



Club One (SA) Ltd
ABN 51 113 107 994

Financial Report

For the Year Ended 30 June 2016

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 2016.

Directors

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

Jack Clarke
Andrew Clarke
Jim Owens
John Dicker
Shane Barton-Ancliffe
John Kernahan
Neal Matotek

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

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 34 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.

Operating Results

The loss of the company for the financial year after providing for income tax amounted to \$202,746 (2015: profit \$220,679).

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

Since the end of the financial year, a major customer has significantly reduced its trading with the company. This will see a decline in income but also have a delayed flow-on effect which will result in reduced expenses.

Apart from the above, 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 both income and expenses to decline. The Company will maintain its existing 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.

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.

Jim Owens

Qualifications

Experience

- Director.
- Tertiary educated in Accounting. Past Member of the Institute of Chartered Accountants and CPA Australia.
- 47 years' experience in accounting and management; Director for various companies.

John Dicker

Qualifications

Experience

- Director.
- Bachelor of Business, Police Studies Certificate.
- 42 years' experience in law enforcement.

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Directors Report (continued)

Neal Matotek	- Director.
Qualifications	- Bachelor of Economics, Chartered Accountant. - Chief Financial Officer of SANFL.
Experience	- 28 years' experience in Professional Practice and Senior Finance roles.
Shane Barton-Arncliffe	- Director.
Qualifications	- Work educated.
Experience	- General Manager Murray Bridge District Community Club for 10 years. 15 years in managerial positions in Clubs and Hotels.
John Kernahan	- 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
Jack Clarke	11	10
Andrew Clarke	11	10
Jim Owens	11	10
John Dicker	11	11
Shane Barton-Ancliffe	11	10
John Kernahan	11	10
Neal Matotek	11	10

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.

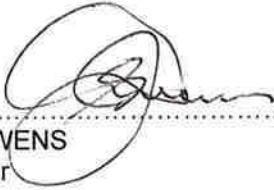
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Directors Report (continued)

Auditor's Independence Declaration

A copy of the auditor's independence declaration for the year ended 30 June 2016 has been received and can be found within this report.

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



JIM OWENS
Director

Dated this 31st day of October 2016

**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 2016, 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).

MGI Assurance (SA) Pty Ltd



**Clayton Lawrence
Director**

Eastwood, South Australia

Dated this 31st day of October 2016

Club One (SA) Ltd
ABN 51 113 107 994
Statement of Comprehensive Income
for the year ended 30 June 2016

	Note	2016 \$	2015 \$
Revenue		2,075,005	2,283,705
Administrative expenses		(15,588)	(12,566)
Professional fees		(112,999)	(208,148)
Employee & director expenses		(272,092)	(292,809)
Occupancy expenses		(18,000)	(18,000)
Marketing expenses		(70,518)	(80,929)
Finance costs		(364,703)	(423,652)
Loss on disposal of intangible assets		(387,316)	-
Other expenses from ordinary activities		(953,699)	(934,334)
		<hr/>	<hr/>
Profit before income tax		(119,910)	313,267
Income tax expense	3	(82,836)	(92,588)
		<hr/>	<hr/>
Profit after income tax		(202,746)	220,679
		<hr/> <hr/>	<hr/> <hr/>
Other comprehensive income for the year			
Revaluation of intangible assets		(296,370)	1,425,561
		<hr/>	<hr/>
Total comprehensive income attributable to the entity		(499,116)	1,646,240
		<hr/> <hr/>	<hr/> <hr/>

Club One (SA) Ltd
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Statement of Financial Position
for the year ended 30 June 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,343,956	981,976
Trade and other receivables	5	341,639	807,190
Other assets	6	1,989	22,640
Unsecured loan		30,000	30,000
TOTAL CURRENT ASSETS		<u>1,717,584</u>	<u>1,841,806</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	887	359
Intangible assets	8	8,857,679	10,395,177
Deferred tax assets	12	8,045	5,996
TOTAL NON-CURRENT ASSETS		<u>8,866,611</u>	<u>10,401,532</u>
TOTAL ASSETS		<u>10,584,195</u>	<u>12,243,338</u>
CURRENT LIABILITIES			
Trade and other payables	9	111,498	102,013
Provisions	10	17,708	12,254
Financial liabilities	11	400,000	407,742
Current tax liabilities	12	2,796	(19,415)
TOTAL CURRENT LIABILITIES		<u>532,002</u>	<u>502,594</u>
NON-CURRENT LIABILITIES			
Provisions	10	2,748	-
Financial liabilities	11	3,639,797	4,823,743
Deferred tax liabilities	12	2,084	10,320
TOTAL NON-CURRENT LIABILITIES		<u>3,644,629</u>	<u>4,834,063</u>
TOTAL LIABILITIES		<u>4,176,630</u>	<u>5,336,657</u>
NET ASSETS		<u>6,407,565</u>	<u>6,906,681</u>
EQUITY			
Reserves	13	5,724,391	6,020,761
Accumulated gains/(losses)	14	683,174	885,920
Total equity	15	<u>6,407,565</u>	<u>6,906,681</u>

Club One (SA) Ltd
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Statement of Changes in Equity
for the year ended 30 June 2016

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 30 June 2014	665,241	4,595,200	5,260,441
Comprehensive income			
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
Balance at 30 June 2015	885,920	6,020,761	6,906,681
Comprehensive income			
Profit attributable to the entity	(202,746)	-	(202,746)
Revaluation increment/(decrement)	-	(296,370)	(296,370)
Total comprehensive income	(202,746)	(296,370)	(499,116)
Balance at 30 June 2016	683,174	5,724,391	6,407,565

Club One (SA) Ltd
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Statement of Cash Flow
for the year ended 30 June 2016

	Note	2016 \$	2015 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		1,950,371	2,232,598
Payments to suppliers and directors		(1,762,111)	(1,908,673)
Income tax paid		(75,318)	(67,673)
Interest received		25,510	21,337
Net cash received from / (used in) operating activities	16	138,452	277,589
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(888)	-
Proceeds from the sale of GME's		853,812	-
Proceeds from / (to) loan to Playford Patriots		-	70,000
Net cash generated from investing activities		852,924	70,000
CASH FLOW FROM FINANCING ACTIVITIES			
Decrease in borrowings		(629,396)	(330,615)
Net cash received from/(used in) financing activities		(629,396)	(330,615)
Net increase in cash held		361,980	16,974
Cash at the beginning of the financial year		981,976	965,002
Cash at the end of the financial year		1,343,956	981,976

Club One (SA) Ltd
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Notes to the Financial Statements
For the year ended 30 June 2016

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.

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Notes to the Financial Statements (continued)
For the year ended 30 June 2016

(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) Accounting Policies, Changes in Accounting Estimates and Errors

The financial report for the financial year ended 30 June 2014 reported an error in respect of the loss on disposal of gaming machine entitlements. The loss on disposal was overstated by \$217,764. The impact of the error was an overstatement in accounting loss of \$217,764 and an overstatement of the asset revaluation reserve of \$217,764. In accordance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors* the overstatement has been corrected and applied retrospectively in the comparative figures.

Club One (SA) Ltd
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Notes to the Financial Statements (continued)
for the year ended 30 June 2016

	2016	2015
	\$	\$
NOTE 2: PROFIT BEFORE INCOME TAX		
Expenses		
Depreciation and amortisation	359	334
Remuneration of auditor - Audit or review	3,876	3,750
NOTE 3: INCOME TAX EXPENSE		
The components of tax expense comprise:		
Current tax	90,721	90,691
Deferred tax	(10,285)	3,577
Under/(over) provision in respect of prior years	2,400	(1,680)
	82,836	92,588
Prima facie tax payable on profit from ordinary activities before income tax at 30%	(35,973)	93,981
Add:		
Tax effect of:		
Non deductible expenses	215	287
Temporary difference not brought to account	116,194	-
Under provision in respect of prior years	2,400	(1,680)
Income tax attributable to entity	82,836	92,588
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash at Bank	1,343,956	981,976
	1,343,956	981,976
Reconciliation of cash		
Cash at bank	270,209	67,895
Short term bank deposits	1,073,747	914,081
	1,343,956	981,976

Club One (SA) Ltd
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Notes to the Financial Statements (continued)
for the year ended 30 June 2016

	2016	2015
	\$	\$
NOTE 5: TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	334,694	195,460
Other receivables	-	577,332
Accrued income	6,945	34,398
	<u>341,639</u>	<u>807,190</u>
	<u>341,639</u>	<u>807,190</u>
NOTE 6: OTHER ASSETS		
Prepayments	1,989	22,640
	<u>1,989</u>	<u>22,640</u>
	<u>1,989</u>	<u>22,640</u>
NOTE 7: PROPERTY, PLANT AND EQUIPMENT		
PLANT & EQUIPMENT		
At cost	13,636	12,748
Less accumulated depreciation	(12,749)	(12,389)
	<u>887</u>	<u>359</u>
	<u>887</u>	<u>359</u>
NOTE 8: INTANGIBLE ASSETS		
Gaming machine entitlements	8,828,546	10,366,044
Special clubs licence	29,133	29,133
Borrowing costs	2,000	2,000
Less accumulated amortisation	(2,000)	(2,000)
	<u>8,857,679</u>	<u>10,395,177</u>
	<u>8,857,679</u>	<u>10,395,177</u>
NOTE 9: TRADE AND OTHER PAYABLES		
CURRENT		
Trade creditors	33,707	29,544
Employee benefits	8,982	14,684
Director benefits	17,601	23,409
ATO liabilities	40,385	28,288
Accrued expenses	10,673	5,995
Credit card facility	150	93
	<u>111,498</u>	<u>102,013</u>
	<u>111,498</u>	<u>102,013</u>

Club One (SA) Ltd
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Notes to the Financial Statements (continued)
for the year ended 30 June 2016

	2016 \$	2015 \$
NOTE 10: PROVISIONS		
CURRENT		
Provision for annual leave	17,708	12,254
	<u>17,708</u>	<u>12,254</u>
NON-CURRENT		
Provision for long service leave	2,748	-
	<u>2,748</u>	<u>-</u>
NOTE 11: FINANCIAL LIABILITIES		
CURRENT		
Unsecured loans	400,000	407,742
	<u>400,000</u>	<u>407,742</u>
NON-CURRENT		
Unsecured loans	3,639,797	4,823,743
	<u>3,639,797</u>	<u>4,823,743</u>
NOTE 12: TAX		
CURRENT		
Income tax payable/(refundable)	2,796	(19,415)
	<u>2,796</u>	<u>(19,415)</u>
NON-CURRENT		
<i>Deferred tax liability</i>		
Opening balance	10,320	10,608
Add/(Less)		
Provisions	-	-
Accruals	(8,236)	1,986
Under/(over) provision	-	(2,274)
Closing balance	<u>2,084</u>	<u>10,320</u>
<i>Deferred tax assets</i>		
Opening balance	5,996	8,482
Add/(Less)		
Provisions	1,636	(1,154)
Accruals	414	(437)
Under/(over) provision	-	(895)
Closing balance	<u>8,045</u>	<u>5,996</u>

Club One (SA) Ltd
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Notes to the Financial Statements (continued)
for the year ended 30 June 2016

	2016 \$	2015 \$
NOTE 13: RESERVES		
Asset revaluation reserve	6,251,027	6,238,524
<i>Movements during the financial year:</i>		
Opening balance	6,020,761	4,595,200
Revaluation of lump sum & vesting GME's on hand	(296,370)	1,425,561
Closing Balance	5,724,391	6,020,761

NOTE 14: RETAINED EARNINGS

Opening balance	885,920	665,241
Profit/(loss) after income tax	(202,746)	220,679
Closing balance	683,174	885,920

NOTE 15: EQUITY

Beginning balance	6,906,681	5,260,441
Movement in asset revaluation reserve	(296,370)	1,425,561
Profit/(loss) after income tax	(202,746)	220,679
Closing balance	6,407,565	6,906,681

NOTE 16: CASH FLOW INFORMATION

Reconciliation of cash flow from operations with profit after income tax		
Profit / (loss) after income tax	(202,746)	220,679
<i>Non cash flows in profit</i>		
Depreciation and amortisation	360	334
Loss on disposal of GME's	387,316	
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in receivables	(99,123)	(29,769)
(Increase)/decrease in other assets	18,593	9,927
(Increase)/decrease in intangible assets	-	50,585
(Increase)/decrease in deferred tax assets	(10,285)	25,606
Increase/(decrease) in payables	13,925	3,667
Increase/(decrease) in provisions	30,413	(4,595)
Cash Flows from operations	138,452	276,434

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 2016 the number of members was 2 (2015:2).

Club One (SA) Ltd
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Notes to the Financial Statements (continued)
for the year ended 30 June 2016

NOTE 18: ENTITY DETAILS

The registered office the company is:

Club One (SA) Ltd
Level 9
81 Flinders Street
Adelaide SA 5000

The principal place of business is:

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


Club One (SA) Ltd
ABN 51 113 107 994

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 2016 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.



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JIM OWENS
Director

Dated this 31st day of October 2016

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 2016, 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 2016 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.

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).

MGI Assurance (SA) Pty Ltd



Clayton Lawrence
Director

Eastwood, South Australia

Dated this 31st day of October 2016