



**Club One (SA) Ltd**  
**ABN 51 113 107 994**

**Financial Report**

**For the Year Ended 30 June 2015**

**Club One (SA) Ltd**  
**ABN 51 113 107 994**

**Directors Report**

Your directors present their report on the company for the financial year ended 30 June 2015.

**Directors**

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

Jack Clarke  
Cameron Taylor (ceased August 2014)  
Dwayne Jones (ceased November 2014)  
Andrew Clarke  
Jim Owens  
John Dicker  
Gregory Saunders (ceased December 2014)  
Shane Barton-Ancliffe (appointed August 2014)  
John Kernahan (appointed December 2014)  
Neal Matotek (appointed November 2014)

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

**Company Secretary**

The following person held the position of company secretary at the end of the financial year:

Mr Anthony Michael Keenan, CSA (cert), Bachelor of Arts, Masters of Education, Graduate Certificate Public Relations.

Mr Keenan has 33 years' experience working in Public Office, Management and as a Company Director. Mr Keenan was appointed company secretary on 24 February 2005.

**Principal Activity**

The principal activities of the company during the financial year are listed below:

- Assist, support and promote community clubs and community sporting clubs in South Australia for the benefit of the community;
- Provide grants, loans, subsidies, financial assistance, financial accommodation, and such other assistance as may be considered appropriate to clubs;
- Administer and manage for the benefit of clubs in the community in South Australia gaming machine entitlements acquired by or vested in the Company in accordance with such authorities, powers, and licences as shall be granted for that purpose to the Company;
- Provide skill and other developmental services to the club sector;
- Pursue policies that foster, promote, and support local sport, recreation and all other clubs and associations in South Australia for the benefit of the community;
- Cooperate with and assist peak bodies supporting clubs including fostering and supporting peak bodies, and associations involved with clubs; and
- Receive and expend funds contributed by government, industry and the general community to further these activities.

## **Directors Report (continued)**

### **Dividends Paid or Recommended**

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

### **Review of Operations**

A review of the operations of the company during the financial year and the results of those operations found that during the year, the company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

### **Significant Changes in State of Affairs**

No significant changes in the state of affairs of the company occurred during the financial year.

### **After Balance Date Events**

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

### **Future Developments**

The company expects to maintain the present status and level of operations and hence there are no likely developments in the company's operations.

### **Environmental Issues**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

### **Options**

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

### **Information on Directors**

#### **Jack Clarke**

Qualifications  
Experience

- Director.
- LLB (Adelaide)
- 30 years' experience in Commercial Law in private practice. Participation and chair of Sporting Boards at a Community, National and International level.

#### **Cameron Taylor**

Qualifications  
Experience

- Director.
- Work educated.
- Manager Para Hills Community Club for 17 years. Assistant manager of Renmark Hotel Inc from November 1992 to May 1996, then acting manager from November 1995 to May 1996.

#### **Dwayne Jones**

Qualifications  
Experience

- Director.
- Bachelor of Management (Logistics and Supply Chain Management).
- Experience as a financial controller and bookkeeper.

#### **Andrew Clarke**

Qualifications  
Experience

- Director.
- Bachelor of Arts (Social Work).
- 17 years' experience with Child & Youth Services. 8 years' experience as Hospital Chief Social Worker. 5 years as Director of Family and Community Services at Uniting Care Wesley, Bowden.

**Club One (SA) Ltd**  
**ABN 51 113 107 994**

**Directors Report (continued)**

<b>Jim Owens</b>	- Director.
Qualifications	- Tertiary educated in Accounting. Past Member of the Institute of Chartered Accountants and CPA Australia.
Experience	- 46 years' experience in accounting and management; Director for various companies.
<b>John Dicker</b>	- Director.
Qualifications	- Bachelor of Business, Police Studies Certificate.
Experience	- 42 years' experience in law enforcement.
<b>Gregory Saunders</b>	- Director.
Qualifications	- Work Educated.
Experience	- General Manager Parafield Gardens Community Club for 6 years. Managerial positions in various hotels 20 years.
<b>Neal Matotek</b>	- Director.
Qualifications	- Bachelor of Economics, Chartered Accountant.
Experience	- Chief Financial Officer of SANFL.
	- 28 years' experience in Professional Practice and Senior Finance roles.
<b>Shane Barton-Arncliffe</b>	- Director.
Qualifications	- Work educated.
Experience	- General Manager Murray Bridge District Community Club for 10 years. 15 years in managerial positions in Clubs and Hotels.
<b>John Kernahan</b>	- Director.
Qualifications	- MBA (Adelaide).
Experience	- CEO South Australian Amateur Football league. 10 years Board Member and Life Member Adelaide University Football Club. 19 years involvement in sporting boards and administration.

**Meetings of Directors**

During the financial year, 11 meetings of directors were held. Attendances by each director were as follows:

**Directors Meetings**

	Number eligible to attend	Number attended
Cameron Taylor	1	1
Jack Clarke	11	10
Dwayne Jones	4	4
Andrew Clarke	11	9
Jim Owens	11	10
John Dicker	11	10
Gregory Saunders	5	5
Shane Barton-Ancliffe	9	9
John Kernahan	4	3
Neal Matotek	1	1

Club One (SA) Ltd  
ABN 51 113 107 994

## Directors Report (continued)

### **Indemnifying Officer or Auditor**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

### **Proceedings on Behalf of the Company**


No person has applied for leave of Court to bring proceedings on behalf of the company 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.

### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration for the year ended 30 June 2015 has been received and can be found within this report.

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



.....  
JACK CLARKE  
Director

Dated this 23<sup>rd</sup> day of October 2015

**CLUB ONE (SA) LTD  
ABN 51 113 107 994**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF CLUB ONE (SA) LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015, there have been:

- i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.

**MGI Assurance (SA) Pty Ltd**



**D. A. Caulfield**  
Director

Eastwood, South Australia

Dated this 23<sup>rd</sup> day of October 2015

**Club One (SA) Ltd**  
**ABN 51 113 107 994**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2015**

	Note	2015 \$	2014 \$
Revenue		2,283,705	2,206,559
Administrative expenses		(12,566)	(16,214)
Professional fees		(208,148)	(122,121)
Employee & director expenses		(292,809)	(276,013)
Occupancy expenses		(18,000)	(18,000)
Marketing expenses		(80,929)	(78,147)
Finance costs		(423,652)	(454,476)
Loss on disposal of intangible assets		-	(286,126)
Other expenses from ordinary activities		(934,334)	(899,004)
		<hr/>	<hr/>
Profit before income tax		313,267	56,458
Income tax expense	3	(92,588)	(104,280)
		<hr/>	<hr/>
Profit after income tax		220,679	(47,822)
		<hr/> <hr/>	<hr/> <hr/>
Other comprehensive income for the year		1,425,561	(241,125)
		<hr/>	<hr/>
Total comprehensive income attributable to the entity		1,646,240	(288,947)
		<hr/> <hr/>	<hr/> <hr/>

**Club One (SA) Ltd**  
**ABN 51 113 107 994**  
**Statement of Financial Position**  
**for the year ended 30 June 2015**

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	981,976	965,002
Trade and other receivables	5	807,190	1,508,984
Other assets	6	22,640	32,567
Unsecured loan		30,000	100,000
<b>TOTAL CURRENT ASSETS</b>		<u>1,841,806</u>	<u>2,606,553</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	359	693
Intangible assets	8	10,395,177	9,020,201
Deferred tax assets	12	5,996	8,482
<b>TOTAL NON-CURRENT ASSETS</b>		<u>10,401,532</u>	<u>9,029,376</u>
<b>TOTAL ASSETS</b>		<u>12,243,338</u>	<u>11,635,929</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	102,013	673,121
Provisions	10	12,254	16,102
Financial liabilities	11	407,742	291,008
Current tax liabilities	12	(19,415)	(18,725)
<b>TOTAL CURRENT LIABILITIES</b>		<u>502,594</u>	<u>961,506</u>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities	11	4,823,743	5,403,374
Deferred tax liabilities	12	10,320	10,608
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>4,834,063</u>	<u>5,413,982</u>
<b>TOTAL LIABILITIES</b>		<u>5,336,657</u>	<u>6,375,488</u>
<b>NET ASSETS</b>		<u>6,906,681</u>	<u>5,260,441</u>
<b>EQUITY</b>			
Reserves	13	6,238,525	4,812,964
Accumulated gains/(losses)	14	668,156	447,477
<b>Total equity</b>	15	<u>6,906,681</u>	<u>5,260,441</u>



**Club One (SA) Ltd**  
**ABN 51 113 107 994**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2015**

	<b>Retained Earnings</b>	<b>Asset Revaluation Reserve</b>	<b>Total</b>
	\$	\$	\$
<b>Balance at 30 June 2013</b>	495,299	5,054,089	5,549,388
<b>Comprehensive income</b>			
Profit attributable to the entity	(47,822)	-	(47,822)
Revaluation increment/(decrement)	-	(241,125)	(241,125)
Total comprehensive income	(47,822)	(241,125)	(288,947)
<b>Balance at 30 June 2014</b>	447,477	4,812,964	5,260,441
<b>Comprehensive income</b>			
Profit attributable to the entity	220,679	-	220,679
Revaluation increment/(decrement)	-	1,425,561	1,425,561
Total comprehensive income	220,679	1,425,561	1,646,240
<b>Balance at 30 June 2015</b>	668,156	6,238,525	6,906,681

**Club One (SA) Ltd**  
**ABN 51 113 107 994**  
**Statement of Cash Flow**  
**for the year ended 30 June 2015**

	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers		2,232,598	1,600,873
Payments to suppliers and directors		(1,908,673)	(1,525,352)
Income tax paid		(67,673)	(158,393)
Interest received		21,337	17,216
Net cash used in operating activities	16	<u>277,590</u>	<u>(65,656)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from the sale of GME's		-	1,113,875
Proceeds from/(to) Playford Patriots		100,000	(40,000)
Loan to Playford Patriots		(30,000)	-
Net cash generated from investing activities		<u>70,000</u>	<u>1,073,875</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Decrease in borrowings		(330,615)	(30,467)
Net cash received from/(used in) financing activities		<u>(330,615)</u>	<u>(30,467)</u>
Net increase in cash held		16,974	977,752
Cash at the beginning of the financial year		<u>965,002</u>	<u>(12,750)</u>
Cash at the end of the financial year		<u><u>981,976</u></u>	<u><u>965,002</u></u>

**Club One (SA) Ltd**  
**ABN 51 113 107 994**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2015**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the *Corporations Act 2001*.

The financial report has been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under *the Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

**(a) Property, Plant and Equipment**

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

*Gaming Machine Entitlements*

Gaming machine entitlements are revalued at fair value annually using the current market rate published on the Office of Gaming and Liquor Commissioner website.

*Plant and equipment*

Plant and equipment is measured on the cost basis.

*Depreciation*

All assets, excluding freehold land and buildings, are depreciated on a straight line basis over their useful lives to the company.

**(b) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to Balance Sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on costs.

Contributions are made by the company to a nominated superannuation fund and are charged as expenses when incurred.

**(c) 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. Bank overdrafts are shown within the current financial liabilities on the statement of financial position.

**(d) 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Cashflow Statement on a gross basis.

**Club One (SA) Ltd**  
**ABN 51 113 107 994**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2015**

**(e) Income Tax**

The company was assessed as a taxable entity by the Australian Taxation Office on 21 November 2008 as it did not meet the conditions of s.50-45 *Income Tax Assessment Act 1997*. The Australian Taxation Office ruled that any benefit sporting bodies or sports gained from the company's activities were ancillary to the company's main purpose of operation, management and the maximising of income from gaming machines and management of same in licensed and other clubs.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

**(f) Going Concern**

The financial report has been prepared on a going concern basis as the directors have received a guarantee of continued financial support and the directors believe that such financial support will continue to be made available.

**(g) Changes in Accounting Estimates**

*Intangible Assets*

The Company will apply the purchaser's price multiplied with the number of GMEs owned at balance date to determine the fair value of GMEs, previously the vendor's price has been applied. The Board is satisfied that the purchaser's value more accurately reflects the fair value of a GME. The purchasers' price is 75% of the buyer's price, being a differential of \$9,570.83 per GME owned. The change in valuation method in the 2015 financial year has resulted in a total increase in value of \$2,584,124 above the previous valuation method.

**Club One (SA) Ltd**  
**ABN 51 113 107 994**  
**Notes to the Financial Statements (continued)**  
**for the year ended 30 June 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2: PROFIT BEFORE INCOME TAX</b>		
Expenses		
Depreciation and amortisation	334	694
Remuneration of auditor		
- Audit or review	3,750	3,750
<b>NOTE 3: INCOME TAX EXPENSE</b>		
The components of tax expense comprise:		
Current tax	90,691	94,981
Deferred tax	3,577	8,521
Under/(over) provision in respect of prior years	(1,680)	778
	<u>92,588</u>	<u>104,280</u>
Prima facie tax payable on profit from ordinary activities before income tax at 30%	93,981	16,937
Add:		
Tax effect of:		
Non deductible expenses	287	727
Temporary difference not brought to account	-	85,838
Under provision in respect of prior years	(1,680)	778
Income tax attributable to entity	<u>92,588</u>	<u>104,280</u>
<b>NOTE 4: CASH AND CASH EQUIVALENTS</b>		
Cash at Bank	981,976	965,002
	<u>981,976</u>	<u>965,002</u>
<b>Reconciliation of cash</b>		
Cash at bank	67,895	72,251
Short term bank deposits	914,081	892,751
	<u>981,976</u>	<u>965,002</u>

**Club One (SA) Ltd**  
**ABN 51 113 107 994**  
**Notes to the Financial Statements (continued)**  
**for the year ended 30 June 2015**

**NOTE 5: TRADE AND OTHER RECEIVABLES**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Trade receivables	195,460	903,874
Other receivables	577,332	577,332
Accrued income	34,398	27,778
	<u>807,190</u>	<u>1,508,984</u>

**NOTE 6: OTHER ASSETS**

Prepayments	<u>22,640</u>	<u>32,567</u>
	<u>22,640</u>	<u>32,567</u>

**NOTE 7: PROPERTY, PLANT AND EQUIPMENT**

<b>PLANT &amp; EQUIPMENT</b>		
At cost	12,748	12,748
Less accumulated depreciation	(12,389)	(12,055)
	<u>359</u>	<u>693</u>

**NOTE 8: INTANGIBLE ASSETS**

Gaming machine entitlements	10,366,044	8,940,483
Special clubs licence	29,133	29,133
Capitalised legal fees	-	50,585
Borrowing costs	2,000	2,000
Less accumulated amortisation	(2,000)	(2,000)
	<u>10,395,177</u>	<u>9,020,201</u>

**NOTE 9: TRADE AND OTHER PAYABLES**

**CURRENT**

Trade creditors	29,544	629,851
Employee benefits	14,684	7,174
Director benefits	23,409	26,443
ATO liabilities	28,288	4,840
Accrued expenses	5,995	4,676
Credit card facility	93	137
	<u>102,013</u>	<u>673,121</u>

**Club One (SA) Ltd**  
**ABN 51 113 107 994**  
**Notes to the Financial Statements (continued)**  
**for the year ended 30 June 2015**

	2015 \$	2014 \$
<b>NOTE 10: PROVISIONS</b>		
Provision for annual leave	12,254	16,102
	<u>12,254</u>	<u>16,102</u>
<b>NOTE 11: FINANCIAL LIABILITIES</b>		
<b>CURRENT</b>		
Cash at bank	-	-
Unsecured loans	407,742	291,008
	<u>407,742</u>	<u>291,008</u>
<b>NON-CURRENT</b>		
Unsecured loans	4,823,743	5,403,374
	<u>4,823,743</u>	<u>5,403,374</u>
<b>NOTE 12: TAX</b>		
<b>CURRENT</b>		
Income tax payable/(refundable)	(19,415)	(18,725)
	<u>(19,415)</u>	<u>(18,725)</u>
<b>NON-CURRENT</b>		
<i>Deferred tax liability</i>		
Opening balance	10,608	11,024
Add/(Less)		
Accruals	1,986	(416)
Under/(over) provision	(2,274)	
Closing balance	<u>10,320</u>	<u>10,608</u>
<i>Deferred tax assets</i>		
Opening balance	8,482	17,419
Add/(Less)		
Provisions	(1,154)	346
Accruals	(437)	(9,283)
Under/(over) provision	(895)	-
Closing balance	<u>5,996</u>	<u>8,482</u>

**Club One (SA) Ltd**  
**ABN 51 113 107 994**  
**Notes to the Financial Statements (continued)**  
**for the year ended 30 June 2015**

	2015 \$	2014 \$
<b>NOTE 13: RESERVES</b>		
Asset revaluation reserve	6,238,524	4,812,963
<i>Movements during the financial year:</i>		
Opening balance	4,812,964	5,054,089
Revaluation of lump sum & vesting GME's	1,425,561	(241,125)
Closing Balance	6,238,525	4,812,964

**NOTE 14: RETAINED EARNINGS**

Opening balance	447,477	495,299
Profit/(loss) after income tax	220,679	(47,822)
Closing balance	668,156	447,477

**NOTE 15: EQUITY**

Beginning balance	5,260,441	5,549,388
Movement in asset revaluation reserve	1,425,561	(241,125)
Profit/(loss) after income tax	220,679	(47,822)
Closing balance	6,906,681	5,260,441

**NOTE 16: CASH FLOW INFORMATION**

Reconciliation of cash flow from operations with profit after income tax		
Profit / (loss) after income tax	220,679	(47,822)
<i>Non cash flows in profit</i>		
Depreciation and amortisation	334	694
Gain on disposal of fixed assets	-	286,125
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in receivables	(29,769)	(585,812)
(Increase)/decrease in other assets	9,927	(6,188)
(Increase)/decrease in intangible assets	50,585	-
(Increase)/decrease in deferred tax assets	25,606	8,521
Increase/(decrease) in payables	3,667	340,306
Increase/(decrease) in provisions	(4,595)	(61,423)
Cash Flows from operations	276,434	(65,599)

**NOTE 17: MEMBERS GUARANTEE**

The company is limited by guarantee. If the company is wound up, the articles of association state that each member is required to contribute a maximum of \$200 each toward meeting any outside obligations of the company. At 30 June 2015 the number of members was 2 (2014:2).



**Club One (SA) Ltd**  
**ABN 51 113 107 994**  
**Notes to the Financial Statements (continued)**  
**for the year ended 30 June 2015**

**NOTE 18: ENTITY DETAILS**

The registered office the company is:

Club One (SA) Ltd  
140 Greenhill Road  
Unley SA 5061

The principal place of business is:

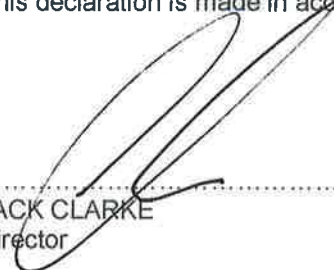
Club One (SA) Ltd  
222a Henley Beach Road  
Torrensville SA 5031

## Directors Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 14 are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001;and
  - (b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the financial year ended on that date of the company in accordance with the accounting policies described in Note 1 to the financial statements.
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 with the continuing support of creditors.

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



.....  
JACK CLARKE  
Director

Dated this 23<sup>rd</sup> day of October 2015

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLUB ONE (SA) LTD

### *Report on the Financial Report*

We have audited the accompanying financial report, being a special purpose financial report of Club One (SA) Ltd, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, 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 directors' declaration.

### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and 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. Those 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 company's preparation of the financial report that gives a true and fair view 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 company'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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLUB ONE (SA) LTD (CONTINUED)

### *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 Club One (SA) Ltd, 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 Club One (SA) Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### *Emphasis of Matter*


Without modifying our opinion, we draw attention to Note 1(f) in the financial report which states that Club One (SA) Ltd has received a guarantee of continued financial support and the directors believe that such financial support will continue to be made available.

We also draw attention to Note 1(g) which describes the change in accounting estimate made by the director's in the current year regarding the valuation of GME's. This has resulted in a significant increase in the valuation of intangible assets compared to the valuation previously adopted by the Board.

### *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 is prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

**MGI Assurance (SA) Pty Ltd**



**D. A. Caulfield**  
Director

Eastwood, South Australia

Dated this 23<sup>rd</sup> day of October 2015