

EAGLES CLUB INC.



2016 FINANCIAL STATEMENTS

Statement by Members of the Board

The directors of the board are responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Act 1985 (SA) and is appropriate to meet the needs of the members.

The board's responsibility also includes such internal controls as the board members determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Since the end of the previous financial year, no officer or firm in which an officer is a member and no body corporate in which an officer has a substantial financial interest, has received or become entitled to receive a benefit either directly or indirectly from the Eagles Club Inc. as a result of a contract between the officer, firm, or body corporate and the Eagles Club Inc.

Since the end of the previous financial year, no officer of the Eagles Club Inc., has received directly or indirectly from the Club any payment or other benefit of pecuniary value.

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

Dated at Woodville South this th 14th day of December 2016.



K Slaven (President/Chairman)



C S Williams (Director)

**Independent Auditor's Report
to the Members of Eagles Club Inc**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, Eagles Club Incorporated, which comprises the statement of financial position as at 31 October 2016, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the board.

Board Member's Responsibility for the Financial Report

The Board of Eagles Club Incorporated are responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the Associations Incorporation Act (1985) and is appropriate to meet the needs of the members. The Board's responsibility also includes such internal control as the officers determine is necessary to enable the preparation and fair presentation of a 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 have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association'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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the officers, 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 independent requirements of the Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, financial position of Eagles Club Incorporated as at 31 October 2016, and its financial performance and its cash flows for the year then ended in accordance with the financial reporting requirements of the Associations Incorporation Act (1985).

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in relation to going concern in the financial report.

These conditions indicate circumstances that could raise a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore Eagles Club Incorporated may be unable to realise its assets and discharge its liabilities in the normal course of business.

However, as outlined in Note 1, management has taken action to ensure that the Woodville West Torrens Football Club Incorporated and the Eagles Club Incorporated are able to continue to meet their debts as and when they fall due.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Eagles Club Incorporated to meet the requirements of the Associations Incorporation Act (1985). As a result, the financial report may not be suitable for another purpose.

Dated at Adelaide this ^{14th} day of December 2016.

Clarke & Brownrigg

CLARKE & BROWNRIGG
Chartered Accountants

Clarke Partner

Partner – Registered Company Auditor.

EAGLES CLUB INC. FINANCIAL REPORT 2016

STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents			
Cash on Hand	2	62,751	62,709
Cash at Bank	2	94,900	180,978
Receivables		<u>157,651</u>	<u>243,687</u>
Accounts Receivable		54,978	20,162
Other Debtors		679	552
		<u>55,657</u>	<u>20,714</u>
Inventories on Hand			
Bar & Bistro Stock at cost –held for sale		51,667	49,504
Other Current Assets			
Prepayments		6,776	6,398
TOTAL CURRENT ASSETS		<u>271,751</u>	<u>320,303</u>
NON CURRENT ASSETS			
Plant and Equipment			
Plant and Equipment (at cost)		1,917,928	1,787,729
Less : Accumulated Depreciation		-1,430,455	-1,425,991
Total Plant and Equipment	3	<u>487,473</u>	<u>361,738</u>
Intangible Asset			
Intangible Gaming Entitlements		935,000	1,117,500
Total Intangible Asset	4	<u>935,000</u>	<u>1,117,500</u>
TOTAL NON CURRENT ASSETS		<u>1,422,473</u>	<u>1,479,238</u>
TOTAL ASSETS		<u>1,694,224</u>	<u>1,799,541</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable and Other Payables			
Unsecured Liabilities:			
Accounts Payable		163,896	149,491
Other Payables and Accrued Expenses		174,647	188,132
GST Liability		20,056	25,954
Loan from Related Party Woodville West Torrens Football Club Inc		627,264	210,130
		<u>985,862</u>	<u>573,707</u>
Lease Liabilities	5	48,979	42,816
Employee Provisions			
Provision for Annual Leave		63,208	73,604
Provisions for Long Service Leave		65,137	57,995
		<u>128,345</u>	<u>131,599</u>
TOTAL CURRENT LIABILITIES		<u>1,163,187</u>	<u>748,122</u>
NON CURRENT LIABILITIES			
Lease Liabilities	5	62,376	12,598
TOTAL NON CURRENT LIABILITIES		<u>62,376</u>	<u>12,598</u>
TOTAL LIABILITIES		<u>1,225,561</u>	<u>760,720</u>
NET ASSETS		<u>468,661</u>	<u>1,038,820</u>
EQUITY			
Retained Surplus at Beginning of Year		-78,680	179,247
Intangible Asset Revaluation Reserve		935,000	1,117,500
Net Current Year (Deficit) Surplus Attributable to Members of the Entity		-387,659	-257,927
TOTAL EQUITY		<u>468,661</u>	<u>1,038,820</u>

The accompanying notes form part of these financial statements.

EAGLES CLUB INC. FINANCIAL REPORT 2016

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST OCTOBER 2016**

	Note	2016 \$	2015 \$
REVENUE			
Sales Revenue			
<u>Provision of Services</u>			
Gaming		2,367,893	2,650,612
Raffles, Lotteries and Bingo		35,875	35,710
		<u>2,403,768</u>	<u>2,686,322</u>
<u>Sale of Goods</u>			
Bar, Bistro, Canteen and Functions		1,327,488	1,455,390
Total Sales Revenue		3,731,256	4,141,712
Total Other Revenue		12,123	12,695
TOTAL REVENUE		<u>3,743,379</u>	<u>4,154,407</u>
OTHER INCOME			
Gain on Sale of Plant and Equipment		8,715	0
TOTAL OTHER INCOME		<u>8,715</u>	<u>0</u>
TOTAL REVENUE AND OTHER INCOME		<u>3,752,094</u>	<u>4,154,407</u>
EXPENDITURE			
Salaries and Payroll Related Costs		1,203,219	1,233,690
Bars, Bistro and Canteen Cost of Sales		510,768	575,628
Functions Costs		8,342	22,044
Gaming Costs		923,509	1,054,690
Audit Fees	9	7,500	7,050
Depreciation		87,835	87,826
Borrowing Costs		10,359	12,216
Rent to Third Party		228,250	226,169
Distribution to Woodville West Torrens Football Club Inc		616,500	616,500
Other Overheads		543,471	576,521
		<u>4,139,754</u>	<u>4,412,334</u>
TOTAL EXPENDITURE		<u>4,139,754</u>	<u>4,412,334</u>
NET CURRENT YEAR (DEFICIT) SURPLUS		<u>-387,659</u>	<u>-257,927</u>
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss:			
Unrealised loss on valuation of gaming entitlements		-182,500	0
Unrealised gain on recognition of revalued gaming entitlements		0	1,117,500
Total Other Comprehensive Income for the Year		<u>-182,500</u>	<u>1,117,500</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>-570,159</u>	<u>859,573</u>
NET CURRENT YEAR (DEFICIT) SURPLUS ATTRIBUTABLE TO MEMBERS OF THE ENTITY		<u>-387,659</u>	<u>-257,927</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE ENTITY		<u>-570,159</u>	<u>859,573</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2016**

	Retained Surplus	Intangible Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 November 2014	179,247	0	179,247
Comprehensive Income			
Net Deficit for the year	-257,927	0	-257,927
Other Comprehensive Income for the year	0	1,117,500	1,117,500
Total comprehensive income attributable to members of the entity	-257,927	1,117,500	859,573
Balance at 31 October 2015	-78,681	1,117,500	1,038,820
Balance at 1 November 2015	-78,681	1,117,500	1,038,820
Comprehensive Income			
Net Deficit for the year	-387,659		-387,659
Other comprehensive loss for the year	0	-182,500	-182,500
Total Comprehensive Income attributable to members of the entity	-466,339	935,000	468,661
Balance at 31 October 2016	-466,339	935,000	468,661

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2016**

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		4,079,269	4,591,425
Payments to Suppliers and Employees		-3,995,297	-4,492,577
Interest received		10	55
Net cash provided (used) by operating activities	10	83,982	98,903
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of Plant and Equipment		120	0
Purchase of Plant and Equipment		-97,528	-70,475
Net cash provided (used) by investing activities		-97,408	-70,475
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest Paid		-10,359	-12,216
Principal Repayment of Borrowings		-62,252	-55,836
Net cash provided (used) by financing activities		-72,611	-68,052
Net increase (decrease) in cash held		-86,037	-39,624
Cash and Cash Equivalents at beginning of financial year		243,687	283,311
Cash and Cash Equivalents at end of financial year	2	157,651	243,687

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2016

Note 1: Summary of Significant Accounting Policies

The financial statements cover the Eagles Club Inc. as an individual entity. The financial statements were authorised for issue on 14th December 2016 by the Board of Directors.

Basis of Preparation

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (SA) 1985. The committee has determined that the association (the Club) is not a reporting entity.

No Australian Accounting Standards have mandatory applicability and Australian Accounting Interpretations are also not applicable. The Club has however adopted the recognition and measurement requirements of the Australian Accounting Standards unless otherwise stated.

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 non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

Going Concern

The Eagles Club and the Woodville West Torrens Football Club made a combined operating loss of \$59,718 for the year ended 31 October 2016, but have combined net assets of \$2,799,851.

At face value, the existence of the above circumstances could raise a material uncertainty that may cast doubt on the Eagles Club's ability to continue as a going concern.

The Clubs have prepared extremely conservative budgets that show a cash surplus before depreciation. Further, the Eagles Club Inc. will reduce its donation to the Woodville West Torrens Football Club to ensure it can meet its obligations. This will provide comfort that both clubs will be able to meet all debts payable in the next 12 months.

On this basis management considers that the use of the going concern basis in preparation of the accounts is appropriate.

Accounting Policies

a. Income Tax

The Eagles Club Inc. is a sporting association and is exempt from Income Tax by virtue of section 50-45 of the Income Tax Assessment Act 1997.

b. Inventories on Hand

Inventories held for sale are measured at the lower of cost and net realisable value. Costs are assigned on a specific identification base and include direct costs.

Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement as at the date of acquisition.

c. Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2016

Note 1 Summary of Significant Accounting Policies (cont'd)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10%-40%.

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

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they occur. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

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) are transferred to the Club, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amount 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 their estimated useful lives where it is likely that the Club will obtain ownership of the asset over the lease term.

e. Impairment of Assets

At the end of each reporting period, the Club assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

f. Employee Provisions

Provision is made for the Club's liability for annual and long service leave arising from services rendered by employees to the end of the reporting period. Employee provisions have been measured at the amounts expected to be paid when the liability is settled.

g. Cash and Cash Equivalents

Cash and Cash Equivalents includes 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.

h. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members with amounts on account as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2016

Note 1 Summary of Significant Accounting Policies (cont'd)

i. Revenue and Other Income

Revenue from the rendering of a service or the sale of goods is recognised upon the delivery of the service or receipt of goods to the customer.

Interest revenue is recognised using the effective interest method which for floating rate financial assets is the rate inherent in the instrument.

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

j. Borrowing Costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

k. 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 Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

l. Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Club during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

m. Provisions

Provisions are recognised when the Club has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2016

Note 2 Cash and Cash Equivalents**Reconciliation of cash**

Cash at the end of the financial year as shown in the statement of Cash flows is reconciled to items in the statement of financial position as follows:

	2016	2015
	\$	\$
Cash on Hand	62,751	62,709
Cash at Bank	94,900	180,978
	157,651	243,687

Note 3 Plant and Equipment

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

	Owned Plant & Equipment	Leased Plant & Equipment	Total
	\$	\$	\$
Balance at 1 November 2014	216,712	162,377	379,089
Additions	70,475	0	70,475
Depreciation Expense	-75,989	- 11,837	-87,826
Leased Plant & Equipment now owned	41,940	-41,940	0
Balance at 31 October 2015	253,138	108,600	361,738
Additions	113,528	107,448	220,976
WDV of Disposed Assets	-7,405	0	-7,405
Depreciation Expense	-74,917	- 12,918	-87,835
Leased Plant & Equipment now owned	32,017	-32,017	0
Carrying Amount at 31 October 2016	315,969	171,504	487,473

Note 4 Intangible Assets – Gaming Entitlements

The Club has recognised gaming entitlements as an intangible asset. The gaming entitlements were purchased in 1994 as a nominal cost. However, under current legislation Club's are able to use gaming entitlements as collateral when borrowing money from financial institutions for the purposes of purchasing new machines or new games. Given that Clubs can also trade gaming entitlements using the trade prices as set and published by Business and Consumer Affairs the committee believes it prudent to revalue the gaming entitlements using the Vendor price as published by the Business and Consumer Affairs to revalue and recognise the entitlements as an intangible asset on the Balance Sheet. The Vendor price as at October 2016 is \$23,375 (\$27,937 in 2015). This resulted in a reduction in the Intangible Asset of \$182,500 for 2016.

Note 5 Lease Liabilities

	Note	2016	2015
		\$	\$
Current		48,979	42,816
Non Current		62,376	12,598
Total Lease Liabilities	6	111,355	55,414

Note 6 Capital and Leasing Commitments

	Note	2016	2015
		\$	\$
Finance Lease Commitments			
Minimum Lease payments payable:			
- Not later than 12 months		52,036	47,598
- Between 12 months and five years		63,696	13,322
Minimum lease payments		115,732	60,920
Less future finance charges		4,377	5,506
Present value of minimum lease payments	5	111,355	55,414

Lease liabilities are secured by the underlying leased assets.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2016

Note 6 Capital and Leasing Commitments (cont'd)

The leases are for the gaming machines and are for a 3 year period at which time the leases will be completed. The payments are made on a monthly basis in advance.

Note 7 Related Party Transactions

a. Related Party

The Woodville West Torrens Football Club and the Eagles Club operate in unison to provide a football team and licensed club facility to support football activities.

The Veneto Club own the premises at 722 Port Road, Beverley and the Eagles Club rent the property for the running of Seven 22.

b. Board of Directors

The Directors of the Club from 1 November 2014 to the date of this financial report were

Kurt Slaven (President/Chairman)	Colin Davidson (until Feb 2015)	Christine Williams
Robert Cross	Ash Bihendi	Alan Schwarz
D'Arcy Evans (February 2015)	Sean Connors (February 2015)	David Couzner (April 2016)

c. Remuneration of Board Members

The Board members of the committee received no remuneration for their service.

	2016	2015
Related Party Transactions	\$	\$
Rent paid to the Veneto club for rental of premises	228,250	226,169
Donation made to Woodville West Torrens Football Club	615,500	615,500

Note 8 Association Details

The registered office of the Club is:

Eagles Club Inc.
Oval Avenue
Woodville South SA 5011

The principal place of business of the Club is:

Eagles Bar and Bistro
722 Port Road
Beverley SA 5009

Note 9 Auditors' Fees

	2016	2015
	\$	\$
Remuneration of the auditor of the Club for:		
Auditing the financial report	7,500	7,025
	7,500	7,025

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2016

Note 10 Reconciliation of Cash Flow

	Note	2016 \$	2015 \$
(a) Reconciliation of cash flow from Operating Activities with net Current year deficit		-387,658	-257,927
Items classified as financing activities			
Borrowing Costs		10,359	12,216
Non-cash flow in current year deficit			
Depreciation		87,835	87,826
Gain on disposal of Plant & Equipment		-8,715	0
Changes in assets and liabilities:			
(Increase) Decrease in inventories on hand		-2,163	-4,083
(Increase) Decrease in trade and other receivables		-34,943	8,094
(Increase) Decrease in Prepayments		-378	-5,343
(Increase) Decrease in Loan to Woodville West Torrens Club Inc		0	11,577
Increase (Decrease) in Trade and other payables		5,766	-3,493
Increase (Decrease) in Employee Provisions		-3,254	39,906
Increase (Decrease) in Loan from Woodville West Torrens Club Inc		-417,134	210,130
Net cash provided (used) by operating activities		83,982	98,903

(b) Non-cash financing and investing activities

During the financial year, the Club purchased plant and equipment with an aggregate fair value of \$107,448 (2015: \$0) by means of finance leases. These acquisitions are not reflected in the Statement of Cash Flows.

Note 11 Events after the Reporting Period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. No such events have occurred.