



AINSLIE FOOTBALL & SOCIAL CLUB LTD

2016 ANNUAL REPORT



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ACHIEVEMENTS









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PRESIDENT'S REPORT

MALCOLM SCHOLES

President Ainslie Football and Social Club Limited



I hereby report to members, on behalf of the board and management, on the performance of the Ainslie Football and Social Club (Ainslie Group) for the Financial Year 2015/16.

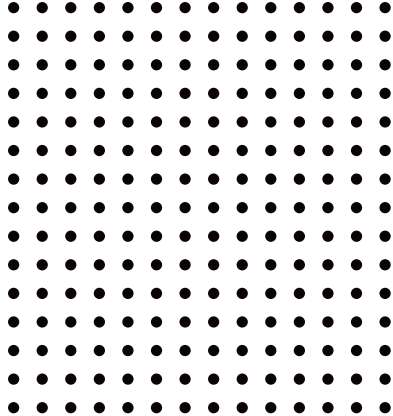
The past financial year has seen a reported loss of \$955k against a profit of \$262k in the previous financial year. Revenue was \$26.26m (2014-15 \$28.16m). Whilst our trading position continues to improve at Gungahlin Lakes Golf & Community Club, a decline in revenue at Ainslie Football & Social Club on the back of a 12 month redevelopment period has eventuated as forecasted.

As foreshadowed in last year's annual report, the Ainslie Football & Social Club renovation has been completed as planned and lead indicators suggest an immediate upturn in business. The board and management are very proud to deliver to members our modern and attractive venue.

Progress on the relocation of bowls from Braddon to Gungahlin continues with the development application now lodged for the construction of two new synthetic bowling greens on the old par four 14th hole. The 14th hole is now planned for conversion to a signature par three for all club patrons to be able to view from inside the club. This is a significant outcome and on behalf of the board, I would like to extend our appreciation to sub-committee members of both the Canberra City Bowling Club and Gungahlin Lakes Golf Club for their dedication and cooperation on this matter.

The Ainslie Group is currently in discussions with the ACT government around funding assistance to offset the significant cost of building the new bowling greens. The Group's commitment to these works will finally deliver bowling to Gungahlin. It is expected that development approval will be received in late November with work to commence on this project in early 2017 with completion marked for mid-2017.

The agreement with the Ainslie Football Club to reduce funding over a three year period to a more sustainable position (2014-2016) has now matured. I can report to members that the Ainslie Football Club achieved its new funding target and with that milestone celebrated Premierships in all senior grades in 2016. The board and management of the Ainslie Football Club should be congratulated on their on-field success and commended on their financial achievement in 2016, along with their successful and continued drive for additional external funding.



The board and management have and continue to execute on an agreed strategy to continue to rebuild and grow our business which has seen us rationalise underperforming assets such as Coffs Harbour apartments and the Canberra City Bowling Club in recent years. In parallel, we have completed two significant renovations at Gungahlin Lakes and our iconic Ainslie Football & Social Club at a combined cost of some \$17m. We are in a strong position with manageable debt levels to continue to meet our objects and continue to grow our business.

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

We continue to have a stable board committed to improving the growth of our business. Further, we have a strong management team in place to support this objective. The board is pleased to report that CEO Simon Patterson has been re-contracted to the Ainslie Group on an ongoing basis.

The Board acknowledges the continuing pressure and challenges on the club industry here in the Australian Capital Territory.

With the re-election of the Labor/Greens government, the threat from poker machines in the hands of privately operated foreign owned Canberra Casino (Aquis Entertainment - sponsors of the Brumbies Rugby organisation) is now real. The timing of this impact is unknown given the proposed caveats to be imposed on Aquis Entertainment

around major investment in their existing casino site including hotels, retail, hospitality and new gaming areas prior to the allocation of a licence.

As reported last year, this latest push by local casino owners strikes at the very core of a community based gaming model where all profits are returned to the community through community facility, sporting donations and other community grants. Allowing privateers to participate in gaming machine entertainment via the casino will signal the further decline of club groups, impacting employment and commitments to the sporting and other communities they serve. This will create a greater financial impost on Canberra families and the ACT Government budget, whom will need to take over the void left by the withering ACT community based club industry. Such a short-sighted view attached to the inducement through the promise of a new public amenity for the ACT would signal a “rolling of the dice” by a local government that, in principal, does not support gaming in the ACT.

Despite these challenges, we continue to focus on growth through strengthening our core operations and will continue to look into diversification opportunities to help drive revenues commensurate to fund our core and community activities. On this point, the board and management acknowledge the challenges in moving away from a reliance on gaming machine revenue. Despite our best efforts and sincere intentions, this is not a quick fix particularly with limited resources available to our club group.

The Board of Directors and Management look forward to serving members and stakeholders and reporting continued positive outcomes in 2017.

MALCOLM SCHOLES

CHIEF EXECUTIVE OFFICER'S REPORT

SIMON PATTERSON

Chief Executive Officer Ainslie Football and Social Club Limited



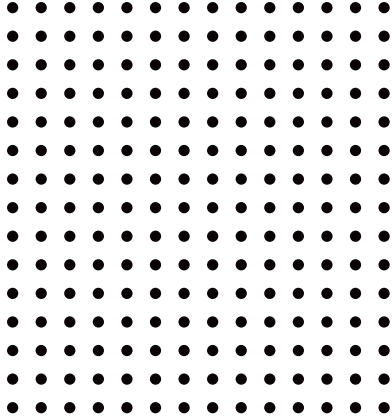
Dear Members,

The 2015/16 financial year has again been a tough environment from an economic, political and regulatory perspective. The looming threat of the Canberra Casino (and their push for electronic gaming machines) appears now to be a reality, this puts the long standing community based gaming model in jeopardy. As I noted in my report last year the ACT remains the only jurisdiction in Australia operating such a model. The Ainslie Football and Social Club has always enjoyed a collaborative relationship with government however the unravelling of the community gaming model now puts at risk more than 1,000 sporting, cultural and charitable organisations that clubs support and 2,300 jobs clubs provide.

The club's Community Contributions program remains pivotal with over \$1.1 million donated in 2016. This support assists many sporting, community and charitable organisations and community facilities. This assistance is critical for many groups and really goes to the heart of the purpose for community clubs. Our commitment to our community will not be compromised.

The Ainslie Football and Social Club Limited recorded a loss of \$955K for the financial year ending 30 September 2016. The Group recorded total revenues of \$26.26m for the period. The decline in revenues are attributed to the 12 month redevelopment of Ainslie Football Club. Gungahlin Lakes Golf and Community Club's trading position continues to strengthen with final year end results exceeding budget expectations.

Members will have noticed some major changes at Ainslie over the past year with the refurbishment of the lower level of the club now complete. I think you will all agree that this has been a long time coming, but well worth the wait. The refurbishment has delivered a more contemporary club focusing on intimate spaces and the latest in design features. I am extremely pleased with the final result and believe Ainslie is now the best boutique club in Canberra. I encourage all members to visit Ainslie and in particular experience Limestone at Ainslie, the club's new dining options. Whilst the past 12 months has not been ideal during the renovations, I sincerely thank all members and staff for their ongoing support and patience, you really should be proud of your new club!



The Ainslie Football Club (AFC) should be congratulated for their on-field success in 2016 with a number of teams celebrating premiership success. Particular mention must go to 1st Grade, 2nd Grade and Rising Stars (Under 18's) and senior coach, Chris Rourke. I would also like to acknowledge the support of Craig Wallace and AFC President Ian Muir and his board through-out the year.

The progress on the relocation of Canberra City Bowling Club to Gungahlin will continue in 2017. A lot of foundation work was achieved in 2016 and I would like to acknowledge the assistance of the joint committee that represent both our bowling and golfing interests for their assistance and guidance throughout the year. At the time of writing the club was expecting final development approval for the works. It is anticipated that works on both the new bowling facilities and modifications to the Par 14 would begin in February 2017.

Both Ainslie Football Club and Gungahlin Lakes participated in the 2016 ClubsACT Community and Service Awards. Both venues were successful in a number of award categories collecting 4 awards on the night. Of particular significance was the "People's Choice Award" which was this year awarded to Gungahlin Lakes Golf and Community Club! Over 15,000 votes were received and I understand Gungahlin achieved a very high vote count. I think both members and staff should be immensely proud of your clubs, this is a great achievement.

Our staff are the key to our ongoing success and I would like to take this opportunity to recognise all staff for their substantial efforts in 2016. In particular I would like to recognise Stephen Gallacher the Group's Chief Financial Officer, for his dedication and considered advice over the past 12 months.

I would like to thank the President, Malcolm Scholes and board of directors for their ongoing support. Also the ongoing support and dedication of both the bowls and golf committees should be commended.

Finally, a very special thanks must go to all our members, it is your continued support that allows the Ainslie Group to provide great services and facilities and to build on these into the future. I look forward to 2017.

SIMON PATTERSON



GREAT DINING

GREAT TIMES



COMMUNITY CONTRIBUTIONS



ACT Branch Superannuated Commonwealth Officers Association
ACT Justice of the Peace Association
ACT Ladies Tennis Branch
ACT Region Veterans Golfers Association
ACT Totally & Permanently Incapacitated Association
Ainslie Football Club Inc
Ainslie Gungahlin Bears Baseball Club Inc
Ainslie Gungahlin Junior Baseball Club Inc
Ainslie Veterans Football Club
Amaroo School
Arthritis Foundation
Burgmann Anglican School
Camp Quality
Canberra Central Probus Club
Canberra City Bowling Club
Cerebral Palsy Alliance
Communities at Work
DEAFAC
Gungahlin Lakes Golf Club
Gungahlin United Football Club
Harrison School
Komodo Paddle Club
Lyneham High School
Majura Primary School
North Canberra Gungahlin Athletics
Novaglade Sports Club
Palmerston District Primary School
Probus Gold Creek
Probus Gungahlin
Probus Ngunnawal
RSL ACT Sub Branch
RSL Day Club
Snowy Hydro SouthCare
Soldier On
Special Children's Christmas Party
Starlight Children's Foundation
Toastmasters International
Watson Preschool Parents' Association

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 14th Annual General Meeting of the Ainslie Football and Social Club Limited will be held at the Club, 52 Wakefield Avenue, Ainslie, ACT on Sunday 11 December 2016 at 11:00 a.m.

The business of the meeting shall be:

- 1) Apologies;
- 2) To confirm the minutes of Annual General Meeting held 13 December 2015;
- 3) To receive and consider the Directors' Reports for the year ended 30 September 2016;
- 4) To receive and consider the Statements of Accounts and Reports required under the Corporations Act (2001);
- 5) To elect (3) Directors;
- 6) To appoint an auditor;
- 7) To consider and vote upon general resolutions to approve Director benefits; and
- 8) To transact any other business which may be brought forward in conformity with the Club Rules.

SIMON PATTERSON
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 11:00am on Sunday 4 December 2016.
- 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. 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 simon.patterson@ainsliigroup.com.au) no later than 11:00am, Friday 9 December 2016.

BOARD OF DIRECTORS



Malcolm Scholes
President



Greg Vickers
Senior Vice President



Wayne Rogers
Vice President



Anthony White
Director



David Lalor
Director



Denis Condon
Director



Trevor Lond
Director



Emma Brohan
Director



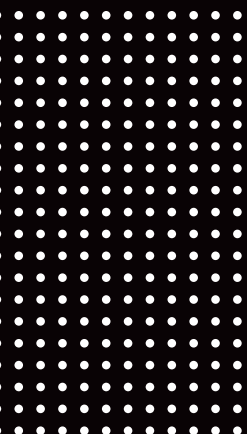
Mark Sinclair
Director



Stewart Cross
Director



Simon Patterson
Chief Executive Officer





PREMIERS 2016

Ainslie First Grade | Ainslie Second Grade
Ainslie Under 18's Rising Stars



FINANCIAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

AINSLIE FOOTBALL AND SOCIAL CLUB LIMITED
ABN 17 102 364 321



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DIRECTORS' REPORT

Your directors present their report on the club for the financial year ended 30 September 2016.

DIRECTORS

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

Mr M Scholes	Mr W Rogers
Mr T Lond	Mr D Lalor
Mr G Vickers	Mr D Condon
Mr S Cross	Ms E Brohan
Mr A White	Mr M Sinclair

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

COMPANY SECRETARY

The company secretary is Mr Simon Patterson. Mr Simon Patterson is also the Chief Executive Officer of Ainslie Football & Social Club Ltd.

PRINCIPAL ACTIVITY

The principal activity of the club, a not-for-profit entity, 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 three licensed club facilities through the provision of bars, restaurants, gaming facilities and function centres, as well as the ongoing provision and maintenance of sporting facilities and financial support for Australian football, golf and bowls activities.

The entity's short term objectives primarily focus on fostering Australian football along with the sports of golf and lawn bowls and other sports as required. This is achieved through the provision of social and sporting venues for the recreation of our members and their guests and from which the entity may derive revenue. As a not-for-profit entity, all revenues are reinvested for the benefit of members through the provision of a diverse range of services and amenities.

In the longer term it is the objective to ensure the sustainability of the entity and to explore and develop diversified investment options with the view of maximizing return on investment compatible with the continued broad range support provided to members and the wider community.

To achieve these objectives the entity operates three licensed club venues across the ACT and provides support to a number of sporting and community organisations through community grants, facility infrastructure and other methods. Further, it strives to retain quality staff and volunteers committed to work in hospitality and in sport and believes that in so doing, this further assists with its long term success.

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 regularly by Executive Management and the Board.

OPERATING RESULTS

The net operating result of the club after providing for income tax amounted to a loss of (\$955,376) (2015: surplus of \$262,485).

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 thereof is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this 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 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 13 years
Mr G Vickers -	Senior Vice President Committee Member 17 years
Mr W Rogers -	Vice President Committee Member 7 years
Mr A White -	Committee Member 15 years
Mr D Lalor -	Committee Member 25 years
Mr D Condon -	Committee Member 9 years
Mr T Lond -	Committee Member 7 years
Ms E Brohan -	Committee Member 4 years
Mr M Sinclair -	Committee Member 2 years
Mr S Cross -	Committee Member 2 years

DIRECTORS' AND EXECUTIVE OFFICER'S 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 22 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
Malcom Scholes	12	11	10	9
Greg Vickers	12	12	10	8
Anthony White	12	10	10	10
David Lalor	12	11	10	9
Wayne Rogers	12	8	10	10
Dennis Condon	12	11		
Trevor Lond	12	11		
Emma Brohan	12	10		
Mark Sinclair	12	9	10	8
Stewart Cross	12	9		

INDEMNIFYING OFFICERS OR AUDITOR

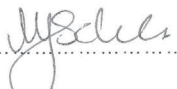
During the financial year, the company paid a premium in respect of a contract insuring the directors of the company, (as listed in this report - Directors), the company secretary and all executive officers of the company and of any related body corporate against a liability incurred as such a director, 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.

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 Lead 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 2016

INDEPENDENCE DECLARATION



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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Ainslie Football and Social Club Limited for the period ended 30 September 2016, 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.

A handwritten signature in dark ink that reads 'Rsm'.

RSM Australia Partners

A handwritten signature in dark ink that reads 'GED STENHOUSE'.

Canberra, Australia

Dated 16 November 2016

GED STENHOUSE
Partner

THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

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RSM Australia Partners ABN 96 965 185 036

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INDEPENDENT AUDITOR'S REPORT



RSM Australia 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, which comprises the statement of financial position as at 30 September 2016, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the financial period.

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.

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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.

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 consolidated entity's financial position as at 30 September 2016 and of its performance for the period ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

RSM

RSM Australia Partners

A handwritten signature in black ink, appearing to read 'Ged Stenhouse'.

Canberra, Australian Capital Territory

Dated 16 November 2016

GED STENHOUSE
Partner

FINANCIAL STATEMENTS

AINSLIE FOOTBALL AND SOCIAL CLUB LIMITED ABN 17 102 364 321

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	2016 \$	2015 \$
Revenues	2	26,264,436	28,155,952
Gaming Machine expenses		(8,401,061)	(8,132,415)
Administration expenses		(8,127,641)	(7,937,301)
Bar expenses		(2,446,491)	(2,755,364)
Catering expenses		(5,191,085)	(5,472,865)
Grants and donations		(1,122,194)	(1,103,784)
Functions and related expenses		(429,237)	(581,965)
Golf course expenses		(1,207,369)	(1,087,092)
Other expenses		(294,734)	(822,681)
Result before income tax expense	3	(955,376)	262,485
Income tax expense	4	-	-
Net operating result for the year		(955,376)	262,485
Other Comprehensive income			
Net movement in asset revaluation reserve		(5,191,218)	4,923,434
Revaluation increment (shares)		558	(19,560)
Total other comprehensive income for the year, net of tax		(5,190,660)	4,903,874
Total Comprehensive income for the year		(6,146,036)	5,166,359

AINSLIE FOOTBALL AND SOCIAL CLUB LIMITED
ABN 17 102 364 321

BALANCE SHEET
AS AT 30 SEPTEMBER 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash assets	5	3,463,769	3,317,654
Trade and other receivables	6	293,245	102,612
Inventories	7	187,645	188,067
Financial & other assets	8	597,793	647,687
Assets held for sale	9	-	3,800,000
TOTAL CURRENT ASSETS		4,542,452	8,056,020
NON-CURRENT ASSETS			
Property, plant and equipment	9	37,586,980	36,293,428
Investment Property	9	495,000	495,000
TOTAL NON-CURRENT ASSETS		38,081,980	36,788,428
TOTAL ASSETS		42,624,432	44,844,448
CURRENT LIABILITIES			
Trade and other payables	10	3,465,017	2,634,053
Borrowings	12	225,000	430,995
Provisions	13	695,344	686,502
Financial liabilities	11	401,085	165,519
TOTAL CURRENT LIABILITIES		4,786,446	3,917,069
NON-CURRENT LIABILITIES			
Borrowings	12	5,542,607	2,445,652
Provisions	13	27,966	68,278
TOTAL NON-CURRENT LIABILITIES		5,570,573	2,513,930
TOTAL LIABILITIES		10,357,019	6,430,999
NET ASSETS		32,267,413	38,413,449
EQUITY			
Reserves		490,880	5,681,540
Retained earnings		31,776,533	32,731,909
TOTAL EQUITY		32,267,413	38,413,449

AINSLIE FOOTBALL AND SOCIAL CLUB LIMITED
ABN 17 102 364 321

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Investment Revaluation Reserve	Asset Revaluation Reserve	Retained Earnings	Total
	\$	\$	\$	\$
Balance at 30 September 2014	54,096	723,570	32,469,424	33,247,090
Revaluation increment/(decrement)	(19,560)	4,923,434	-	4,903,874
Surplus attributable to the members	-	-	262,485	262,485
Balance at 30 September 2015	34,536	5,647,004	32,731,909	38,413,449
Revaluation increment/(decrement)	558	(5,191,218)	-	(5,190,660)
Surplus attributable to the members	-	-	(955,376)	(955,376)
Balance at 30 September 2016	35,094	455,786	31,776,533	32,267,413

AINSLIE FOOTBALL AND SOCIAL CLUB LIMITED
ABN 17 102 364 321

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		28,700,247	31,018,968
Payments to suppliers and employees		(30,932,204)	(28,498,174)
Interest received		25,282	30,084
Net cash provided by (used in) operating activities	14	2,206,675	2,550,878
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(9,301,428)	(2,444,305)
Proceeds from sale of property, plant and equipment		3,800,000	2,818
Net cash provided by (used in) investing activities		(5,501,428)	(2,441,487)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		4,186,799	457,862
Repayment of borrowings		(745,931)	(693,497)
Net cash provided by (used in) financing activities		3,440,868	(235,635)
Net increase (decrease) in cash held		146,115	(126,244)
Cash at the beginning of year		3,317,654	3,443,898
Cash at the end of the year		3,463,769	3,317,654

FINANCIAL STATEMENT NOTES

The financial statements cover Ainslie Football and Social Club Limited as an individual entity, incorporated and domiciled in Australia. Ainslie Football and Social Club Limited is a company limited by guarantee.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board.

The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected noncurrent assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

ACCOUNTING POLICIES

a. Inventories

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

b. Property, Plant and Equipment

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

Property

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

Plant and equipment

Plant and equipment are measured on the cost basis. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Leasehold buildings	2.5% to 27%
Gaming machines	20% to 40%
Plant, equipment and furniture	5% to 40%
Ainslie oval development	2.5% to 27%
Motor vehicles	15%

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

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 and 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.

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.

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

(0) 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 measured 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.

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2016. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments:

Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the company.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the company.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The company will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the company.

NOTE 2: REVENUE

	2016 \$	2015 \$
Gross gaming machine revenue - Ainslie Football & Social Club	5,584,984	6,235,854
Gross gaming machine revenue - Gungahlin Lakes and Community Club	9,060,326	8,831,718
Gross gaming machine revenue - Canberra City Bowling Club	10,402	90,502
Interest Revenue	25,282	30,084
Other Revenue	11,583,442	12,967,794
Total Revenue	26,264,436	28,155,952

NOTE 3: EXPENSES

Result before income tax has been determined after:

Expenses:

Depreciation of non-current assets

— Buildings	558,750	627,492
— Plant and equipment	2,087,225	1,827,137
Total depreciation	2,645,975	2,454,629

Lease rental payments	41,000	42,578
Net gain/(loss) on disposal of assets	(143,101)	44,322

NOTE 4: INCOME TAX

The directors estimate that the cumulative potential future income tax benefit at 30 September 2016 in respect of tax losses not brought to account is \$1,034,049 (2015: \$400,777).

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:

	2016 \$	2015 \$
Result before income tax	(955,376)	262,485
Prima facie tax payable at 30% (2015: 30%)	(286,613)	78,745
Tax effect of:		
Non taxable member income arising from principle of mutuality	192,038	(146,777)
	(94,575)	(68,032)
Prior year tax losses recouped		
Benefit of current year tax losses not recognised	94,575	68,032
Income tax expense	-	-

NOTE 5: CASH

Cash at bank	2,320,094	2,210,857
Cash on hand	1,143,675	1,106,797
	3,463,769	3,317,654

NOTE 6: RECEIVABLES**CURRENT**

Trade debtors	293,245	102,612
	293,245	102,612

NOTE 7: INVENTORIES

Stock in hand	187,645	188,067
	187,645	188,067

NOTE 8: FINANCIAL & OTHER ASSETS

Prepayments	183,830	251,161
Shares in listed entities at fair value – available for sale *	413,963	396,526
	597,793	647,687

* As detailed in Note 17 the club has an option to purchase the golf course land in 2027. The club has invested funds to be utilised if the club decides to exercise the purchase option.

2016
\$

2015
\$

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

A) ASSET HELD FOR SALE

CURRENT

Asset held for Sale*	-	3,800,000
Total Assets Held for Resale	-	3,800,000

* On the 24 June 2015, the Ainslie Group exchanged contracts on the sale of its land and buildings at 20 Farrer Street, Braddon, ACT, for a total sum of \$3,800,000 GST excluded, with a deferred final settlement of 12 months. A deposit of \$380,000 was received in relation to the sale and which was held in trust through the Group's solicitors Bradley Allen Love, pending release at the time of the final settlement. This transaction has been settled in the current financial year.

B) PROPERTY PLANT AND EQUIPMENT

NON-CURRENT

Property, Plant and Equipment

Leasehold land at fair value	2,500,000	2,500,000
	2,500,000	2,500,000
Buildings at fair value	23,800,000	22,350,000
Less accumulated depreciation	(368,750)	-
	23,431,250	22,350,000
Gaming machines at cost	15,382,543	14,572,471
Less accumulated depreciation	(11,024,410)	(10,548,390)
	4,358,133	4,024,081
Plant, equipment and furniture at cost	11,533,859	11,837,835
Less accumulated depreciation	(7,244,635)	(7,359,887)
	4,289,224	4,477,948
Ainslie oval development at fair value	2,600,000	2,600,000
Ainslie oval plant and equipment at cost	146,400	81,069
Less accumulated depreciation	(106,127)	(64,767)
	2,640,273	2,616,302
Motor vehicles at cost	125,900	122,719
Less accumulated depreciation	(112,426)	(110,213)
	13,474	12,506
Work in progress	354,626	312,591
	37,586,980	36,293,428

C) INVESTMENT PROPERTY

NON-CURRENT

	495,000	495,000
	495,000	495,000

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 Magann O'Rourke Loader. The valuation of land and buildings at Ainslie Oval, Canberra City Bowling Club and Gungahlin Lakes Golf Club were carried out at 30 September 2015 by Knight Frank Valuations Canberra. The valuation of land and buildings at Wakefield Avenue, Ainslie were carried out at 30 September 2016 by Knight Frank Valuations Canberra.

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	Gaming Machines	Plant, Equipment & Furniture	Ainslie Oval
	\$	\$	\$	\$	\$
Balance at the beginning of the year	2,500,000	22,350,000	4,024,081	4,477,948	2,616,302
Additions	-	-	1,668,977	690,684	65,332
Disposals	-	-	(850,725)	(994,660)	-
Reclassification	-	(979,834)	6,831,218	-	-
Revaluation	-	(5,191,218)	-	-	-
Depreciation expense	-	(558,750)	(1,365,746)	(677,904)	(41,361)
Depreciation written back on revaluation	-	-	881,546	793,156	-
Carrying amount at the end of year	2,500,000	23,431,250	4,358,133	4,289,224	2,640,273

	Motor Vehicles	Coffs Harbour Land at valuation	WIP	Total
	\$	\$	\$	\$
Balance at the beginning of the year	12,506	495,000	312,591	36,788,428
Additions	3,182	-	6,873,253	9,301,428
Disposals	-	-	-	(1,845,385)
Reclassification	-	(495,000)	(6,831,218)	(495,000)
Revaluation	-	-	-	(5,191,218)
Depreciation expense	(2,214)	-	-	(2,645,975)
Depreciation written back on disposals	-	-	-	1,674,702
Carrying amount at the end of year	13,474	-	354,626	37,586,980

NOTE 10: PAYABLES

CURRENT

	2016 \$	2015 \$
Trade creditors	3,056,874	1,564,249
Other creditors and accruals	408,143	1,069,804
	3,465,017	2,634,053

NOTE 11: FINANCIAL LIABILITIES

CURRENT

Hire purchase lease – gaming machines	401,085	165,519
Lease liabilities are secured by the underlying assets		

NOTE 12: BORROWINGS

Commercial Facility – Current	225,000	430,995
Commercial Facility – Non-current	4,186,799	-
Ainslie renovations facility*	1,355,808	2,445,652
Gungahlin Lakes facility**	5,542,607	2,445,652

* This commercial facility is a draw down only facility, therefore no principal repayments are required. This facility expires on 31st of December 2017. Once this occurs the entity intends to convert the facility to a commercial loan and principal repayments will commence. At balance date a variable monthly rate of 2.92% and a line fee of 1.56% applies.

** This commercial facility has a term of 60 months with a fixed rate of 3.66%, a variable rate of 1.81%, and a line fee of 2.09%. The commercial facility becomes due at 30 April 2018.

NOTE 13: PROVISIONS

CURRENT

Employee entitlements	695,344	686,502
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NON-CURRENT

Employee entitlements	27,966	68,278
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2016 \$	2015 \$
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NOTE 14: CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations
with Result after income tax

Result after income tax	(955,376)	262,485
Non-cash flows in result from ordinary activities		
Net Depreciation	2,645,975	2,454,629
Net (gain)/loss on disposal of property, plant and equipment	(143,101)	96,818
Non cash revaluation loss		
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in accounts receivable	(190,633)	336,203
(Increase)/decrease in financial and other assets	49,894	(46,665)
(Increase)/decrease in inventories	422	(30,542)
Increase/(decrease) in trade creditors and accruals	830,964	(531,264)
Increase/(decrease) in provisions	(31,470)	9,214
Cash Flows from operations	2,206,675	2,550,878

The entity has a commercial facility in place to the value of \$5,250,000, overdraft facility of \$200,000, Indemnity Guarantee of \$60,000 and credit card facility of \$20,000.

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 commercial facilities are secured by a first registered mortgage over the club's premises and land situated at 52 Wakefield Avenue, Ainslie ACT, registered first mortgage over the club's premises and land located at Gungahlin Lakes Golf Course at 135 Gundaroo Drive Nicholls ACT, first registered leasehold mortgage over the club's premises at Ainslie Football and Social Club Limited at 5 Angas Street Ainslie, ACT. 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.

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 2016.

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 Exposure 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	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
			'000	'000	'000	'000	'000	'000	'000	'000
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets										
Cash at bank	1.85	1.34	2,320	2,211	-	-	-	-	2,320	2,211
Cash on hand		-	-	-	-	-	1,144	1,107	1,144	1,107
Receivables		-	-	-	-	-	293	103	293	103
Total			2,320	2,211	0	0	1,437	1,210	3,757	3,421
Financial liabilities										
Trade payables		-	-	-	-	-	3,466	2,634	3,466	2,634
Borrowings	3.16	3.56	5,543	2,877	-	-	-	-	5,543	2,877
Total			5,543	2,877	0	0	3,466	2,634	9,008	5,511

2016	2015
\$	\$

Trade and sundry payables are expected to be paid as follows:

Account payables

Less than 12 months	3,465,575	2,634,053
Total trade and sundry payables	3,465,575	2,634,053

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 2016, 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%	32,230	6,660
Decrease in interest rate by 1%	(32,230)	(6,660)

Change in equity

Increase in interest rate by 1%	32,230	6,660
Decrease in interest rate by 1%	(32,230)	(6,660)

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	123,000	164,000
greater than 5 years	246,000	287,000
	410,000	492,000

The property lease is a non-cancellable lease with an 88 year term, with rent payable annually in advance. An option exists to purchase the land at the end of 2027.

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.

Directors

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

Mr M Scholes	Mr S Cross
Mr G Vickers	Mr T Lond
Mr A White	Mr W Rogers
Mr D Lalor	Mr D Condon
Ms E Brohan	Mr M Sinclair

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

Key management personnel compensation

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

	2016 \$	2015 \$
Short-term employee benefits	796,926	769,535
Post- employment benefits	75,295	71,176
	<u>872,221</u>	<u>840,711</u>

NOTE 19: FAIR VALUE MEASUREMENTS

The company measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- Leasehold land;
- Freehold land; and
- Leasehold buildings

The company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

a. Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

- *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

- *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

- *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

30 September 2016					
Note	Level 1 \$	Level 2 \$	Level 3 \$	Level 4 \$	
Non-financial assets					
Leasehold land	9	-	2,500,000	-	2,500,000
Freehold land	9	-	-	-	-
Buildings	9	-	23,431,250	-	23,431,250
Total non-financial assets recognised at fair value		-	25,931,250	-	25,931,250

30 September 2015					
Note	Level 1 \$	Level 2 \$	Level 3 \$	Level 4 \$	
Non-financial assets					
Leasehold land	9	-	2,500,000	-	2,500,000
Freehold land	9	-	495,000	-	495,000
Buildings	9	-	22,350,000	-	22,350,000
Total non-financial assets recognised at fair value		-	25,345,000	-	25,345,000

There were zero transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period (2015: zero transfers).

NOTE 20: AUDITOR'S REMUNERATION

Remuneration of the auditor for:

- auditing or reviewing the financial report	40,000	40,000
- taxation services	3,100	3,100
	<u>43,100</u>	<u>43,100</u>

NOTE 21: 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

Gungahlin Lakes Golf and Community Club | Gungahlin Drive Nicholls ACT 2913

NOTE 22: INFORMATION PROVIDED UNDER THE GAMING MACHINE ACT 2004**i. ARRANGEMENTS WITH INFLUENTIAL PERSONS**

The Ainslie Football & Social Club Limited had a contractual arrangement with Harvey Norman Commercial for the purchase of audio visual equipment. A director of the Ainslie Football and Social Club Limited is an employee of this company. The total purchase value was \$20,318.70. These transactions were on normal commercial terms and conditions and no more favourable than those available to other parties.

ii. CONTRACTUAL ARRANGEMENTS OR CONSULTANCIES IN EXCESS OF \$99,999

Contracting Party	Details	Value (\$)
Abeo Architects	Consultant	297,216.24
ActewAGL Retail	Electricity, Gas, Water & Sewerage	951,074.51
Ainsworth Game Technology	Gaming Hardware	488,631.00
Andale Hotel Services	Beer Reticulation Systems	126,249.12
Andrews Meat Industries	Catering Purchases	342,842.36
ANZ Banking Group Limited	Financial Services	354,184.22
Aristocrat Technologies	Gaming Hardware, Servicing & Software Support	927,494.34
Australian Liquor Marketers	Liquor & Non-Liquor Purchases	366,192.95
Blair Leisure Pty Ltd	Golf Professional Services	117,108.62
Canberra Air-conditioning Services	Air-Conditioning Services	189,000.42
Carvolth Refrigeration	Refrigeration Services	100,724.80
Coca-Cola Amatil Limited	Liquor & Non-Liquor Purchases	175,445.62
Cold Seas Pty Ltd	Catering Purchases	340,647.58
CUB Pty Ltd	Liquor Purchases	723,401.95
Encore Cleaning Service	Cleaning Services	458,510.07
FOX Sports Entertainment	Entertainment Services	122,101.10
Hamilton Brokers Pty Limited	Insurance	331,592.04
ICU Security Cameras	Security Cameras	146,557.50
IGT (Australia) Pty Ltd	Gaming Hardware, Servicing & Software Support	302,482.40
PFD Food Services Pty Ltd	Catering Purchases	220,440.60
Plateau FFD Food Distributors	Catering Purchases	243,206.70
Project Coordination	Building Services	6,942,491.70
Regional Wholesale Fruit Market	Catering Purchases	216,095.98
Sound Advice	Audio Visual Equipment	113,733.52
Stadium Turf Management Pty Ltd	Turf Management Services	238,366.57
Synergy Protection Agency	Security Services	408,671.53
The Butcher Shop	Catering Purchases and Raffle	322,024.06
The Cleaning Warehouse	Cellar, Bar & Cleaning Supplies	132,330.44
Tooheys Pty Ltd	Liquor Purchases	307,430.80
Waterland Irrigation	Irrigation Services	102,550.73
WSP Buildings Pty Ltd	Consultants	105,455.50

ii. REMUNERATION OVER \$150,000.00

The number of employees of the Company who received remuneration in excess of \$150,000.00 during the year was 2.

iii. BENEFITS

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

Recipients	Benefit	Purpose	Value (\$)	Provider of Benefit
Senior Management	ClubsACT Conference	Education & Networking	520	AFSC Ltd
Directors	ClubsACT Golf Day	Industry Networking	600	AFSC Ltd
Directors	Corporate Hospitality	Industry Networking	500	Tabcorp
Chief Executive	Corporate Hospitality	Industry Networking	300	Coke
Directors & Partners	Christmas Function	Christmas Event	4,219	AFSC Ltd
Senior Management	Miscellaneous	Gifts	250	Various
Management	Miscellaneous	Gifts	280	Various
Management	Corporate Hospitality	Industry Networking	100	Ainsworth
Management	Corporate Hospitality	Industry Networking	300	Ainsworth

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

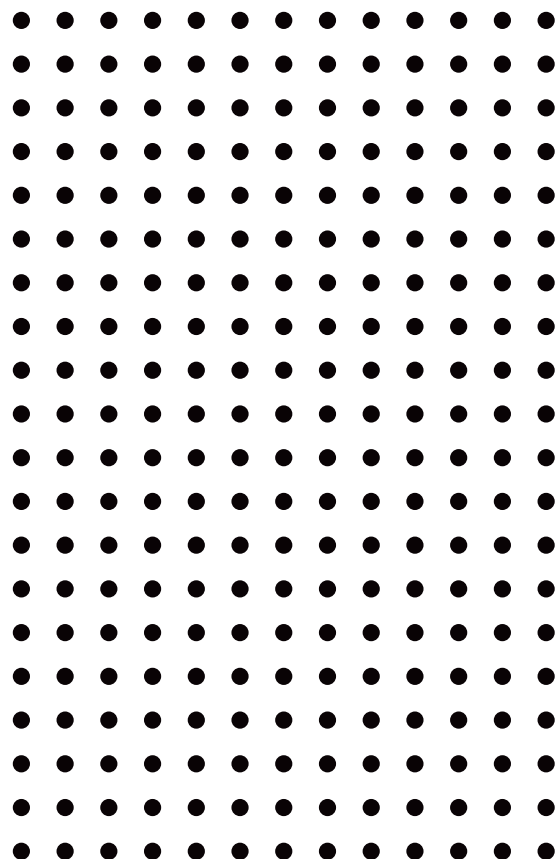
b. Give a true and fair view of the financial position as at 30 September 2016 and performance for the year ended on that date of the company;

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 2016



NOTES

[illegible]



Ainslie Football & Social Club Ltd
PO Box 636, Mitchell ACT 2911
ABN 17 102 364 321

