



## Executive Group Summary 2018

<b><u>Consolidated Trading Result</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Income	\$10,186,373	\$10,687,950
Expenses	<u>\$10,267,127</u>	<u>\$10,565,497</u>
<b>Net Profit /(Loss)</b>	<b><u>(\$80,754)</u></b>	<b><u>\$122,453</u></b>

<b><u>EBITDA</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Net Profit/(Loss)	(\$80,754)	\$122,453
Dep'n/Amort'n	\$567,941	\$554,453
Interest	<u>\$117,266</u>	<u>\$130,219</u>
<b>EBITDA</b>	<b><u>\$604,453</u></b>	<b><u>\$807,125</u></b>

<b><u>Debt Levels</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Core Debt	\$1.67million	\$1.81million
Debt Reduction	\$139,198	\$292,425

# **NORTH ADELAIDE FOOTBALL CLUB INC AND CONTROLLED ENTITY**

**(includes operations of NAFC, Northern Tavern and the Grand North)**

**Financial Statements**

**For the Year Ended 31 October 2018**

**NORTH ADELADE FOOTBALL CLUB INC AND CONTROLLED ENTITY  
ABN 80 035 407 665**

**Contents**

**For the Year Ended 31 October 2018**

	<b>Page</b>
<b>Financial Statements</b>	
Board's Report	1
Statement of Profit or Loss	3
Statement of Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Statement by Members of the Board	24

## **Board's Report**

**31 October 2018**

Your Board members present their report on the North Adelaide Football Club Inc. and controlled entity for the financial year ended 31 October 2018.

For the purpose of these statements, North Adelaide Football Club Inc. (NAFC) is the Controlling entity and includes the Northern Tavern as a function legally operated by NAFC. The Controlled entity is the Roosters Club Inc., which operates the Grand North. The Consolidated Group refers to the operations of the NAFC and the Roosters Club Inc.

### **1. General information**

#### **Board members**

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

Lee Virgin (President)	Wayne Jeffries (Chairman)
Pat Hodby (Finance Director)	Malcolm Ellis
Simon Trenorden	Chris McSporrان
Andrew Souter	Susan Girke
Conny Wilson (appointed 23/7/2018)	

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

#### **Principal activities**

The principal activity of the economic entity during the financial year was to provide a football team to compete in the South Australian National Football League.

The principal activity of the controlled entity is to provide social facilities to the members of the association and to generate revenue to support the operations of the club.

### **2. Operating results and review of operations for the year**

#### **Operating result**

The loss of the Association for the financial year after providing for income tax amounted to \$ (80,755)(2017: Profit \$ 122,453).

### **3. Other items**

#### **Significant changes in state of affairs**

No significant changes in the nature of entity's activities occurred during the year.

#### **Events after the reporting date**

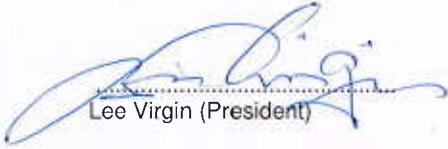
No material events have occurred since balance date.

**NORTH ADELADE FOOTBALL CLUB INC AND CONTROLLED ENTITY**  
**ABN 80 035 407 665**

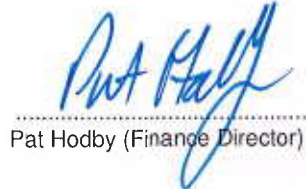
## **Board's Report**

**31 October 2018**

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



Lee Virgin (President)



Pat Hodby (Finance Director)

Dated 12 December 2018

**NORTH ADELADE FOOTBALL CLUB INC AND CONTROLLED ENTITY**  
**ABN 80 035 407 665**

**Statement of Profit or Loss**  
**For the Year Ended 31 October 2018**

	Note	Consolidated Group		NAFC Inc.	
		2018	2017	2018	2017
		\$	\$	\$	\$
Revenue	2	<b>10,186,373</b>	10,687,950	<b>7,287,517</b>	7,680,252
Cost of sales		<b>(3,478,702)</b>	(3,821,787)	<b>(2,130,789)</b>	(2,410,844)
Gross Profit		<b>6,707,671</b>	6,866,163	<b>5,156,728</b>	5,269,408
Employment Expenses		<b>(3,164,516)</b>	(3,035,689)	<b>(2,176,294)</b>	(2,095,408)
Occupancy costs		<b>(1,140,152)</b>	(1,311,753)	<b>(863,851)</b>	(1,044,214)
Depreciation		<b>(478,417)</b>	(464,929)	<b>(341,933)</b>	(342,542)
Amortisation of oval development		<b>(89,524)</b>	(89,524)	<b>(89,524)</b>	(89,524)
Advertising and promotion		<b>(173,682)</b>	(172,184)	<b>(74,270)</b>	(76,403)
Administrative expenses		<b>(291,980)</b>	(267,039)	<b>(278,729)</b>	(248,999)
Professional and consulting		<b>(67,968)</b>	(41,259)	<b>(55,578)</b>	(30,513)
Insurance		<b>(65,040)</b>	(66,306)	<b>(45,136)</b>	(45,591)
Gaming Expenses		<b>(311,072)</b>	(332,787)	<b>(234,837)</b>	(239,194)
Fundraising Expenses		<b>(62,771)</b>	(79,387)	<b>(62,771)</b>	(79,387)
Team maintenance		<b>(399,915)</b>	(346,286)	<b>(399,915)</b>	(346,286)
Youth development		<b>(125,345)</b>	(121,593)	<b>(125,345)</b>	(121,593)
Finance costs		<b>(117,266)</b>	(130,219)	<b>(116,837)</b>	(129,751)
Prospect pavilion		<b>(16,909)</b>	(19,149)	<b>(16,909)</b>	(19,149)
Hotel operations		<b>(128,381)</b>	(109,630)	<b>(59,820)</b>	(53,700)
Gaming operations		<b>(60,288)</b>	(60,153)	-	-
Hotel security		<b>(44,812)</b>	(48,803)	<b>(7,644)</b>	(7,352)
Motor vehicles		<b>(29,639)</b>	(21,336)	<b>(29,639)</b>	(21,336)
Repairs, Replacements and Equipment Hire		<b>(20,748)</b>	(25,684)	<b>(8,961)</b>	(13,664)
<b>Net current year surplus</b>		<b>(80,754)</b>	122,453	<b>168,735</b>	264,802
Net current year surplus attributable to members		<b>(80,754)</b>	122,453	<b>168,735</b>	264,802

The accompanying notes form part of these financial statements.

North Adelaide Football Club Incorporated

**Statement of Other Comprehensive Income**

For the Year Ended 31 October 2018

	Consolidated Group		NAFC Inc.	
	2018	2017	2018	2017
Note	\$	\$	\$	\$
<b>Net current year surplus</b>	<b>(80,754)</b>	122,453	<b>168,735</b>	264,802
<b>Other comprehensive income</b>				
11				
Fair value revaluation on intangible assets	-	(252,480)	-	-
<b>Total comprehensive income for the year</b>	<b>(80,754)</b>	(130,027)	<b>168,735</b>	264,802

The accompanying notes form part of these financial statements.

**NORTH ADELADE FOOTBALL CLUB INC AND CONTROLLED ENTITY**  
**ABN 80 035 407 665**

**Statement of Financial Position**

**31 October 2018**

	Note	Consolidated Group		NAFC Inc.	
		2018	2017	2018	2017
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	<b>1,672,798</b>	1,675,989	<b>1,263,867</b>	1,391,920
Trade and other receivables	6	<b>99,691</b>	55,912	<b>839,711</b>	603,382
Inventories	7	<b>193,138</b>	172,505	<b>171,157</b>	148,824
Other assets	8	<b>28,884</b>	14,489	<b>308,002</b>	293,607
<b>TOTAL CURRENT ASSETS</b>		<b>1,994,511</b>	1,918,895	<b>2,582,737</b>	2,437,733
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	10	<b>2,948,585</b>	2,815,715	<b>2,536,248</b>	2,362,516
Right of use asset	10(b)	<b>1,253,333</b>	1,342,857	<b>1,253,333</b>	1,342,857
Intangible assets	11	<b>687,520</b>	687,520	<b>5,000</b>	5,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,889,438</b>	4,846,092	<b>3,794,581</b>	3,710,373
<b>TOTAL ASSETS</b>		<b>6,883,949</b>	6,764,987	<b>6,377,318</b>	6,148,106
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other payables	12	<b>691,472</b>	468,571	<b>465,145</b>	319,394
Borrowings	13	<b>224,129</b>	188,096	<b>206,930</b>	188,112
Employee benefits	14	<b>275,675</b>	284,920	<b>199,845</b>	193,405
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,191,276</b>	941,587	<b>871,920</b>	700,911
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	13	<b>1,520,154</b>	1,619,785	<b>4,607,886</b>	4,739,785
Employee benefits	14	<b>85,406</b>	35,748	<b>39,885</b>	18,518
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,605,560</b>	1,655,533	<b>4,647,771</b>	4,758,303
<b>TOTAL LIABILITIES</b>		<b>2,796,836</b>	2,597,120	<b>5,519,691</b>	5,459,214
<b>NET ASSETS</b>		<b>4,087,113</b>	4,167,867	<b>857,627</b>	688,892
<b>EQUITY</b>					
Reserves		<b>833,028</b>	833,028	<b>88,683</b>	88,683
Retained earnings		<b>3,254,085</b>	3,334,839	<b>768,944</b>	600,209
<b>TOTAL EQUITY</b>		<b>4,087,113</b>	4,167,867	<b>857,627</b>	688,892

The accompanying notes form part of these financial statements.



## Statement of Changes in Equity

For the Year Ended 31 October 2018

2018

		NAFC Inc.			
		Retained Earnings	Capital Profits Reserve	Revaluation Reserve	Total
Note		\$	\$	\$	\$
	<b>Balance at 1 November 2017</b>	<b>600,209</b>	<b>88,683</b>	<b>-</b>	<b>688,892</b>
	Profit attributable to members of the entity	<b>168,735</b>	<b>-</b>	<b>-</b>	<b>168,735</b>
	<b>Balance at 31 October 2018</b>	<b>768,944</b>	<b>88,683</b>	<b>-</b>	<b>857,627</b>

2017

		NAFC Inc.			
		Retained Earnings	Capital Profits Reserve	Revaluation Reserve	Total
		\$	\$	\$	\$
	<b>Balance at 1 November 2016</b>	335,407	88,683	-	424,090
	Profit attributable to members of the entity	264,802	-	-	264,802
	<b>Balance at 31 October 2017</b>	<b>600,209</b>	<b>88,683</b>	<b>-</b>	<b>688,892</b>

2018

		Consolidated Group			
		Retained Earnings	Capital Profits Reserve	Revaluation Reserve	Total
		\$	\$	\$	\$
	<b>Balance at 1 November 2017</b>	<b>3,334,839</b>	<b>150,508</b>	<b>682,520</b>	<b>4,167,867</b>
	Profit attributable to members of the entity	<b>(80,754)</b>	<b>-</b>	<b>-</b>	<b>(80,754)</b>
	<b>Balance at 31 October 2018</b>	<b>3,254,085</b>	<b>150,508</b>	<b>682,520</b>	<b>4,087,113</b>

2017

		Consolidated Group			
		Retained Earnings	Capital Profits Reserve	Revaluation Reserve	Total
		\$	\$	\$	\$
	<b>Balance at 1 November 2016</b>	3,212,386	150,508	935,000	4,297,894
	Profit attributable to members of the entity	122,453	-	-	122,453
	Movement in reserves	-	-	(252,480)	(252,480)
	<b>Balance at 31 October 2017</b>	<b>3,334,839</b>	<b>150,508</b>	<b>682,520</b>	<b>4,167,867</b>

11

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

For the Year Ended 31 October 2018

	Note	Consolidated Group		NAFC Inc.	
		2018	2017	2018	2017
		\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from customers		<b>10,148,588</b>	10,680,311	<b>7,045,195</b>	7,401,230
Payments to suppliers and employees		<b>(9,364,306)</b>	(9,789,036)	<b>(6,432,343)</b>	(6,789,958)
Interest received		<b>5,994</b>	14,247	<b>5,994</b>	14,247
Finance costs		<b>(117,266)</b>	(130,219)	<b>(116,837)</b>	(129,751)
Net cash provided by (used in) operating activities	18	<b>673,010</b>	775,303	<b>502,009</b>	495,768
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Proceeds from sale of plant and equipment		<b>20,000</b>	20,056	<b>20,000</b>	18,355
Purchase of property, plant and equipment		<b>(632,603)</b>	(331,976)	<b>(536,981)</b>	(237,449)
Net cash used by investing activities		<b>(612,603)</b>	(311,920)	<b>(516,981)</b>	(219,094)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>					
Proceeds from borrowings		<b>155,807</b>	29,554	<b>69,661</b>	29,554
Repayment of borrowings		<b>(222,330)</b>	(321,979)	<b>(185,667)</b>	(270,577)
Net cash used by financing activities		<b>(66,523)</b>	(292,425)	<b>(116,006)</b>	(241,023)
Net increase (decrease) in cash and cash equivalents held		<b>(6,116)</b>	170,958	<b>(130,978)</b>	35,651
Cash and cash equivalents at beginning of year	5	<b>1,662,829</b>	1,491,871	<b>1,378,760</b>	1,343,109
Cash and cash equivalents at end of financial year	5	<b>1,656,713</b>	1,662,829	<b>1,247,782</b>	1,378,760

## **Notes to the Financial Statements**

**For the Year Ended 31 October 2018**

### **1 Summary of Significant Accounting Policies**

The financial statements cover the economic entity of North Adelaide Football Club Inc. and the controlled entity, and North Adelaide Football Club Inc. as an individual entity. North Adelaide Football Club Inc. is an associated incorporation in South Australia under the Associations Incorporation Act (SA) 1985.

#### **Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Associations Incorporation Act 1985 (SA).

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

The financial statements have been prepared on an accrual basis and are based on historic costs, modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue on 12 December 2018 by the board of the association.

#### **(a) Principles of Consolidation**

A controlled entity is any entity North Adelaide Football Club Inc. has the power to control the financial and operating policies so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 9 to the financial statements. All controlled entities have an October financial year end.

All inter-entity balances and transactions between entities in the economic entity, including any unrealised profits or losses have been eliminated on consolidation. Accounting policies of controlled entity have been changed where necessary to ensure consistencies with those policies applied by the controlling entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

The board has decided to present the financial information of the North Adelaide Football Club Inc. and its controlled entities in a consolidated format as the entities are operated jointly by common management.

#### **(b) Income Tax**

The economic entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

#### **(c) Revenue and other income**

Revenue from the sale of goods is recognised upon delivery of goods to customers.

Membership revenue is recognised on a straight-line basis over the financial year.

Revenue from rendering of services is recognised upon delivery of the service to the customers.

## **Notes to the Financial Statements**

**For the Year Ended 31 October 2018**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Transfer fees from AFL clubs are recognised once it is probable that they will be received.

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

**(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 entities are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**(e) Borrowing costs**

Borrowing 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 or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**(f) 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 the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(g) 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 also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

**(h) Inventories**

Inventories are measured at the lower of cost and net realisable value.

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

## **Notes to the Financial Statements**

**For the Year Ended 31 October 2018**

**(i) Financial instruments**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

**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 stated at amortised cost using the effective interest rate method.

**Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

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

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

**Property**

Leasehold land and buildings are measured using the cost model. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

**Plant and equipment**

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

**Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Plant and Equipment	15% - 20%
Leasehold improvements	4% - 15%
Gaming Machines	33%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

## **Notes to the Financial Statements**

**For the Year Ended 31 October 2018**

**(k) Intangibles**

**Gaming machines**

Gaming machine licenses are carried at the board's valuation. The gaming machine licenses have an indefinite life, as they do not deteriorate, and are tested annually for impairment.

**(l) Gaming entitlements**

The Club measures and recognises Gaming Entitlements at fair value on a recurring basis after initial recognition. The market approach is used to value the gaming entitlements. Using market prices and other relevant information generated by market transactions involving identical or similar assets.

**(m) Impairment of non-financial assets**

At each reporting date, the economic entity 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.

Where it is not possible to estimate the recoverable amount of an individual asset, the economic entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(n) Employee benefits**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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. Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits.

**(o) Use of estimates and judgements**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and judgements that have a risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

- Estimation of the economic life of property, plant and equipment;
- Testing for impairment; and
- Measurement of provisions, including employee benefits, contract closure, doubtful debts;

**(p) Comparative Figures**

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

## **Notes to the Financial Statements**

**For the Year Ended 31 October 2018**

**(q) New Accounting Standards and Interpretations**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Consolidated Group has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Consolidated Group where the standard is relevant:

<b>Standard Name</b>	<b>Effective date for entity</b>	<b>Requirements</b>	<b>Impact</b>
AASB 1058 :Income of Not-for-Profit Entities	1 January 2019	<p>The significant accounting requirements of AASB 1058 are as follows:</p> <ul style="list-style-type: none"> <li>- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.</li> <li>- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.</li> </ul> <p>An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.</p>	The members of the committee anticipate that the adoption of AASB 1058 will not have a material impact.
AASB 16 Leases	1 January 2019	AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low value assets which may remain off balance sheet. The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments. A corresponding right to use asset will be recognised which will be amortised over the term of the lease. Rent expense will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges.	Whilst the impact of AASB 16 has not yet been quantified, the entity currently has \$7,179,1936 worth of operating leases which we anticipate will be brought onto the statement of financial position. Interest and amortisation expense will increase and rental expense will decrease.

## **Notes to the Financial Statements**

**For the Year Ended 31 October 2018**

### **2 Revenue and Other Income**

#### **Revenue from continuing operations**

	<b>Consolidated Group</b>		<b>NAFC Inc.</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
- Gaming income	<b>5,152,184</b>	5,878,230	<b>2,921,354</b>	3,456,569
- Venue income	<b>2,746,780</b>	2,861,388	<b>1,203,754</b>	1,325,351
- Membership	<b>112,445</b>	116,605	<b>112,445</b>	116,605
- Sponsorship	<b>439,919</b>	422,242	<b>1,189,919</b>	1,247,242
- SANFL distribution	<b>968,596</b>	857,646	<b>968,596</b>	857,646
- Fundraising	<b>61,145</b>	72,619	<b>61,145</b>	72,619
- Football development	<b>77,818</b>	75,000	<b>77,818</b>	75,000
- Match day income	<b>485,884</b>	273,312	<b>485,884</b>	273,312
- Other income	<b>141,602</b>	130,908	<b>266,602</b>	255,908
<b>Total Revenue</b>	<b>10,186,373</b>	10,687,950	<b>7,287,517</b>	7,680,252

### **3 Profit from Ordinary Activities**

Profit/(loss) from ordinary activities has been determined after:

Finance costs	<b>117,266</b>	130,219	<b>116,837</b>	129,751
Depreciation	<b>478,417</b>	464,929	<b>341,933</b>	342,542
Amortisation of oval development	<b>89,524</b>	89,524	<b>89,524</b>	89,524
	<b>567,941</b>	554,453	<b>431,457</b>	432,066

### **4 Remuneration of Auditors**

Remuneration of the auditor for:

- auditing the financial report	<b>13,000</b>	12,750	<b>8,920</b>	8,750
- other services	<b>8,400</b>	8,250	<b>8,400</b>	2,750
	<b>21,400</b>	21,000	<b>17,320</b>	11,500

### **5 Cash and cash equivalents**

Cash on hand	<b>149,280</b>	151,090	<b>89,335</b>	91,145
Cash at bank	<b>1,523,518</b>	1,524,899	<b>1,174,532</b>	1,300,775
	<b>1,672,798</b>	1,675,989	<b>1,263,867</b>	1,391,920

#### **Reconciliation of cash**

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents		<b>1,672,798</b>	1,675,989	<b>1,263,867</b>	1,391,920
Bank overdrafts	13	<b>(16,085)</b>	(13,160)	<b>(16,085)</b>	(13,160)
<b>Balance as per statement of cash flows</b>		<b>1,656,713</b>	1,662,829	<b>1,247,782</b>	1,378,760



**Notes to the Financial Statements**

**For the Year Ended 31 October 2018**

**6 Trade and other receivables**

	Consolidated Group		NAFC Inc.	
	2018	2017	2018	2017
	\$	\$	\$	\$
CURRENT				
Trade receivables	<u>99,691</u>	55,912	<u>839,711</u>	603,382
<b>Total current trade and other receivables</b>	<b><u>99,691</u></b>	<b>55,912</b>	<b><u>839,711</u></b>	<b>603,382</b>

Current Trade Receivables are generally received within 30 days. No collateral has been held as security for any trade and other receivable balances.

**7 Inventories**

CURRENT				
Stock on hand	<u>193,138</u>	172,505	<u>171,157</u>	148,824
	<b><u>193,138</u></b>	<b>172,505</b>	<b><u>171,157</u></b>	<b>148,824</b>

**8 Other assets**

CURRENT				
Prepayments	<u>28,884</u>	14,489	<u>28,472</u>	14,077
Related party loan	-	-	<u>279,530</u>	279,530
	<b><u>28,884</u></b>	<b>14,489</b>	<b><u>308,002</u></b>	<b>293,607</b>

**9 Controlled Entities**

(a)	Name	Country of incorporation
	<b>Controlling entity:</b> North Adelaide Football Club Inc.	Australia
	<b>Controlled entity:</b> The Roosters Club Inc.	Australia

North Adelaide Football Club Inc. (NAFC) is recognised as the controlling entity as both entities are managed by the same board. The Roosters Club Inc. exists to provide the North Adelaide Football Club Inc. financial support through donations and sponsorship.

For the purpose of these accounts, the operations of the football club and the Northern Tavern are reported as NAFC, as both functions are legally operated by NAFC.

**Notes to the Financial Statements**  
**For the Year Ended 31 October 2018**

**Controlled Entities**

**(b) Performance of controlled entities/operations**

<b><u>North Adelaide Football Club Inc.</u></b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Revenue	<b>2,371,895</b>	2,123,455
Expenditure	<b>(2,892,283)</b>	(2,697,526)
	<hr/>	<hr/>
Performance before receipt of sponsorship from related parties	<b>(520,388)</b>	(574,071)
Receipt of sponsorship from Nothern Tavern	<b>225,000</b>	225,000
Receipt of sponsorship from Roosters Club Inc.	<b>750,000</b>	825,000
	<hr/>	<hr/>
Performance of the NAFC	<b>454,612</b>	475,929
	<hr/>	<hr/>

<b><u>Northern Tavern</u></b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Revenue	<b>4,178,029</b>	4,831,797
Expenditure	<b>(4,174,656)</b>	(4,817,924)
	<hr/>	<hr/>
Performance before expense of sponsorship to related entities	<b>3,373</b>	13,873
Sponsorship to NAFC	<b>(225,000)</b>	(225,000)
	<hr/>	<hr/>
Performance of the Northern Tavern	<b>(221,627)</b>	(211,127)
	<hr/>	<hr/>

The North Adelaide Football Club Inc. operates the Northern Tavern as a function of the football club.

<b><u>The Roosters Club Inc.</u></b> <b>(Grand North)</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Revenue	<b>3,789,776</b>	3,957,698
Expenditure	<b>(3,269,600)</b>	(3,275,047)
	<hr/>	<hr/>
Performance before expense of sponsorship to related entities	<b>520,176</b>	682,651
Sponsorship to NAFC	<b>(750,000)</b>	(825,000)
	<hr/>	<hr/>
Performance of the Roosters Club Inc.	<b>(229,824)</b>	(142,349)
	<hr/>	<hr/>

**Notes to the Financial Statements**

**For the Year Ended 31 October 2018**

**10 Property, plant and equipment**

Note	Consolidated Group		NAFC Inc.	
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>LAND AND BUILDINGS</b>				
Leasehold improvements at cost	<b>6,405,120</b>	6,112,935	<b>4,656,644</b>	4,364,459
Accumulated amortisation	<b>(4,164,736)</b>	(3,944,281)	<b>(2,614,767)</b>	(2,428,702)
	<b>2,240,384</b>	2,168,654	<b>2,041,877</b>	1,935,757
Oval redevelopment at cost	<b>257,720</b>	225,905	<b>257,720</b>	225,905
Accumulated depreciation	<b>(226,977)</b>	(218,178)	<b>(226,977)</b>	(218,178)
	<b>30,743</b>	7,727	<b>30,743</b>	7,727
<b>PLANT AND EQUIPMENT</b>				
Plant and equipment at cost	<b>1,228,791</b>	1,149,368	<b>1,089,537</b>	1,014,904
Accumulated depreciation	<b>(1,066,337)</b>	(1,035,004)	<b>(935,934)</b>	(906,907)
	<b>162,454</b>	114,364	<b>153,603</b>	107,997
Furniture, fixtures and fittings at cost	<b>448,488</b>	437,013	<b>331,159</b>	319,684
Accumulated depreciation	<b>(400,486)</b>	(383,096)	<b>(289,547)</b>	(274,393)
	<b>48,002</b>	53,917	<b>41,612</b>	45,291
Office equipment at cost	<b>80,088</b>	77,415	<b>80,088</b>	77,415
Accumulated depreciation	<b>(60,949)</b>	(51,150)	<b>(60,949)</b>	(51,150)
	<b>19,139</b>	26,265	<b>19,139</b>	26,265
Club loyalty system	<b>159,951</b>	159,951	<b>48,152</b>	48,152
Accumulated depreciation	<b>(159,951)</b>	(159,951)	<b>(48,152)</b>	(48,152)
Total club loyalty system	-	-	-	-
Gaming equipment at cost	<b>1,445,207</b>	1,382,104	<b>719,374</b>	670,194
Accumulated depreciation	<b>(997,344)</b>	(937,316)	<b>(470,100)</b>	(430,715)
	<b>447,863</b>	444,788	<b>249,274</b>	239,479
<b>Total property, plant and equipment</b>	<b>2,948,585</b>	2,815,715	<b>2,536,248</b>	2,362,516

## Notes to the Financial Statements

For the Year Ended 31 October 2018

**(a) Movements in carrying amounts of property, plant and equipment**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment	Furniture, Fixtures and Fittings	Office Equipment	Leasehold improvements	Club loyalty system	Gaming equipment	Oval redevelopment	Total
NAFC Inc.	\$	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 31 October 2018</b>								
Balance at the beginning of year	107,997	45,291	26,265	1,935,757	-	239,479	7,727	2,362,516
Additions	98,654	11,475	2,673	292,185	-	100,179	31,815	536,981
Disposals	(21,316)	-	-	-	-	-	-	(21,316)
Depreciation expense	(31,732)	(15,154)	(9,799)	(186,065)	-	(90,384)	(8,799)	(341,933)
<b>Balance at the end of the year</b>	<b>153,603</b>	<b>41,612</b>	<b>19,139</b>	<b>2,041,877</b>	<b>-</b>	<b>249,274</b>	<b>30,743</b>	<b>2,536,248</b>

	Plant and Equipment	Furniture, Fixtures and Fittings	Office Equipment	Leasehold improvements	Club loyalty system	Gaming equipment	Oval redevelopment	Total
Consolidated Group	\$	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 31 October 2018</b>								
Balance at the beginning of year	114,364	53,917	26,265	2,168,654	-	444,788	7,727	2,815,715
Additions	103,445	11,475	2,673	292,185	-	191,010	31,815	632,603
Disposals	(21,316)	-	-	-	-	-	-	(21,316)
Depreciation expense	(34,039)	(17,390)	(9,799)	(220,455)	-	(187,935)	(8,799)	(478,417)
<b>Balance at the end of the year</b>	<b>162,454</b>	<b>48,002</b>	<b>19,139</b>	<b>2,240,384</b>	<b>-</b>	<b>447,863</b>	<b>30,743</b>	<b>2,948,585</b>

## **Notes to the Financial Statements**

**For the Year Ended 31 October 2018**

**(b) Right of Use Asset**

	<b>Consolidated Group</b>		<b>NAFC Inc.</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Prospect oval development	<b>1,880,000</b>	1,880,000	<b>1,880,000</b>	1,880,000
Less: accumulated amortisation	<b>(626,667)</b>	(537,143)	<b>(626,667)</b>	(537,143)
	<b>1,253,333</b>	1,342,857	<b>1,253,333</b>	1,342,857

In 2011 (finalised in 2012) the Club entered into an agreement with the Prospect Council to pay \$1.88m for the development that occurred at Prospect Oval. As the upgrades to the building are legally the ownership and right of the Council, the asset recorded in the books of the club is a Right of Use asset. This right of use is granted to the club for 21 years. On that basis, the \$1.88m will be amortised equally over the life of the contract.

**11 Intangible Assets**

Other Licenses	<b>682,520</b>	682,520	-	-
Gaming machine licenses	<b>5,000</b>	5,000	<b>5,000</b>	5,000
<b>Total Intangibles</b>	<b>687,520</b>	687,520	<b>5,000</b>	5,000

Following the introduction of the Gaming Machines (Miscellaneous) Amendment Bill 2004 into parliament in 2004, the board members decided to value the club's gaming machines at \$1,520,000 being \$38,000 per machine. The club is licensed to operate 40 gaming machines. In the 2018 gaming machine license trading round, the vendor price of a gaming machine licence was \$17,063. This would give the 40 licenses held a value of \$682,520.

**12 Trade and other payables**

**CURRENT**

Unsecured liabilities

Trade payables	<b>484,564</b>	236,364	<b>323,846</b>	155,315
Sundry creditors and accruals	<b>206,908</b>	232,207	<b>141,299</b>	164,079
	<b>691,472</b>	468,571	<b>465,145</b>	319,394

## **Notes to the Financial Statements**

**For the Year Ended 31 October 2018**

### **13 Borrowings**

	<b>Consolidated Group</b>		<b>NAFC Inc.</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>				
Secured liabilities:				
Bank overdraft	<b>16,085</b>	13,160	<b>16,085</b>	13,160
Lease liability	<b>56,169</b>	30,015	<b>38,970</b>	30,031
Prospect Council	<b>151,875</b>	144,921	<b>151,875</b>	144,921
<b>Total current borrowings</b>	<b>224,129</b>	188,096	<b>206,930</b>	188,112
<b>NON-CURRENT</b>				
Unsecured liabilities:				
Related party loan	-	-	<b>3,120,000</b>	3,120,000
	-	-	<b>3,120,000</b>	3,120,000
Secured liabilities:				
Lease liability	<b>75,600</b>	19,990	<b>43,332</b>	19,990
Prospect Council	<b>1,444,554</b>	1,599,795	<b>1,444,554</b>	1,599,795
<b>Total non-current borrowings</b>	<b>1,520,154</b>	1,619,785	<b>4,607,886</b>	4,739,785

Security provided over the entity's banking facilities is via first registered mortgage debenture over assets and undertakings of the North Adelaide Football Club Inc. & The Roosters Club Inc.

The loan from the Prospect Council for the oval redevelopment is a 15 year loan with the first 5 years being interest only. From the 6th year (2016) both principal and interest payments will be made. Security is a fixed and floating charge over all present and future rights, property and undertakings of the Club.

### **14 Provisions**

<b>Current liabilities</b>				
Annual leave	<b>138,179</b>	114,794	<b>96,919</b>	72,218
Long service leave	<b>137,496</b>	170,126	<b>102,926</b>	121,187
	<b>275,675</b>	284,920	<b>199,845</b>	193,405
<b>Non-current assets</b>				
Long service leave	<b>85,406</b>	35,748	<b>39,885</b>	18,518
	<b>85,406</b>	35,748	<b>39,885</b>	18,518

### **15 Reserves**

#### **Revaluation reserve**

The revaluation reserve records fair value movements on non-current assets.

**Notes to the Financial Statements**  
**For the Year Ended 31 October 2018**

**16 Capital and Leasing Commitments**

**(a) Finance Leases**

	Consolidated Group		NAFC Inc.	
	2018	2017	2018	2017
	\$	\$	\$	\$
Minimum lease payments:				
- not later than one year	61,044	31,591	41,750	31,607
- between one year and five years	78,723	20,570	44,933	20,570
Minimum lease payments	139,767	52,161	86,683	52,177
Less: finance charges	(7,998)	(2,156)	(4,381)	(2,156)
Present value of minimum lease payments	131,769	50,005	82,302	50,021

Finance leases are in place for gaming machines and vehicles and normally have a term between 1 and 5 years.

**(b) Operating Leases**

Minimum lease payments under non-cancellable operating leases:				
- not later than one year	669,287	574,910	597,287	502,910
- between one year and five years	2,573,791	1,091,042	2,573,791	1,091,042
- later than five years	3,936,115	-	3,936,115	-
	7,179,193	1,665,952	7,107,193	1,593,952

The property lease commitments are non-cancellable operating leases contracted for but not recognised in the financial statements with remaining terms ranging from 1 to 3 years each with an option to extend the lease between 3 and 5 years. Increase in lease commitments may occur in line with the Consumer Price Index (CPI).

The lease for the oval development is a 21 year lease commitment commencing in 2012.

The term of the lease of the Northern Tavern is 6 years which commenced on 24 December 2014 and will expire on the 23 December 2020. The rent and outgoings will increase every year by a minimum of either CPI or 2%.

**17 Related Parties**

Human Resources & Accounting Services - Pat Hodby	13,310	4,092	11,900	4,526
Legal Services - Adam Crittenden	21,246	-	18,915	-
<b>Total related party transactions</b>	<b>34,556</b>	<b>4,092</b>	<b>30,815</b>	<b>4,526</b>

Transactions between related parties are on normal commercial terms and under conditions no more favourable than those available to other persons unless otherwise stated.

## **Notes to the Financial Statements**

**For the Year Ended 31 October 2018**

### **18 Cash Flow Information**

Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax

	<b>Consolidated Group</b>		<b>NAFC Inc.</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Profit for the year	<b>(80,754)</b>	122,453	<b>168,735</b>	264,802
Cash flows excluded from profit attributable to operating activities				
Non-cash flows in profit:				
- Depreciation and amortisation	<b>567,941</b>	554,453	<b>431,457</b>	432,067
- net gain on disposal of property, plant and equipment	<b>1,316</b>	-	<b>1,316</b>	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:				
- (increase)/decrease in trade and other receivables	<b>(43,779)</b>	6,608	<b>(236,329)</b>	(264,776)
- (increase)/decrease in prepayments	<b>(14,395)</b>	51,606	<b>(14,395)</b>	51,606
- (increase)/decrease in inventories	<b>(20,633)</b>	(7,426)	<b>(22,333)</b>	(8,338)
- increase/(decrease) in trade and other payables	<b>222,901</b>	2,358	<b>145,751</b>	(7,000)
- increase/(decrease) in employee benefits	<b>40,413</b>	45,251	<b>27,807</b>	27,407
Cashflow from operations	<b>673,010</b>	775,303	<b>502,009</b>	495,768

### **19 Financial Instruments**

#### Financial Risk Management

NAFC's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

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

#### **Liquidity risk**

NAFC manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities 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.

NAFC has implemented controls to reduce the credit risk exposure to the association, these controls include but are not limited to continual review of amounts outstanding.

The credit risk for the gaming venues is minimal as their main income is derived from cash transactions.



## **Notes to the Financial Statements**

**For the Year Ended 31 October 2018**

**(a) Interest Rate Risk**

The Consolidated Group's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Interest Bearing	
	2018 %	2017 %	2018 \$	2017 \$
<b>Financial Assets:</b>				
Cash and cash equivalents	0.50	0.70	294,250	500,000
Trade & other receivables	-	-	-	-
<b>Total Financial Assets</b>			<b>294,250</b>	<b>500,000</b>
<b>Financial Liabilities:</b>				
Trade and sundry creditors	-	-	-	-
Lease liabilities	0.90	0.90	131,769	50,005
Prospect Council	7.00	7.00	1,596,429	1,744,716
<b>Total Financial Liabilities</b>			<b>1,728,198</b>	<b>1,794,721</b>
	Non-interest Bearing		Total	
	2018 \$	2017 \$	2018 \$	2017 \$
<b>Financial Assets:</b>				
Cash and cash equivalents	-	-	294,250	500,000
Trade & other receivables	99,691	55,912	99,691	55,912
<b>Total Financial Assets</b>	<b>99,691</b>	<b>55,912</b>	<b>393,941</b>	<b>555,912</b>
<b>Financial Liabilities:</b>				
Trade and sundry creditors	484,564	236,364	484,564	236,364
Lease liabilities	-	-	131,769	50,005
Prospect Council	-	-	1,596,429	1,744,716
<b>Total Financial Liabilities</b>	<b>484,564</b>	<b>236,364</b>	<b>2,212,762</b>	<b>2,031,085</b>

## **Notes to the Financial Statements**

### **For the Year Ended 31 October 2018**

#### **20 Capital Management**

The Board controls the capital of the club in order to maintain a good debt-to-equity ratio and to ensure that the club can fund its operations to continue as a going concern.

The club's debt and capital includes financial liabilities supported by assets.

There are no externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital of the club since the prior year. This strategy is to ensure that there is sufficient cash to meet trade and sundry payables and borrowings.

#### **21 Events Occurring After the Reporting Date**

The financial report was authorised for issue on 12 December 2018 by the Board of Directors.

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

#### **22 Contingencies**

In the opinion of the Committee of Management, the Association did not have any contingencies at 31 October 2018 (31 October 2017:None).

#### **23 Association Details**

Registered office and principal place of business:  
Prospect Oval, Menzies Crescent,  
Prospect SA 5082

**North Adelaide Football Club Incorporated**


**Statement by Members of the Board**

In the opinion of the board the financial report as set out on pages 3 to 23:

1. Present fairly the results of the operations of North Adelaide Football Club INC. and controlled entities as at 31 October 2018 and its state of affairs for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that North Adelaide Football Club Inc. and controlled entities will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

President .....  .....  
Lee Virgin

Treasurer .....  .....  
Pat Hodby

Dated this ..... 12<sup>th</sup> ..... day of December 2018

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
NORTH ADELAIDE FOOTBALL CLUB INC AND CONTROLLED ENTITY**

**Report on the Financial Report**

**Opinion**

We have audited the accompanying financial report of North Adelaide Football Club Inc and Controlled Entity, which comprises the statement of financial position as at 31 October 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the statement by the Board of the association.

In our opinion, the financial report gives a true and fair view of the financial position of North Adelaide Football Club Inc and Controlled Entity as of 31 October 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Associations Incorporation Act 1985 (SA)*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Responsibilities of Management and Those Charged with Governance for the Financial Report**

Management is responsible for the preparation of the financial report, which gives a true and fair view in accordance with Australian Accounting Standards and the *Associations Incorporation Act 1985 (SA)*, and for such internal control as the committee and management determines 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.

In preparing the financial report, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

### **BENTLEYS SA AUDIT PARTNERSHIP**



DAVID PAPA  
PARTNER

Dated at Adelaide this 13<sup>th</sup> day of December 2018.