (Membership) for the assistance and support they have given me and the Gungahlin Lakes Golf Club Committee this last year. Their willingness to help and to provide administrative support is essential to manage all those things a voluntary committee cannot do on a day to day basis.

Barry Morgan OAM

President

Gungahlin Lakes Golf Club





Hilary Merritt

It gives me great pleasure to present the annual report of the Canberra City Bowling Club. The year has again been a busy and productive one for the bowling club and I would like to thank all members of your hardworking Committee for their efforts during the year.

Thanks too must go to Richard Hogg and Daniel Box of Ainslie Football and Social Club for their commitment to Canberra City and to Directors David Lalor and Wayne Rogers who have been charged with representing our interests at Board level.

Sponsors are a vital adjunct to our activities and I am pleased to acknowledge the support of Doug Blake, Wayne Read of WR Engineering, Ron and Faye Taylor, Audrey Kennett and Peter Andrighetto of Wright Dunn Real Estate. Your confidence in our Club is greatly appreciated.

Membership

During 2012 the bowling membership of our Club has been maintained and achieved a slight increase over the year. Frank Hornblower and Nancy Connor were deservedly honoured with Life Membership at our last AGM. Both Frank and Nancy have been tireless workers for the Club over many years, and their election brings to six our total number of Life Members.

Another 'Get on the Green' recruitment program was held in January and February and attracted a great deal of interest, with more than 25 new bowlers joining the Club. Thanks are due to Ken Dowrick and Peter Routcliffe for organising the program and to the band of volunteers who turned up each week to assist. The program revealed some hidden talent and a number of these new bowlers have already represented the Club and featured in our Minor Championships. Currently Sunday morning social bowls run by Pam Armour and her helpers is the main route for beginners to develop competitive skills, and the Committee is investigating additional events to integrate new bowlers into the Club's activities.

Achievements on the Green

Canberra City continues to punch well above its weight in competition play. Achievements this year include:

- ACT Champion of Champions Women Pairs won by Jenny Clout and Ruth Moore;
- ACT Champion of Champions Women's Triples won by Robyn Banks, Bev Dowrick and Loretta Gillespie;
- Tony Barry and Alan Taylor were runners-up in the ACT Champion of Champions Men's Pairs;
- ACT Rookie Women's Singles won by Lexie Webster;
- Mixed Winter Tournament won by Canberra City Red;
- Graham Read and Kevin Deeves were runners-up in the ACT Over 60s Men's Pairs;
- Ian Hueston, Ron Hawke, Graham Read and Jim Gillespie were runners-up in the ACT Over 60s Men's Fours;
- Runners-up in the Grade 2 Women's Weekend Pennant;
- Semi-finalists in the Grade 1 Men's Pennant.

Several of our players also earned representative honours including Michael Bermingham, Jenny Clout and Ruth Moore who represented the ACT in the National Sides Championship held in Broadbeach, Queensland, while Bev Dowrick, Cliff Gilbert, Loretta Gillespie, John McDonald, Graham Read, Sue Lalor and Alan Taylor were selected to represent the ACT in the Over 60s Sides Championship.

Umpires and Coaches

Volunteer officials are important not only for our own championships but also particularly if we are to conduct events on behalf of Bowls ACT. It was very pleasing then that ten members were prepared to enrol in the Umpiring Workshop conducted in July by Ron Hawke and to sit the qualifying examination. The Committee would like to express its gratitude to Ron for his hard work and dedication and to the newly qualified umpires. They have already been hard at work officiating in the ACT Triples and the Champion of Champions events held at the Club.

Ken Dowrick continues to provide leadership on the coaching front with Club coaches Peter Routcliffe, Bev Dowrick, Cliff Gilbert, Ron Kirk, Alan Taylor and Hilary Merritt available to help members of all standards.

Relationship with Bowls ACT

The Club contributes strongly to the administration of the sport of bowls in the ACT. Bev Dowrick is the energetic and successful State coach, Loretta Gillespie and John McDonald have been appointed State selectors, Ian Hueston has been elected Secretary of the Board of Bowls ACT, Ken Dowrick heads the Coaching Panel, and Hilary Merritt is Chair of the Women's Match Committee.

Club Facilities

2012 has seen a flurry of activity on the facilities front. Additional television screens have been installed, along with a new ATM and self-serve TAB cubicle, while some of our poker machines have been upgraded, as has the PA system. Refurbishment of the Club's shades and seating has been completed, the garden beds upgraded and the allocation of lockers has been rationalised.

Issues During the Year

Concern was expressed by a number of members about an apparent deterioration in the state of the Club's greens. Action has been taken to address these concerns and some improvement has already been noted with two of our three greens once again awarded an 'A' rating at their annual inspection. More improvements are planned and we hope soon to rejoin the ranks of the top-rated Clubs in this regard. Thanks must go to greenkeeper Peter Wall and Committee members Bob McCaskill and Peter White for their efforts and to those members who willingly volunteer their labour on request.

Smoking on the greens also became an issue during the year partly as a result of the new ACT legislation. Your Committee developed a policy to address members' concerns and a site for a designated smoking area has been identified. Ainslie FSC will have carriage of the final shape of those arrangements.

All in all, I can report that Canberra City has finished 2012 in a very healthy state and every indication is that 2013 will be just as successful.

Hilary Merritt

President

Canberra City Bowling Club





Bridgid Edwards

2012 has been an exciting year for staff at the Ainslie Group; the major renovation of the Gungahlin Lakes Golf Club was completed in March and was celebrated with a Family Open Day which staff worked well to organise. The renovation also saw the opening of the Entice Bar

and Restaurant as well as a pizza / pasta bar. A great deal of time and effort was put into staff training in these departments and the quality of customer service and attention to detail in these areas is a testament to this training.

At Ainslie, we have been focussing heavily on taking our customer service to the next level. Table service has been implemented in the Choices Restaurant which allows our staff to create a more intimate and hospitable environment and this has been very well received by our customers.

We have also begun offering a premium level of service in our gaming areas across both Ainslie and Gungahlin sites. This initiative focuses on creating a welcoming atmosphere for our customers through a clean and inviting physical environment, food and beverage offerings as well as an attentive level of staff service.

The major focus of the Human Resources department over the past twelve months and into the future has been on recruiting and training staff that have a passion for customer service.

We believe that it is very simple for businesses in our industry to get their product right. The more difficult task is to provide staff that are engaging, friendly, skilled and committed to creating an extraordinary experience for our customers. Changes to our recruitment and training program will ensure that the Ainslie Group will gain a positive reputation for their staff and customer service.

Special Achievements

The Club group was thrilled to see two of our mature age staff members, **Nipada Kirdsawat** and **Jelka Danilovic** complete their Certificate IV in Commercial Cookery. Congratulations to both Jelka and Nipada on all the hard work that has gone into achieving their qualifications!

Congratulations to **Caleb Chubb**, who was awarded as Silver Medalist in a recent Apprentice Chef Competition.

Toby Walker was awarded third place in the annual HTN Apprentice Chef Culinary Competition in May 2012. Well done to Toby!

Key Appointments

Group Marketing Manager – Scott Good

The Club Group welcomed Scott Good to the position of Group Marketing Manager in April 2012. Scott has extensive career experience in the corporate world, working as a General Manager and Marketing Manager for several large companies as well as managing his own business. Scott brings with him a strong focus on re-creating the Ainslie Group brand as well as the use of new technologies. Scott's fresh and exciting ideas will no doubt be an asset to the Ainslie Group.

Group Human Resources Manager – Bridgid Edwards

Bridgid Edwards was appointed to the role of Group HR Manager in September 2012. Bridgid has worked for the Ainslie Group since 2006 and has progressed through the ranks from a Duty Manager to the Ainslie Venue Manager. After returning from maternity leave in February 2012, Bridgid returned to the Human Resources Department. Bridgid has a passion for the hospitality industry and her experience within the Ainslie Group will no doubt be of great value.

Farewell

Brian Dobson – Special Projects Manager

Brian Dobson was farewelled from the Ainslie Group in July 2012 after 33 years of dedicated service to the Club. Brian began working at the Ainslie Football Club as a casual bar attendant and quickly progressed through the ranks to become an Executive Manager. Brian has contributed to many large projects throughout the Ainslie Group including the recent major renovation to the Gungahlin Lakes site. On behalf of the Directors and Management, we wish Brian all the best in the next chapter of his life.

Emma Brohan – Group Human Resource Manager

We also farewelled Emma Brohan from the Management team in August 2012. Emma has worked in a number of capacities for the Ainslie Group since 1994, and has been employed as the Group HR Manager for the past 15 years. Emma has decided to expand her career into a different area of Human Resources; however we are happy to report that Emma will be remaining with the Ainslie Group as a member of the Board of Directors. We wish Emma all the best in her future endeavours.

Employment Milestones

Congratulations to the following staff who have dedicated many years of loyal service to the Ainslie Group;

10 Years of Service

Pamela Rawstron – Bingo Attendant

Karen James – Duty Manager

15 Years of Service

Yu Li – Gaming Analysis / Banking

Lynn Pearce – Administration

Staff Events

During the year, the Club has held a number of social events for their staff including the Annual Staff Christmas Party, Family Christmas Picnic Day and Pool Night. Management continues to work closely with the staff focus group to implement events and strategies to recognise and reward our exceptionally hard working team!

Bridgid Edwards

Group Human Resources Manager



Academy Calisthenics	Harrison School
ACT Cycling Federation Inc	Heart Foundation
ACT Gambling & Racing Commission	Kaleen Tennis Club
ACT Junior Talent Squad for Athletes with a Disability	Komodo Paddle Club
ACT Ladies Tennis Club	Maribyrnong Primary School
ACT Region Veteran Golfers Association	Marist College Foundation
ACT Secondary School Sport	Melba Copeland Secondary School
ACT Women's Baseball	Miles Franklin Primary School
ACTSPORT	Mission Australia
AFSC Social Golf Club	North Ainslie Preschool
Ainslie Football Club	North Canberra Gungahlin Athletics
Ainslie Gungahlin Baseball Club	Oxfam Australia
Ainslie Junior Football Club	Probus Club of Gungahlin
Ainslie Neighbourhood Watch	Probus Club of Ngunnawal
Ainslie Toastmasters	Probus Club of Gold Creek
Ainslie Veterans Football Club	Radford College
ANU Hockey Club	Hawker College
ANU Junior Hockey Club	Rolls Royce Owners Club
ANU Men's Hockey Club	Rotary Club of Canberra North
ANU Women's Hockey Club	RSL ACT Branch
Australian Technical Analysts Association	RSL Day Club
Barnardos Australia	RSPCA
Belconnen Lions Club	Softball ACT
Canberra Central Probus Club	St Michael's Primary School
Canberra City Billiards Social Club	St Monica's Primary School
Canberra City Bowling Club	Superannuated Commonwealth Officers Assoc
Canberra Senators Baseball Club	Sutton Public School
Cerebral Palsy Alliance	The Canberra Hospital
Council on the Aging (ACT)	The Cancer Council
Daramalan College	The Gideons International
Duntroon Community Centre	Triton Owners Club
Fastpitch Softball League	UC Pumas Football Club
Girls on The Move Inc	View Club
Good Shepherd Catholic Primary School	War Memorial Guides
Goodwin Aged Care	War Widows Guild of Australia
Gungahlin Community Council	Watson Pre-School
Gungahlin Jets AFL Club	Weetangera Primary School
Gungahlin Lakes Golf Club	Wheelchair Sports NSW
Gungahlin Lakes Golf Club	Yabbies Cricket Club
Gungahlin Neighbourhood Watch	

Santa's WORKSHOP
EAT DRINK PLAY @ AINSLIE FOOTBALL & SOCIAL CLUB - Drawn Friday 21st December 2012

WORKSHOP
1st \$20,000 Cash
2nd Home Entertainment Package
3rd White Goods Package
4th Kitchen Appliance Package
5th Computer Package

ROLLIE CLASSIC BMW

BEAMER or the BUCK \$

EAT DRINK PLAY @ Ainslie and The Lakes
Ainslie: 6248 8422 Lakes: 6242 6283 Canberra City Bowling Club: 6248 7149


EAT DRINK PLAY @ AINSLIE FOOTBALL & SOCIAL CLUB
DRAWN FRIDAY 21ST DECEMBER 2012



Leisure & THE LOOT
EAT DRINK PLAY @ BUNDAMUN LAKES - Drawn Saturday 22nd December 2012

WORKSHOP
1st \$20,000 Cash
2nd Camper Trailer Package
3rd Adventure Package
4th Outdoor Package
5th Tent Package

Leisure & THE LOOT



HAPPY HOUR Monday - Friday 5.30pm-7:00pm



INSLIE GROUP.com.au

BIRTHDAY PARTIES

CHRISTMAS PARTIES



jazz & blues
friday night 7:00pm - 10:00pm

entice

BOARD OF DIRECTORS



President
Malcolm Scholes



Senior Vice President
Greg Vickers



Vice President
Anthony White



Director
David Lalor



Director
John Bradley



Director
Barbara Marshall



Director
Denis Condon



Director
Wayne Rogers



Director
Trevor Lond



Director
Emma Brohan



Cheif Executive Officer
Richard Hogg

The 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 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 fundraising.

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 40,000 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, Mr R Rendell.

* Deceased

Executive Management

Mr R Hogg – Chief Executive Officer
Mr D J Box – Venue Manager (Ainslie)
Mr A Dowling – Venue Manager (Gungahlin Lakes)
Ms L J Rourke – Chief Financial Officer
Ms B L Edwards – Group Human Resources Manager
Mr S A Good – Group Marketing Manager

Principal Bankers

Commonwealth Bank

Solicitors

Clayton Utz

Auditors

RSM Bird Cameron Partners

FINANCIAL REPORT

For the year ended 30 September 2012



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 10th Annual General Meeting of the Ainslie Football and Social Club Ltd will be held at the Club, 52 Wakefield Avenue, Ainslie, ACT on Sunday 9 December 2012 at 11:00 a.m.

The business of the meeting shall be:

1. Apologies
2. To confirm the minutes of meeting held 11 December 2011
3. To receive from the Directors reports on the activities of the Club for the year ended 30 September 2012
4. To receive and consider the Statements of Accounts and Reports required under the Corporations Act (2001)
5. To elect Directors
6. To appoint an Auditor
7. To consider and vote upon general resolutions to approve benefits (See Note 21 iii)
8. To transact any other business which may be brought forward in conformity with the Club Rules

Richard Hogg
Chief Executive Officer

Election of Directors

- Three nominations are called for the Committee of Management and proformas are available from the Chief Executive Officer during normal business hours.
- Nominations should be lodged with the Chief Executive Officer of the Club by no later than 11:00 a.m. on 2 December 2012.
- Nominees are advised that they must be Ordinary Members of the Club.

Proxy voting is permitted at the Annual General Meeting as follows:

- a. **Right to Appoint.** Each member has the right to appoint a proxy to attend and vote for the members at the Annual General Meeting.
- b. **Who may be a proxy?** A member can appoint any other person to be their proxy. A proxy need not be a member of the company. The proxy appointed can be described in the Proxy Form by an office held, for example, "The Chair of the Meeting".
- c. **Signatures of individuals.** In the case of members, who are individuals, the Proxy Form must be signed by the individual.
- d. **Other authorised persons.** If the person signing the Proxy Form is doing so under Power of Attorney, the Power of Attorney or authorisation (or certified copy of it), as well as the Proxy Form, must be received by the company by the time and at the place in (e) below.
- e. **Lodgement place and deadlines.** A Proxy Form may be obtained by requesting the same from the Club or downloading from our web site www.ainsliigroup.com.au To be effective, Proxy Forms (duly completed and signed) must be received by the Company Secretary at the Ainslie Football Club, 52 Wakefield Street, Ainslie or Gungahlin Lakes, Corner Gundaroo Road and Gungahlin Drive, Nicholls (or requested via email from Richard.hogg@ainsliigroup.com.au) no later than 11:00am, Friday 7 December 2012.

By direction of the Board

Richard Hogg
Chief Executive Officer

10 November 2012

Financial Report Content

Directors' Report	v
Independence Declaration	ix
Independence Audit Report	x
Statement of Comprehensive Income	xii
Balance Sheet.....	xiii
Statement of Changes in equity.....	xiv
Cash Flow Statement	xv
Notes to the Financial Statements	xvi
Directors' Declaration	xxxiii

DIRECTORS' REPORT

Your directors present their report on the club for the financial year ended 30 September 2012.

DIRECTORS –

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

Mr M Scholes	Mrs B Marshall
Mr G Vickers	Mr T Lond
Mr A White	Mr H J Bradley
Mr D Lalor	Mr W Rogers
Mr R Rendell (resigned 11/12/2011)	Mr D Condon
Ms E Brohan (appointed 5/9/2012)	

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

Company Secretary

Mr Richard Hogg (from July 2011 to present) – Mr Richard Hogg is also the Chief Executive Officer of Ainslie Football and Social Club Ltd.

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.

The principal activity of the consolidated entity during the course of the financial year was the operation of licensed club facilities through the provision of bars, restaurants, gaming facilities, functions centres, golf and bowls activities and the provision of accommodation.

The entities short term objectives are to:

- ☐ Primarily, to foster Australian football;
- ☐ To foster golf, bowls and all other sports and recreational pursuits;
- ☐ To provide venues for the recreation of members and their guests in any sport or other recreational pursuit;
- ☐ To become affiliated with any peak administrative body associated with any sport or recreational pursuit;
- ☐ To establish, maintain and conduct a social environment for the accommodation of the members of the Company;
- ☐ To acquire, undertake and carry on any trading activity or business of any nature, whether in the Australian Capital Territory, elsewhere in Australia or the world;
- ☐ To be engaged in any activity which the Company may deem to be of direct or indirect benefit to the Company and its members and their guests;
- ☐ To provide a diverse range of services and amenities to members and their guests in a family friendly environment;
- ☐ To provide financial support to the community either through cash contributions or in kind donations through the use of the club's facilities.

The entities long term objectives are to:

- ☐ Establish and maintain relationships that foster the propagation of Australian rules football, to foster social inclusion and provide broader assistance and support to the community;
- ☐ Be sustainable and strive for the continuous improvement in all business operations which provide maximum benefits to the members of the entity;
- ☐ To provide quality hospitality venues and to be considered a premier club in the ACT and region
- ☐ Explore and develop diversified investment options with the view of maximizing return on investment;

DIRECTORS' REPORT

- To provide broad range support for the community.

To achieve these objectives, the entity has adopted the following strategies:

- The entity strives to attract and retain quality staff and volunteers who are committed to work in the hospitality industry, Australian football, golf and bowls and have a desire to assist the broader community; this has been reflected in low staff turnover. The entity believes retaining quality staff with assist with the long term success of the entity;
- Staff and volunteers work in partnership with a range of community stakeholders and this is evidence by ongoing support for the entities primary objects;
- Staff and volunteers are committed to providing the best possible outcomes for Australian football, golf and bowls. This is evidenced through direct participation and ongoing education and training of staff;
- The staff and volunteers strive to meet consistent standards to achieve industry best practice and to provide clear expectations and professional accountabilities and responsibilities to the stakeholders. This is evidenced by the performance of staff and volunteers being assessed based on these accountabilities, and ensure staff are operating in the best interests of the entity's objective.
- The entity is committed to providing excellent products and quality customer service. This is achieved through internal and external education and training programs in technical skills and knowledge for all staff and volunteers. The entity has a productive working relationship with its staff and its volunteers;
- The entity continues to meet consistent and high levels of community support across the broader community to a diverse range of community groups;

The entity has strong financial management and corporate governance systems managed through the club's business plan, key performance indicators, risk management plan and audit programs. Monitoring of financial performance is reviewed fortnightly by Executive Management and the Board.

OPERATING RESULTS

The result of the club after providing for income tax amounted to a deficit of \$1,929,123 (2011: deficit of \$520,312).

DIVIDENDS

In accordance with the constitution, the company is a company limited by guarantee to the extent of \$2.00 per member and accordingly no shares or debentures have been issued and no dividends have been recommended or paid since the start of the financial year.

REVIEW OF OPERATIONS

Operations comprised the running of licensed club facilities and the provision of member services.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the financial year there was no significant change in the state of affairs of the consolidated entity other than that referred to in the financial statements or notes thereto.

FUTURE DEVELOPMENTS

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

DIRECTORS' REPORT

LIABILITY OF MEMBERS

The liability of each member to contribute towards the payment of liabilities of the club for the costs, charges and expenses for which the Club is liable for upon winding up is limited to the \$2.00 and this amount shall for the purpose of the Act be the amount guaranteed by each member.

INFORMATION ON DIRECTORS –

Mr M Scholes	—	President Committee Member 9 years
Mr G Vickers	—	Senior Vice President Committee Member 13 years
Mr A White	—	Vice President Committee Member 11 years
Mrs B Marshall	—	Committee Member 7 years
Mr W Rogers	—	Committee Member 3 years
Mr H J Bradley	—	Committee Member 28 years
Mr R Rendell	—	Committee Member 13 years
Mr D Condon	—	Committee Member 5 years
Mr D Lalor	—	Committee Member 21 years
Mr T Lond	—	Committee Member 3 years
Ms E Brohan	—	Committee Member 1 month

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 20 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.
Malcolm Scholes	12	12	8	8
Greg Vickers	12	12	8	6
Anthony White	12	12	8	6
David Lalor	12	10	8	8
Ralph Rendell	3	3	1	1
John Bradley	12	11	-	-
Barbara Marshall	12	12	-	-
Wayne Rogers	12	9	-	-
Dennis Condon	10	8	-	-
Trever Lond	12	12	-	-
Emma Brohan	1	1	-	-

INDEMNIFYING OFFICERS OR AUDITOR

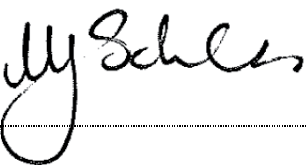
During the financial year, the company paid a premium in respect of a contract insuring the directors of the company, (as listed in this report - Directors), the company secretary and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of any liability that may arise and the amount of the premium. The consolidated entity has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

DIRECTORS' REPORT**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 16th day of November 2012.



RSM Bird Cameron Partners
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AINSLIE FOOTBALL AND SOCIAL CLUB LIMITED

We have audited the accompanying financial report of Ainslie Football and Social Club Limited ("the company"), which comprises the balance sheet as at 30 September 2012, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Ainslie Football and Social Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Liability limited by a
 scheme approved
 under Professional
 Standards Legislation

Major Offices in:
 Perth, Sydney, Melbourne,
 Adelaide and Canberra
 ABN 36 965 185 036

RSM Bird Cameron Partners is a member of the RSM network. Each member of the RSM network is an independent accounting and advisory firm which practises in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.





Opinion

In our opinion the financial report of Ainslie Football and Social Club Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 September 2012 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the company incurred net losses of \$1,929,123 during the year ended 30 September 2012. As of that date, the company's current liabilities exceeded its current assets by \$4,898,935. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

RSM Bird Cameron Partners

RSM Bird Cameron Partners

A handwritten signature in black ink, appearing to read 'G M Stenhouse', written over a horizontal line.

G M STENHOUSE
Partner

Canberra, Australian Capital Territory
Dated: 16 November 2012



RSM Bird Cameron Partners
 Level 1, 103-105 Northbourne Avenue Canberra ACT 2601
 GPO Box 200 Canberra ACT 2601
 T +61 2 6247 5988 F +61 2 6262 8633
 www.rsmi.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Ainslie Football and Social Club Limited for the year ended 30 September 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM Bird Cameron Partners

G M STENHOUSE
 Partner

Canberra, Australian Capital Territory
 Dated: 16 November 2012

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

	Note	2012 \$	2011 \$
Revenues	2	23,664,827	24,082,522
Poker Machine expenses		(8,545,772)	(9,120,521)
Administration expenses		(9,442,103)	(8,515,250)
Bar expenses		(2,752,450)	(2,481,504)
Grants and donations		(1,501,330)	(1,520,910)
Functions and related expenses		(1,400,908)	(1,319,960)
Golf course expenses		(696,981)	(770,110)
Other expenses		(1,254,406)	(874,579)
Result before income tax expense	3	(1,929,123)	(520,312)
Income tax expense	4	-	-
Result for the year		<u>(1,929,123)</u>	<u>(520,312)</u>
Other Comprehensive income;			
Net (loss)/gain on revaluation of assets		(12,850,064)	(47,800)
Total other comprehensive income for the year, net of tax		(12,850,064)	(47,800)
Total Comprehensive income for the year		<u>(14,779,187)</u>	<u>(568,112)</u>

The accompanying notes form part of these financial statements.

BALANCE SHEET
AS AT 30 SEPTEMBER 2012

	Note	2012 \$	2011 \$
CURRENT ASSETS			
Cash assets	5	2,359,641	2,037,986
Trade and other receivables	6	258,707	392,871
Inventories	7	133,495	140,067
Financial & other assets	8	380,360	568,932
TOTAL CURRENT ASSETS		<u>3,132,203</u>	<u>3,139,856</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	38,138,621	48,430,642
TOTAL NON-CURRENT ASSETS		<u>38,138,621</u>	<u>48,430,642</u>
TOTAL ASSETS		<u>41,270,824</u>	<u>51,570,498</u>
CURRENT LIABILITIES			
Trade and other payables	10	2,245,283	2,525,982
Borrowings	12	5,200,000	750,000
Provisions	13	458,847	470,547
Financial liabilities	11	127,008	-
TOTAL CURRENT LIABILITIES		<u>8,031,138</u>	<u>3,746,529</u>
NON-CURRENT LIABILITIES			
Provisions	13	32,752	38,944
Financial liabilities	11	201,096	-
TOTAL NON-CURRENT LIABILITIES		<u>233,848</u>	<u>38,944</u>
TOTAL LIABILITIES		<u>8,264,986</u>	<u>3,785,473</u>
NET ASSETS		<u>33,005,838</u>	<u>47,785,025</u>
EQUITY			
Reserves		1,088,745	13,938,809
Retained earnings		31,917,093	33,846,216
TOTAL EQUITY		<u>33,005,838</u>	<u>47,785,025</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
AS AT 30 SEPTEMBER 2012**

	Investment Revaluation Reserve	Asset Revaluation Reserve	Retained Earnings	Total
	\$	\$	\$	\$
Balance at 30 September 2010	(21,534)	14,008,143	34,366,528	48,353,137
Revaluation increment/(decrement)	(47,800)	-	-	(47,800)
Deficit attributable to the members	-	-	(520,312)	(520,312)
Balance at 30 September 2011	(69,334)	14,008,143	33,846,216	47,785,025
Revaluation increment/(decrement)	32,196	(12,882,260)	-	(12,850,064)
Deficit attributable to the members	-	-	(1,929,123)	(1,929,123)
Balance at 30 September 2012	(37,138)	1,125,883	31,917,093	33,005,838

The accompanying notes form part of these financial statements.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		25,917,362	25,988,471
Payments to suppliers and employees		(23,871,476)	(22,175,529)
Interest received		19,148	143,683
Net cash provided by (used in) operating activities	14	<u>2,065,034</u>	<u>3,956,625</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(6,338,210)	(7,264,574)
Proceeds from sale of property, plant and equipment		144,831	-
Payment for Shares		-	(94,296)
Net cash provided by (used in) investing activities		<u>(6,193,379)</u>	<u>(7,358,870)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		4,450,000	738,134
Repayment of borrowings		-	-
Net cash provided by (used in) financing activities		<u>4,450,000</u>	<u>738,134</u>
Net increase (decrease) in cash held		321,655	(2,664,111)
Cash at the beginning of year		2,037,986	4,702,097
Cash at the end of the year	5	<u>2,359,641</u>	<u>2,037,986</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

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.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

In this context a concern for Directors is that at the date of this report, the company does not have secured debt facilities past 30 June 2013. With net current liabilities of \$4,898,935, as at 30 September 2012, there is a significant level of concern that the company may not, in the absence of a new loan facility past 30 June 2013, be able to continue as a going concern.

The Directors believe there are reasonable grounds that the company will be able to negotiate a new loan facility in the first half of 2013. The Board anticipates a new facility will be for an estimated balance of \$4.3m when due for repayment at 30 June 2013. If appropriate further fixed, variable and capped financial products will be considered at that time.

As disclosed in the financial statements, the company incurred a loss of \$1,929,123 for the current financial year ended 30 September 2012 (2011:\$520,312). Approximately \$350,000 of administration were one-off costs incurred with the completion of the Gungahlin Lakes renovation project together with a management restructure and will not re-occur in 2012/13. Food & Beverage (F&B) and gaming operations were significantly disrupted at Gungahlin during the project (which effectively was concluded in Q1 2011/12) but continued to effect trade over Q2 and Q3 as patronage slowly returned following saturated marketing and promotion of the Gungahlin venue. F&B and gaming revenue levels returned to pre-project levels in Q4 2011/12. For October 2013, gaming revenue is 11% favourable to the same period last year at Gungahlin (and 12% at Ainslie). Bar Sales at Gungahlin are 35.7% favourable for the same period and food is 59.4% favourable. Increased cash flow and profit expected from return of F&B and gaming revenue, particularly at Gungahlin, together with improved efficiencies group wide particularly in the area of wages, energy consumption, telecommunications, donations, promotions and advertising.

Accordingly the Directors believe that the company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the company does not continue as a going concern.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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. Impairment of Assets

At each reporting date, 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. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

d. 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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

e. 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 an employee superannuation fund and are charged as expenses when incurred.
- (ii) Remuneration
There was one employee earning more than two hundred thousand dollars but less than three hundred thousand dollars.

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

f. 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.

g. Comparative Figures

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

h. Revenue

Revenue from the sale of goods or services 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).

i. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

j. 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.

k. 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.

l. Critical Accounting Estimates

The Club evaluates estimates and judgements 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 organisation. No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

m. Company Limited by Guarantee

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

n. Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading purpose of short term profit taking, where they are derivatives not held for hedging purposes, or 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. Realised and unrealised gains and losses arising from the changes in fair value are included in profit or loss in the period in which they arise.

(ii) 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 measure at amortised cost using the effective interest rate method.

(iii) 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 entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

o. New standards and interpretations issued but not yet effective

Reference	Title	Summary	Application date (financial years beginning)	Expected Impact
AASB 9	<i>Financial Instruments</i>	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2013	Minimal Impact
2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends AASB 1,3,4,5,7,101, 102,108,112,118,121,127,128, 131,132,136,139,1023 and 1038 and interpretations 10 and 12 as a result of the issuance of AASB 9.	1 January 2013	Minimal Impact
2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	Amends AASB 1,3,4,5,7,101, 102,108,112,118,120,121,127, 128, 131,132,136,137,139, 1023 & 1038 and interpretations 2, 5, 10, 12, 19 & 127 for amendments to AASB 9 in December 2010.	1 January 2013	Minimal Impact
AASB 10	<i>Consolidated Financial Statements</i>	Replaces the requirements of AASB 127 and Interpretation 112 pertaining to the principles to be applied in the preparation and presentation of consolidated financial statements.	1 January 2013	Minimal Impact
2011-7	<i>Amendments to Australian Accounting Standards arising from AASB 10,11,12,127, 128</i>	Amends AASB 1,2,3,5,7,9, 2009-11,101,107,112,118,121, 124,132,133,136,138,139,1023 & 1038 and Interpretations 5, 9, 16 & 17 as a result of the issuance of AASB 10,11,12,127 and 128	1 January 2013	Minimal Impact
AASB 13	<i>Fair Value Measurement</i>	Provides a clear definition of fair value, a framework for measuring fair value and requires enhanced disclosures about fair value measurement.	1 January 2013	Minimal Impact
2011-8	<i>Amendments to Australian Accounting Standards arising from AASB 13</i>	Amends AASB 1,2,3,4,5,7,9, 101,102,108,110,116,117,118, 119,120,121,132,133,134,136, 138,139,140,141,1004,1023 & 1038 and Interpretations 2,4,12, 13,14,17,19,131&132 as a result of issuance of AASB 13 Fair Value Measurement.	1 January 2013	Minimal Impact

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

o. New standards and interpretations issued but not yet effective (cont)

Reference	Title	Summary	Application date (financial years beginning)	Expected Impact
AASB 119	Employee Benefits	Prescribes the accounting and disclosure for employee benefits. This Standard prescribes the recognition criteria when in exchange for employee benefits.	1 January 2013	Minimal Impact
2011-10	Amendments to Australian Accounting Standards arising from AASB 119	Amends AASB 1,8,101,124,134, 1049,2011-8 & Interpretations 14 as a result of issuance of AASB 119 Employee Benefits.	1 January 2013	Minimal Impact
2011-4	Amendments to Australian Accounting Standards to Remove individual Key Management Personnel Disclosure Requirements.	This standard makes amendments to Australian Accounting Standard AASB 124 Related Party Disclosures.	1 January 2013	Disclosure only

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

	2012	2011
	\$	\$
NOTE 2: REVENUE		
Gross gaming machine revenue - Ainslie Football & Social Club	7,338,790	8,001,040
Gross gaming machine revenue – Gungahlin Lakes and Community Club	8,900,408	9,472,009
Gross gaming machine revenue – Canberra City Bowling Club	138,706	112,781
Interest Revenue	19,148	143,683
Other Revenue	7,267,775	6,353,009
Total Revenue	<u>23,664,827</u>	<u>24,082,522</u>

NOTE 3: EXPENSES

Result before income tax has been determined after:

Expenses:

Cost of sales	1,739,567	1,568,067
Depreciation of non-current assets		
— Buildings	1,643,390	1,289,591
— Plant and equipment	1,999,571	2,115,732
Total depreciation	<u>3,642,961</u>	<u>3,405,323</u>
Lease rental payments	41,000	41,000
Net gain/(loss) on disposal of assets	71,698	87,196

NOTE 4: INCOME TAX

The directors estimate that the cumulative potential future income tax benefit at 30 September 2012 in respect of tax losses not brought to account is \$757,068(2011: \$672,988).

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:

Result before income tax	<u>(1,929,123)</u>	<u>(520,312)</u>
Prima facie tax payable at 30% (2011: 30%)	(578,739)	(156,094)
Tax effect of:		
Non taxable member income arising from principle of mutuality	(475,552)	(149,677)
	<u>(103,187)</u>	<u>(6,417)</u>
Benefit of current year tax losses not recognised	<u>(103,187)</u>	<u>(6,417)</u>
Income tax expense	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

	2012	2011
	\$	\$
NOTE 5: CASH		
Cash at bank	1,413,923	1,072,547
Cash on hand	945,718	965,439
	<u>2,359,641</u>	<u>2,037,986</u>
NOTE 6: RECEIVABLES		
CURRENT		
Trade debtors	258,707	392,871
	<u>258,707</u>	<u>392,871</u>
NOTE 7: INVENTORIES		
Bar stocks	133,495	140,067
	<u>133,495</u>	<u>140,067</u>
NOTE 8: FINANCIAL & OTHER ASSETS		
CURRENT		
Prepayments	115,296	348,152
Shares in listed entities at fair value – available for sale *	265,064	220,780
	<u>380,360</u>	<u>568,932</u>

* As detailed in Note 17 the club has an option to purchase the golf course land in 2026. The club has invested funds to be utilised if the club decides to exercise the purchase option.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

	2012 \$	2011 \$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT		
Leasehold land at fair value	3,575,000	5,700,000
Leasehold land at cost	-	461,000
	<u>3,575,000</u>	<u>6,161,000</u>
Buildings at fair value	21,825,000	43,374,364
Less accumulated depreciation	-	(12,321,024)
	<u>21,825,000</u>	<u>31,053,340</u>
Poker machines at cost	13,809,829	13,545,579
Less accumulated depreciation	(10,618,269)	(10,637,919)
	<u>3,191,560</u>	<u>2,907,660</u>
Plant, equipment and furniture at cost	10,749,159	12,379,253
Less accumulated depreciation	(6,090,078)	(7,651,212)
	<u>4,659,081</u>	<u>4,728,041</u>
Ainslie oval development at fair value	2,250,000	586,099
Ainslie oval plant and equipment at cost	81,894	-
Less accumulated depreciation	(54,878)	(161,308)
	<u>2,277,016</u>	<u>424,791</u>
Motor vehicles at cost	126,356	126,356
Less accumulated depreciation	(98,712)	(94,318)
	<u>27,644</u>	<u>32,038</u>
Apartments – Coffs Harbour		
Land at fair value	1,815,000	2,194,115
Buildings at fair value	680,000	950,000
Less accumulated depreciation	-	(166,707)
	<u>2,495,000</u>	<u>2,977,408</u>
Apartments – Coffs Harbour		
Plant and equipment at cost	198,842	253,940
Less accumulated depreciation	(110,522)	(107,576)
	<u>88,320</u>	<u>146,364</u>
Total Property, Plant and Equipment	<u>38,138,621</u>	<u>48,430,642</u>

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

The Coffs Harbour valuation was carried out at 30 September 2012 by Robert Loader, BBus AAPI of Magann O'Rourke Loader.

The valuation of land and buildings at Wakefield Avenue, Ainslie Oval, Canberra City Bowling Club and Gungahlin Lakes Golf Club was carried out at 30 September 2012 by Frank Brodrick, FAPI of CBRE Valuations Pty Limited.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONT)

Ainslie Oval Development

The Ainslie Oval Development was revalued at 30 September 2012. The land and buildings at valuation that relate to the Ainslie Oval Development are now 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 at valuation \$	Buildings at valuation \$	Poker Machines \$	Plant, Equipment & Furniture \$
Balance at the beginning of the year	6,161,000	31,053,340	2,907,660	4,728,041
Net revaluation increases/(decreases)	(2,586,000)	(11,380,959)	-	(293,041)
Additions	-	3,746,656	1,470,553	1,112,470
Disposals	-	(5,154)	(1,206,303)	(630,789)
Depreciation expense	-	(1,594,037)	(1,143,597)	(827,374)
Depreciation written back on disposals	-	5,154	1,163,247	569,774
Carrying amount at the end of year	3,575,000	21,825,000	3,191,560	4,659,081

	Ainslie Oval \$	Motor Vehicles \$	Coffs Harbour Land & Build at valuation \$	Coffs Harbour Plant & Equip \$	Total \$
Balance at the beginning of the year	424,791	32,038	2,977,408	146,364	48,430,642
Net revaluation increases/(decreases)	1,874,311	-	(459,182)	(37,389)	(12,882,260)
Additions	4,980	-	-	3,551	6,338,210
Disposals	(6,360)	-	-	-	(1,848,606)
Depreciation expense	(26,127)	(4,394)	(23,226)	(24,206)	(3,642,961)
Depreciation written back on disposals	5,421	-	-	-	1,743,596
Carrying amount at the end of year	2,277,016	27,644	2,495,000	88,320	38,138,621

NOTE 10: PAYABLES

CURRENT

	2012 \$	2011 \$
Trade creditors	1,304,251	1,330,424
Other creditors and accruals	941,032	1,195,558
	<u>2,245,283</u>	<u>2,525,982</u>

NOTE 11: FINANCIAL LIABILITIES

CURRENT

Hire purchase lease – poker machines	127,008	-
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NON-CURRENT

Hire purchase lease – poker machines	201,096	-
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Lease liabilities are secured by the underlying leased assets. Lease agreements commenced between January and August 2012 with a 36 month term with total monthly repayments of \$10,584.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

	2012 \$	2011 \$
NOTE 12: BORROWINGS		
Bill Facility	5,200,000	750,000
	<u>5,200,000</u>	<u>750,000</u>

The bill facility has a term of 10 months with a yield rate of 3.60%p.a. plus a usage fee. The bill facility becomes due at 30 June 2013.

NOTE 13: PROVISIONS

CURRENT

Employee entitlements	<u>458,847</u>	<u>470,547</u>
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NON-CURRENT

Employee entitlements	<u>32,752</u>	<u>38,944</u>
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NOTE 14: CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Result after income tax

Result after income tax	(1,929,123)	(520,312)
Non-cash flows in result from ordinary activities		
Net Depreciation	1,840,717	3,405,323
Net gain/loss on disposal of property, plant and equipment	1,762,422	87,196
Non cash dividend	(12,088)	(10,727)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
Decrease/(Increase) in accounts receivable	134,164	(115,899)
(Increase)/decrease in prepayments	232,856	(114,999)
(Increase)/decrease in inventories	6,573	(11,917)
Increase/(decrease) in trade creditors and accruals	47,405	1,321,549
(Decrease)/Increase in provisions	<u>(17,892)</u>	<u>(83,589)</u>
Cash Flows from operations	<u>2,065,034</u>	<u>3,956,625</u>

The entity has credit stand-by facilities in place to the value of \$5,400,000 comprising \$5,200,000 of commercial bills and a \$200,000 bank overdraft. At 30 September 2012, the value of unused facilities totals \$200,000 which is the bank overdraft.

Subject to the continuance of a satisfactory financial position, the unused facilities may be drawn at any time.

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 Nicholls ACT, the club's premises and land at Canberra City Bowling Club situated at Elder Street Braddon ACT, the premises and land located at Beach Park Holiday Apartments 99 Ocean Parade Coffs Harbour NSW 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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

NOTE 16: FINANCIAL INSTRUMENTS

a. Financial Risk Management Policies

The Ainslie Football & Social Club Limited's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The entity does not have any derivative instruments at 30 September 2012.

i. Treasury Risk Management

The board members meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii Financial Risk Exposures and Management

The main risks the entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

Interest rate risk is managed with a mixture of floating cash investments.

Foreign currency risk

The entity is not exposed to fluctuations in foreign currencies.

Liquidity risk

The entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained.

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 impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Ainslie Football & Social Club Limited does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into.

Credit risk is managed by the entity and reviewed regularly by the board. It arises from exposures to customers as well as through deposits with financial institutions.

b. Financial Instruments Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing		Non-interest Bearing		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	%	%	'000 \$	'000 \$	'000 \$	'000 \$	'000 \$	'000 \$	'000 \$	'000 \$
Financial assets										
Cash at bank	3.25	2.75	1,414	1,073	-	-	-	-	1,414	1,073
Cash on hand	-	-	-	-	-	-	946	965	946	965
Receivables	-	-	-	-	-	-	259	393	259	393
Total			1,414	1,073	-	-	1,205	1,358	2,619	2,431
Financial liabilities										
Trade payables	-	-	-	-	-	-	2,245	2,526	2,245	2,526
Borrowings	3.60	5.62	5,200	750	-	-	-	-	5,200	750
Total			5,200	750	-	-	2,245	2,526	7,445	3,276

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

	2012 \$	2011 \$
NOTE 16: FINANCIAL INSTRUMENTS (CONT)		
Trade and sundry payables are expected to be paid as follows:		
Account payables		
Less than 12 months	2,245,283	2,525,982
Total trade and sundry payables	<u>2,245,283</u>	<u>2,525,982</u>

c. Net Fair Values

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Sensitivity analysis:

Interest rate risk

Ainslie Football & Social Club Limited has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 30 September 2012, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

Change in profit

— Increase in interest rate by 1%	14,140	10,730
— Decrease in interest rate by 1%	<u>(14,140)</u>	<u>(10,730)</u>

Change in equity

— Increase in interest rate by 1%	14,140	10,730
— Decrease in interest rate by 1%	<u>(14,140)</u>	<u>(10,730)</u>

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

NOTE 17: CAPITAL AND LEASING COMMITMENTS

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable — minimum lease payments

— not later than 1 year	41,000	41,000
— between 1 and 5 years	164,000	164,000
— greater than 5 years	<u>410,000</u>	<u>451,000</u>
	<u>615,000</u>	<u>656,000</u>

The property lease is a non-cancellable lease with a 88 year term, with rent payable annually in advance. An option exists to purchase the land at the end of 2026.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

NOTE 18: 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 Anthony White
Mr Greg Vickers	Mr Malcolm Scholes
Mr Trevor Lond	Mr David Lalor
Mrs Barbara Marshall	Mr John Bradley
Mr Wayne Rogers	Mr Denis Condon
Ms Emma Brohan	

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 have received services from the following committee members

- 1) Mr John Bradley for \$916.30 (GST inclusive) for the various construction work performed by his company H J Bradley Pty Ltd.

b) Key management personnel compensation

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

	2012 \$	2011 \$
Short-term employee benefits	678,021	415,841
Post employment benefits	56,067	39,138
TOTAL BENEFITS	<u>734,088</u>	<u>454,979</u>

NOTE 19: AUDITORS' REMUNERATION

Remuneration of the auditor for:

- auditing or reviewing the financial report	34,300	32,850
- taxation services	2,700	2,700
	<u>37,000</u>	<u>35,550</u>

NOTE 20: 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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

NOTE 21: INFORMATION PROVIDED UNDER THE GAMING MACHINE ACT 2004

i. REMUNERATION OVER \$100,000

The number of employees of the Company who received remuneration in excess of \$100,000 during the year was five.

ii. CONTRACTUAL ARRANGEMENTS OR CONSULTANCIES IN EXCESS OF \$49,999

Contracting Party	Details	Contracting Party
ActewAGL Retail	Electricity, Gas, Water & Sewerage	915,381.61
ACT Revenue Office	Rates, Land Tax & Payroll Tax	328,756.43
Ainsworth Game Technology	Gaming Hardware	151,280.00
Aristocrat Technologies	Gaming Hardware, Servicing & Software Support	658,219.47
Australian Liquor Marketers	Liquor & Non-Liquor Purchases	484,618.73
BD & CM Mills	Cleaning Services	300,694.24
Blair Leisure Pty Ltd	Golf Professional Services	118,368.60
British American Tobacco	Tobacco Purchases	68,184.81
Canberra FM Radio Pty Ltd	Advertising	156,520.11
ClubsACT	Membership & Entertainment	70,701.47
Commonwealth Bank	Financial Services	375,743.52
Coca-Cola Amatil Limited	Liquor & Non-Liquor Purchases	167,336.15
Encore Cleaning Service	Cleaning Services	129,517.15
Fosters Limited	Liquor Purchases	857,278.59
FOX Sports Entertainment	Entertainment Services	91,039.42
Hamilton Brokers Pty Limited	Insurance	323,545.64
IGT (Australia) Pty Ltd	Gaming Hardware, Servicing & Software Support	393,219.01
King Air Pty Ltd	Air-Conditioning Services	81,319.88
Linfox Armaguard Pty Ltd	Banking Security	59,429.22
Micros-Fidelio (Australia) Pty Ltd	POS Systems, Hardware & Software	83,687.84
OA-Computing Pty Ltd	IT Services	161,222.50
Prime Television	Advertising	50,817.40
Project Coordination Pty Ltd	Building Services	3,934,792.99
Radio Canberra Pty Ltd	Advertising	51,040.00
RSM Bird Cameron	Audit & Taxation Services	44,543.40
Secom (Australia) ACT Pty Ltd	Security Guards	248,089.05
Shuffle Master Australasia	Gaming Hardware	114,675.00
Sky Channel Pty Ltd	Entertainment Services	73,271.56
Stadium Turf Management Pty Ltd	Turf Management Services	234,116.19
Tooheys Pty Ltd	Liquor Purchases	353,224.51
Topgun Catering Pty Ltd	Catering Services	63,671.55
TransACT Capital Communications	Communications	98,061.83
Transpacific Cleanaway Pty Ltd	Rubbish Removal	59,845.40

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

NOTE 21: INFORMATION PROVIDED UNDER THE GAMING MACHINE ACT 2004 (Cont)

iii. Arrangements with “Influential Persons”

The Company has provided the following benefits during the financial year:

Position	Benefit	Purpose	Value (\$)	Provider of Benefit
Marketing Manager	Travel Expenses to AFL G/F	Industry Networking	689	Club
2 Directors & CEO	Clubs ACT Luncheon	Industry Networking	290	Club
7 Attendees	Clubs ACT Members Luncheon March 2012	Industry Networking	350	Club
3 Managers	Clubs ACT Women in Clubs Network Luncheon	Industry Networking	99	Club
2 Directors & Partners, CEO & Partner, Bowls President & Partner	Clubs ACT Awards for Excellence	Industry Networking	1,320	Club
7 Directors & CEO	ClubsACT Golf Day	Industry Networking	1150	Club
9 Directors, 5 Partners, CEO and Asst. Manager	ClubsACT Conference	Education & Industry Networking	11,070	Club
Venue Manager	USA Gaming Tour & G2E World gaming Conference	Education & Industry Networking	6,170	Club
Member Doreen Rawson	Payment of Wake	Long Standing Member	500	Club
Member Eric Turner	Payment of Wake	Long Standing Member	1,282	Club

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements, being the Statement of Comprehensive Income, 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 Australian Accounting Standards; and
 - b. Give a true and fair view of the financial position as at 30 September 2012 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.

Director

Dated this 16th day of November 2012.





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