

Item No:	<b>14.8</b>
Subject:	<b>GLENELG FOOTBALL CLUB – ANNUAL FINANCIAL STATEMENTS FOR YEAR ENDED 31 OCTOBER 2018</b>
Date:	23 April 2019
Written By:	Manager Finance
A/General Manager:	Business Services, Ms P Jackson

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## SUMMARY

The audited financial statements for the Glenelg Football Club have been received. This report assesses the financial result and provides comparative key financial indicators of the Club's operations and financial performance for the 12 month period ended 31 October 2018.

The assessment indicates that the overall financial performance and position of the Club is stable. The common consolidated financial indicators show stable profitability and reduced debt. Council's commitment to the long term sustainability of the Club, as evidenced in the granting of financial concessions during 2017, has contributed directly to the financial result and position of the Club.

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## RECOMMENDATION

1. That Council notes the report.
  2. That Council notes that the Glenelg Football Club financial position for the 12 month period ended 31 October 2018.
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## COMMUNITY PLAN

Community: Building a healthy, active and resilient community  
Economy: Supporting and growing local business  
Culture: Being financially accountable  
Culture: Supporting excellent, efficient operations

## COUNCIL POLICY

Not Applicable.

## STATUTORY PROVISIONS

Not Applicable.

## BACKGROUND

### Background - Glenelg Football Club Loans

In order to provide background into the financial arrangements with the Glenelg Football club the following key dates and actions have been documented as below.

In 2001 Council entered into a loan agreement with the Glenelg Football Club under which the Club borrowed \$2.5 million from Council to fund its building redevelopment and upgrade program. Council funded the loan by borrowing from the Local Government Finance Authority (LGFA) and on-lending to the Club on identical terms (ie. a 'back-to-back' loan).

The Club had met its principal and interest payments up to October 2012 at which point the Club approached Council to restructure its loans including a 2-year interest-only term. The following key dates and Council decisions summarise the response to the Club requests and developments since that time:

- *11 December 2012* - Council agreed to re-structuring the loans by providing a 24 month interest-only term.
- *27 August 2013* - Council noted the on-going financial performance strategies to improve the Club and resolved to advance new loans up to \$500,000.
- *14 October 2014* - Council resolved to continue interest only repayments on existing loans for a further 24 month period.
- *8 March 2016* the Club met with Council regarding its financial position, forecast SANFL proceeds from sale of the AAMI Stadium Precinct Land and a proposal to reduce the loan amount owing to Council key decisions were as follows:
  - Council agreed to work with the Club to restore its longer term financial viability while mindful of discharging its obligations to its ratepayers.
  - Council considered that any further debt reduction was unacceptable and proposed the appointment of an independent investigative accountant to assist the Club and Council to fully understand the Club's financial position and obligations.
  - Council also sought assurance that the SANFL proceeds from the sale of the AAMI Stadium Precinct Land would be applied to repay Council loans. A working party was established to monitor financial sustainability.

- *26 April 2016* - Council endorsed a letter to the Glenelg Football Club outlining Council's considerations and actions (as above), recognising that the financial situation is complex.
- *September 2016* - letter received from the Club dealing with the initial \$250,000 SANFL land divestment fund distribution. Council agreed that the proceeds be first applied to satisfy the Clubs debt of \$88,000 to the Australian Tax Office and the balance to be held by the SANFL pending a determination by Council. Council also agreed to engage BRI-Ferrier as an investigative accountant and that the report be provided in confidence.
- *25 October 2016* - Council received in confidence the BRI Ferrier report and resolved that the report be released in confidence to the Audit Committee in order to assist in the determination of the Club's ability to meet future loan repayments.
- *31 October 2016* – Audit Committee received loans receivable report (Report 276/16). An impairment amount of \$400,000 as at 30 June 2016 was recommended to Council.
- *22 November 2016* – Council considered report (285/16) which included the BRI-Ferrier (independent investigative accountant). Key decisions were as follows (refer minute C221116/584 for full details):
  - Council re-affirms its commitment to support the Glenelg Football Club in its objective of long-term sustainability.
  - A proposal was put to the Club, SANFL, and ANZ to release funds and reduce overall indebtedness – including first tranche (\$162,000) to be applied to repay Council's secured debt, and the Club's debt demolition campaign funds be applied to repay the ANZ.
  - Council negotiate a sharing arrangement of further SANFL proceeds with the ANZ in the proportion of 4/5 to Council and 1/5 to the ANZ.
- *13 December 2016* – Council considered correspondence from the Club and reduced the lease payment amount to \$40,000 for 3 financial years to 31/10/19.
- *24 January 2017* – Council considered responses from the Club and the ANZ in relation to debt reduction. Key decisions were as follows (refer minute C240117/644 for full details):
  - Council re-affirms its commitment to support the Glenelg Football Club in its objective of long-term sustainability.
  - That Council's CEO and agents negotiate the first tranche of the SANFL proceeds on a 2/3 to Council (ie \$108,000) and 1/3 to ANZ Bank (ie \$54,000).
  - That Council's CEO negotiate future SANFL proceeds to be applied on a 4/5 Council, 1/5 ANZ – in the event that this could not be reached within 6 weeks the repayment basis be 2/3 Council and 1/3 ANZ.
- *1 and 2 February 2017* – Council received \$108,000 being first tranche of the SANFL distribution based on a 2/3 Council, 1/3 ANZ split.
- *10 May 2017* – The Club wrote to Council seeking additional support to continue the delivery of its service to the community including agreement to pay 2/3 of the SANFL proceeds over the next 6 years.

- *16 May 2017* – Council workshop to consider response to letter, options and future strategy – facilitated by BRI -Ferrier.
- *23 May 2017* – Council formally considered a response to the Club. Key decisions were as follows (refer minute C230517/787 for full details):
  - Council's CEO be authorised to engage recognised professionals to act as Council agent in achieving negotiated settlement with the Club and SANFL.
  - Council accept a SANFL dividend sharing scheme of 2/3 Council, 1/3 ANZ – with funds to be paid direct to Council and covered by a binding agreement.
  - Past interest owed be written-off and future interest for 2 years up to 31 October 2019 not be charged.
  - The Club's ability to pay interest be reviewed after that time (ie 31 October 2019).
  - Loan principal repayments by the Club be reviewed after the final SANFL dividend instalment has transpired (ie October 2022).
  - The Club president and CEO meet annually with Council's Mayor and CEO following the release of the Clubs end of year accounts (ie after 31 October).
- *23 August 2017* – Audit Committee received annual loans receivable report (Report 290/17). The impairment amount of \$400,000 as at 30 June 2017 was recommended to Council to be increased by \$117,780 to \$517,780.
- *20 October 2017* – Council received \$166,666.67 via direct credit the second tranche of the SANFL distribution based on a 2/3 Council, 1/3 ANZ split.
- *27 February 2018* – Council received a report (51/18) on the Glenelg Football Club Annual Financial Statements for year ended 31 October 2017. Council noted that the financial position had improved over the 12 month period as a result of Council measures to support the clubs objective of long-term sustainability (minute C270218/1059).
- *29 August 2018* – Audit Committee received annual loans receivable report (Report 298/18). The impairment amount as at 30 June 2018 was recommended to Council to remain unchanged at \$517,780.
- *22 October 2018* – Council received \$183,333.33 via direct credit the third tranche of the SANFL distribution based on a 2/3 Council, 1/3 ANZ split.

The amounts owed by the Glenelg Football Club are recorded in the financial statements of Council as a financial asset. As at 30 June 2018 the total amount recorded as owing from the Club is \$2,029,922 with an impairment provision of \$517,780. Given the latest tranche payment of \$183,333.33 the amount owing from the Club is forecast to be \$1,846,589 with an impairment provision of \$517,780 as at 30 June 2019.

The SANFL has advised the Club of the timing of the remaining Land Divestment payments as follows:

Payment Date	Amount	2/3 Council Share
October 2019	\$275,000	\$183,333
October 2020	\$300,000	\$200,000
October 2021	\$350,000	\$233,334
October 2022	\$300,000	\$200,000
<b>Total</b>	<b>\$1,225,000</b>	<b>\$816,667</b>

After the final tranche is received the principal amount owing from the club is forecast to be \$1,029,922.

### **Audited financial statements**

The Glenelg Football Club for the year ended 31 October 2018 have been finalised and audited. This report provides and analyses the final audited Financial Statements. The Club's Annual Report and Financial Statements are also available on the Club's website.

### **REPORT**

The audited financial statements for the Glenelg Football Club have been submitted to Council. They include two sets of audited statements being the Glenelg Football Club and the Glenelg Footballers Club.

*Refer Attachment 1*

To assess the financial performance of the Club a common financial ratio analysis has been undertaken. To perform this analysis the two sets of financial statements have been consolidated. This provides a better indication of the overall financial performance and position of the Club as a whole. The analysis assists in assessing the consolidated results in terms of overall liquidity, solvency and profitability. A healthy result is when liquidity and profitability are high while the liability indicators are low.

The following common financial ratios have been applied to the consolidated financial results and position.

#### **Liquidity Ratio**

*Current Ratio = current assets/current liabilities.* If the ratio is 1 it means the club has the exact amount of current assets to pay of its current debts.

<i>Consolidated result</i>	<i>Period ended 31/10/18</i>	<i>Period Ended 31/10/17</i>	<i>Analysis/Comments</i>
Current Assets	\$256,027	\$193,829	
Current Liabilities	\$1,729,670	\$1,672,658	
<b>Current Ratio</b>	<b>0.15</b>	<b>0.12</b>	While this ratio has improved from the previous year it indicates that the Club continues to have significant short-term obligations. During 2019/20 a further \$275,000 will be distributed from the SANFL from land divestment funds and this will contribute to reducing current liabilities.

### Solvency Ratios

*Long term debt to total capital.* Equates to long term debt divided by total liabilities and total members funds. Lower percentages means the majority of the club is financed by member funds.

<i>Consolidated result</i>	<i>Period ended 31/10/18</i>	<i>Period Ended 31/10/17</i>	<i>Analysis/Comments</i>
Long term debt	\$1,688,455	\$1,869,340	Reduced due to SANFL land distribution
Total liabilities plus member funds	\$6,945,941	\$7,210,626	
<b>Percentage</b>	<b>24%</b>	<b>26%</b>	Indicates an improved position with members funds increasing their level of funding

*Debt to Equity Ratio.* Equates to total long term liabilities divided by total member's funds. Lower ratios indicate stronger debt management.

<i>Consolidated result</i>	<i>Period ended 31/10/18</i>	<i>Period Ended 31/10/17</i>	<i>Analysis</i>
Long term liabilities	\$1,688,878	\$1,849,124	Reduced in due to SANFL land distribution
Member funds	\$3,536,393	\$3,638,844	
<b>Ratio</b>	<b>0.48</b>	<b>0.51</b>	Indicates an improved position

### Profitability Ratios

*Profit margin.* Measured by net income divided by total revenues.

<b>Consolidated result</b>	<b>Period ended 31/10/18</b>	<b>Adjusted Period Ended 31/10/17#</b>	<b>Period Ended 31/10/17</b>	<b>Analysis</b>
Net income	\$247,549	\$106,714	\$681,739	
Total revenues	\$4,670,607	\$4,520,672	\$5,095,697	
Percentage	5.3%	2.4%	13.4%	Indicates an improved result

# excludes extraordinary items: payroll tax refund \$163,025; SANFL land distribution \$412,000.

Council's commitment to ensure the Clubs long term sustainability has contributed to financial performance and position of the Club.

During 2016/17 Council granted and agreed to a number of concessions and arrangements with to the Club:

- Reduction in annual lease from \$72,000 to \$40,000 (C121316/622).
- Acceptance of SANFL dividend sharing scheme as per a SANFL timetable (C230517/787) – resulting in a principal reduction of \$1,274,666 over a 7 year period concluding October 2022.
- Write off of past interest owed and future interest up to 31 October 2019 on loans advanced to the club (C230517/787).
- Review the ability of the club to pay remainder of loan outstanding after the final SANFL dividend instalment (C230517/787).

The write-off of outstanding interest resulted in a direct saving of \$188,685 to the club in 2016/17. The Club has indicated that the freezing of interest repayments has directly contributed to its financial stability.

The following comments have been provided by the Club in relation to its comparative financial performance and projections:

- Gaming revenue has decreased by 7.5%.
- Increased bar and kitchen focus with kitchen sales showing a 12% increase.
- Decreased membership and attendance at games – hopeful of improved results in 2019.
- Steady sponsorship income.
- Football expenses have increased by 7% and are under continual review.
- By October 2022 debt projections are \$1,029,922 to Council and \$227,666 to the ANZ.
- Current trading results are not enabling any further reduction in debt, however the board is pursuing strategies to clear the balance by October 2022.

To address these results the Club has:

- Changed its loyalty program and purchased additional gaming machines.
- Increased its focused on bar and kitchen sales with improvement in food quality and variety.
- Controlled costs in the Venue while continuing to review football department expenditure.

As part of the external audit report the Club Auditors (BDO) concluded that no material uncertainty exists over the entities ability to continue as a going concern. This was based on the consistent improved performance and improved financial position with the SANFL land divestment funds directly reducing debt. The conclusion was reached in conjunction with a technical consultation with the BDO national team.

The above results and ratio analysis supports the conclusion that the club is financially stable as a going concern. Council's commitment to the long term sustainability of the Club has contributed directly to this outcome.

#### **LIFE CYCLE COSTS**

Nil.



# Attachment 1

GLENELG FOOTBALLERS' CLUB INC  
A.B.N. 94 586 591 723

ANNUAL REPORT

YEAR ENDED 31 OCTOBER 2018

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GLENELG FOOTBALLERS' CLUB INC  
A.B.N. 94 586 591 723

STATEMENT BY THE BOARD  
FOR THE YEAR ENDED 31 OCTOBER 2018

In the opinion of the Board of Directors the accompanying financial statements, as set out on pages 3 to 9:

- (a) Present fairly the financial position of the Club as at 31 October 2018 and the result of its operations for the year then ended; and
- (b) Have been prepared and presented in accordance with the applicable accounting standards.

The Board of Directors has reasonable grounds to believe that the Club will be able to pay its debts as and when they fall due.

The Board of Directors hereby states that during the financial year ended 31 October 2018:

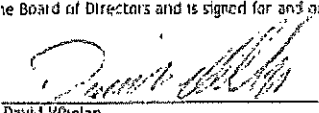
- (a) (i) No officer of the Club;
- (ii) No firm of which an officer is a member; and
- (iii) No body Corporate in which an officer has a substantial financial interest

has received, or become entitled to receive, a benefit outside of normal trading terms as a result of a contract between the officer, firm or body corporate and the Club; and

- (b) No officer of the Club has received directly or indirectly from the Club any payment or other benefit of a pecuniary value other than disclosed amounts shown in Note 10.

The above statement is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Club by:

  
Alex Christophersen  
Chairman

  
David Whelan  
Finance Director

Dated: at Glenelg, this 18<sup>th</sup> day of January 2019

GLENELG FOOTBALLERS' CLUB INC  
A.B.N. 94 586 591 723

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 OCTOBER 2018

	Note	2018 \$	2017 \$
<b><u>INCOME</u></b>			
<b>Bar</b>			
Sales		842,514	829,810
Less: Cost of Goods Sold		<u>(320,899)</u>	<u>(325,953)</u>
Gross Profit		<u>521,615</u>	<u>503,857</u>
<b>Kitchen</b>			
Sales		1,079,004	963,561
Less: Cost of Goods Sold		<u>(350,217)</u>	<u>(332,859)</u>
Gross Profit		<u>728,787</u>	<u>630,702</u>
Outdoor Sales (net of expenses)		128,206	126,139
Functions Hire Income		14,671	27,063
Net Gaming Revenue		1,181,308	1,278,874
Bingo & Keno Income		107,392	147,997
Rental Income		80,823	-
Other Income	2	72,518	330,814
<b>Total Income</b>		<u><b>2,835,320</b></u>	<u><b>3,045,446</b></u>
<b><u>EXPENDITURE</u></b>			
<b>Direct Expenses</b>			
Bar Expenses		19,515	22,195
Kitchen Expenses		77,605	74,785
Function Expenses		17,365	37,758
Gaming Expenses		472,408	505,886
General Direct Expenses		144,291	140,366
Sales Reductions		153,555	72,153
Employee Benefit Expenses		<u>1,126,620</u>	<u>1,162,937</u>
		<u>2,011,359</u>	<u>2,016,080</u>
<b>Overhead Expenses</b>			
Office & Administration		185,312	216,034
Occupancy Expenses		242,976	243,352
Depreciation Expense		67,573	69,131
Finance Costs		53,112	146,930
Other Expenses		<u>2,378</u>	<u>12,601</u>
		<u>551,351</u>	<u>688,048</u>
<b>Total Expenditure</b>		<u><b>2,562,710</b></u>	<u><b>2,704,128</b></u>
<b>Net profit/(loss) for the year</b>		<u><b>272,610</b></u>	<u><b>341,318</b></u>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<u><b>272,610</b></u>	<u><b>341,318</b></u>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

GLENELG FOOTBALLERS' CLUB INC  
A.B.N. 94 586 591 723

STATEMENT OF FINANCIAL POSITION  
AS AT 31 OCTOBER 2018

	Note	2018 \$	2017 \$
<b>ACCUMULATED FUNDS</b>			
Accumulated funds brought forward		793,047	451,729
Net profit/(loss) for the year		272,610	341,318
Accumulated funds carried forward		1,065,657	793,047
Asset Revaluation Reserve		2,930,000	2,930,000
<b>TOTAL MEMBER FUNDS</b>		<b>3,995,657</b>	<b>3,723,047</b>
This is represented by:			
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash & cash equivalents	3	55,200	54,100
Trade and other receivables	4	62,100	25,523
Inventories		48,149	35,073
<b>TOTAL CURRENT ASSETS</b>		<b>165,449</b>	<b>114,696</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	4,910,500	4,770,288
Gaming machine entitlements	6	1,350,000	1,350,000
Football Club loan	10	799,680	825,133
<b>TOTAL NON-CURRENT ASSETS</b>		<b>7,060,180</b>	<b>6,945,421</b>
<b>TOTAL ASSETS</b>		<b>7,225,629</b>	<b>7,060,117</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Bank overdraft		130,788	82,338
Trade and other payables	7	301,779	181,464
Secured loans	8	859,523	952,537
Unsecured loans	8	200,000	200,000
Employee benefit liabilities	9	49,427	51,391
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,541,517</b>	<b>1,467,729</b>
<b>NON-CURRENT LIABILITIES</b>			
Secured loans	8	1,688,455	1,869,340
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,688,455</b>	<b>1,869,340</b>
<b>TOTAL LIABILITIES</b>		<b>3,229,972</b>	<b>3,337,070</b>
<b>NET ASSETS</b>		<b>3,995,657</b>	<b>3,723,047</b>

*The above statement of financial position should be read in conjunction with the accompanying notes.*

GLENELG FOOTBALLERS' CLUB INC  
A.B.N. 94 586 591 723

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 OCTOBER 2018

	Note	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		3,434,943	3,701,579
Payments to suppliers and employees		(3,100,471)	(3,253,158)
Finance costs		(41,112)	(47,401)
Net cash provided by (used in) operating activities	13	<u>293,360</u>	<u>301,020</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(40,587)	(13,678)
Net cash provided by (used in) investing activities		<u>(40,587)</u>	<u>(13,678)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from / (repayment of) borrowings		(275,001)	(484,500)
Repayments from / (payments to) Glenelg Football Club		25,453	281,417
Refund from asset purchase		-	30,580
Repayment of asset purchase finance		(50,576)	(59,718)
Net cash provided by (used in) financing activities		<u>(300,124)</u>	<u>(232,221)</u>
Net increase / (decrease) in cash held		(47,351)	55,121
Cash at beginning of year		(28,237)	(83,358)
Cash at end of year	13	<u>175,588</u>	<u>(28,237)</u>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

GLENELG FOOTBALLERS' CLUB INC  
A.B.N. 94 586 591 723

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018

**Note 1: Statement of Significant Accounting Policies**

The financial statements cover Glenelg Football Club Inc as an individual entity. Glenelg Football Club Inc is a not-for-profit association incorporated in South Australia under the Associations Incorporations Act (SA) 1985.

Basis of Preparation

The financial statements are special purpose financial statements prepared to satisfy the financial report preparation requirements of the Associations Incorporations Act (SA) 1985. The directors have determined that the association (the club) is not a reporting entity.

No Australian Accounting Standards have mandatory applicability and Australian Accounting Interpretations are also not applicable.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Valuation of Non-Current Assets

Leasehold Clubrooms and Function Centre buildings are shown at their fair value based on periodic valuations by the Board of Directors. These buildings were revalued at 31 October 2010. Increases in the carrying amount arising on revaluation of land and buildings are accumulated in the asset revaluation reserve in accumulated funds. Revaluation decreases that offset previous increases of the same class of assets will be offset in the revaluation. All other decreases are charged to the statement of comprehensive income. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Depreciation or amortisation is not charged for these buildings as revaluations will be reviewed and revised on a sufficient regularity such that the value of the buildings will not materially differ.

Gaming Machine Entitlements are carried at a directors valuation using a valuation model incorporating the cash flows received from gaming operations and a discount rate observed from market based evidence.

Depreciation & Amortisation

Depreciation is charged on property, plant and equipment using either the prime cost or diminishing value method at rates which provide for a write down from cost over the anticipated period of economic usefulness.

Inventory

Inventory is valued at the lower of cost and net realisable value.

Provision for Sick Leave

No provision is made for sick leave. The amounts paid are brought to account as an expense.

Provision for Long Service Leave and Annual Leave

Long service leave is accrued for all employees who have completed five years service with the Club, and calculated on the basis of the relevant Award or State Act.

Annual Leave is accrued on the basis of the relevant Award or State Act.

GLENELG FOOTBALLERS' CLUB INC  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018

	2018	2017
	\$	\$
<b>Note 2: Other Income</b>		
Business interruption insurance claim	-	177,221
Forgiveness of interest on Council loans	-	123,598
Gain on disposal of plant and equipment	45,120	669
Other	27,398	29,326
	72,518	330,814
 <b>Note 3: Cash &amp; Cash Equivalents</b>		
Cash on hand	55,200	54,100
	55,200	54,100
 <b>Note 4: Trade and Other Receivables</b>		
Trade Receivables	59,570	8,357
Other Receivables	2,530	17,167
	62,100	25,524
 <b>Note 5: Property, Plant and Equipment</b>		
Licensed Clubroom & Function Centre Buildings at Valuation (2010)	4,500,000	4,500,000
Licensed Club Redevelopment (2014)	111,182	111,182
Gaming Room Redevelopment (2016)	10,330	10,330
First Floor Redevelopment (2018)	15,436	-
Plant and equipment at cost	1,583,821	1,472,662
Less: accumulated depreciation	(1,310,269)	(1,323,886)
	273,552	148,776
Total property, plant and equipment	4,910,500	4,770,288
 <b>Note 6: Gaming Machine Entitlements</b>		
<p>The Club has 36 Poker Machines, some of which are financed by finance lease or chattel mortgage. The loans from Esanda Finance Corporation (ANZ Banking Group Ltd), are guaranteed by the Glenelg Football Club Inc and ANZ Banking Group Ltd and Esanda Finance Corporation also have security over some Poker Machines. The Club is licensed to operate a maximum of 36 Poker Machines.</p>		
Turnover on Gaming Machines	14,244,528	14,947,260
Less 'Wins' returned to Player	(12,945,089)	(13,539,873)
Net Receipts \$	1,299,439	1,407,387
Net Receipts \$ (excl. GST)	1,181,308	1,279,443
Net Receipts %	9.12%	9.42%
Number of Gaming Machines	36	36
Gaming Tax Paid	333,172	366,573
Gaming Tax % of Net Receipts	25.64%	26.05%
Net receipts are accounted for on a cash basis.		
 <b>Note 7: Trade and Other Payables</b>		
<b>CURRENT</b>		
Trade payables	198,526	86,902
Sundry creditors and accruals	98,681	90,544
Income collected in advance	4,572	4,018
	301,779	181,464



GLENELG FOOTBALLERS' CLUB INC  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018

	2018 \$	2017 \$
<b>Note 8: Borrowings</b>		
The Glenelg Footballers Club Inc, in conjunction with the Glenelg Football Club Inc, has an overdraft facility with the ANZ Banking Group of \$160,000 and a Commercial Bill Facility of \$500,000. The ANZ Bank Bills and Business Loan have been extended during the year, now expiring 29 March 2019. All borrowings are secured by cross guarantee from/to the Glenelg Footballers Club Inc and Glenelg Football Club Inc. A summary of the both the secured and unsecured borrowing commitments has been included below.		
<b>(a) Secured Loans</b>		
<b>CURRENT</b>		
ANZ Bank Bills	500,000	500,000
ANZ Business Loan	136,000	227,667
City of Holdfast Bay Debenture Loans	183,333	183,333
Asset Finance Liabilities	40,190	41,536
	<u>859,523</u>	<u>952,537</u>
<b>NON-CURRENT</b>		
City of Holdfast Bay Debenture Loans	1,663,256	1,846,591
Asset Finance Liabilities	25,199	22,751
	<u>1,688,455</u>	<u>1,869,340</u>
<b>Total Secured Loans</b>	<u><b>2,547,978</b></u>	<u><b>2,821,877</b></u>

The ANZ Business Loan and the principal amount payable to the City of Holdfast Bay will reduce by \$91,667 and \$183,333 respectively next financial year as part of the 2019 distribution of the SANFL Land Divestment Funds. These two parties also have an agreement with the Club which will see the remaining SANFL Land Divestment Funds to October 2022 used directly to repay the debt.

<b>(b) Unsecured Loans</b>		
<b>CURRENT</b>		
Samlar Pty Ltd Loan	200,000	200,000

The Club has received confirmation from the lender that the unsecured loan will not be called in the next 12 months from the date of the signing of these accounts.

**Note 9: Employee Benefit Liabilities**

<b>CURRENT</b>		
Annual Leave	18,879	16,292
Long Service Leave	30,548	35,099
	<u>49,427</u>	<u>51,391</u>

**Note 10: Related Party Transactions**

**(a) Glenelg Football Club Inc**

The Glenelg Football Club Inc and Glenelg Footballers Club Inc operate in unison to provide a football team and licensed club facilities to support football activities. Glenelg Footballers Club Inc has provided a loan to Glenelg Football Club Inc and from time to time will also make donations to the Club. As at 31 October 2018 the following loan balance exists:

Amount receivable from Glenelg Football Club Inc	799,680	825,133
--	---------	---------

**(b) Board of Directors**

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

N Chigwidden (Chairman)	J Scripps
D Whelan	M Michaels
J Kavanagh	R Gillies
G King	B Veale
R Nunan	C Sayer

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

**(c) Remuneration of Directors**

The Directors in office during the year ended 31 October 2018 did not receive any remuneration for their services.

GLENELG FOOTBALLERS' CLUB INC  
A.B.N. 94 586 591 723

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018

**Note 11: Contingent Liabilities**

In the opinion of the Board of Directors, the association did not have any contingent liabilities as at 31 October 2018.

**Note 12: Events after the end of the reporting period**

No matters or circumstances have arisen since the end of the financial year ended 31 October 2018 which significantly affected or may significantly affect the operations of the association, the results of those operations or the state of affairs of the entity in future financial years.

**Note 13: Cash Flow Information**

	2018	2017
	\$	\$
a. Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash on hand	55,200	54,100
Bank overdraft	<u>(130,788)</u>	<u>(82,337)</u>
	<u>(75,588)</u>	<u>(28,237)</u>
b. Reconciliation of cash flow from football activities to operating results attributable to football activities		
Net operating profit/(loss)	272,610	341,318
Non-cash flows in operating result from ordinary activities:		
Depreciation	67,573	69,131
Interest forgiven by City of Holdfast Bay on debenture loans	-	(42,069)
Net loss/(gain) on disposal of plant and equipment	(45,120)	-
Changes in assets and liabilities:		
Decrease/(Increase) in trade receivables	(36,577)	49,410
Decrease/(Increase) in Inventories	(13,076)	12,319
Increase/(Decrease) in trade and other payables	49,915	(137,171)
Increase/(Decrease) in employee benefit liabilities	<u>(1,964)</u>	<u>8,082</u>
Net cash flows from operating activities	<u>293,360</u>	<u>301,020</u>

**Note 14: Association Details**

The registered office and principal place of business of the association is:  
Glenelg Football Club Inc  
Brighton Road  
GLENELG SA 5045



Tel: +61 8 7324 6000  
Fax: +61 8 7324 6111  
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BDO Centre  
Level 7, 420 King William Street  
Adelaide SA 5000  
GPO Box 2018 Adelaide SA 5001  
Australia

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLENELG FOOTBALLERS CLUB INC.

### Opinion

We have audited the financial report of Glenelg Footballers Club Inc. (the Entity), which comprises the statement of financial position as at 31 October 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the statement by the board.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 31 October 2018 and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in note 1.

### 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 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.

### Emphasis of matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the requirements of the Associations Incorporations Act 1985 (SA). As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Responsibilities of management and those charged with governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of Associations Incorporations Act 1985 (SA) and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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.

BDO Audit (SA) Pty Ltd ABN 33 161 379 086 is a member of a national association of independent entities which are all members of BDO Australia Ltd ACN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (SA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.



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 (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

A handwritten signature in black ink that reads 'BDO'.

**BDO Audit (SA) Pty Ltd**

A handwritten signature in black ink that reads 'Andrew Tickle'.

Andrew Tickle  
Director

Adelaide, 21 January 2019

GLENELG FOOTBALL CLUB INC  
A.B.N. 94 586 591 723

ANNUAL REPORT

YEAR ENDED 31 OCTOBER 2018

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GLENELG FOOTBALL CLUB INC  
A.B.N. 94 586 591 723

STATEMENT BY THE BOARD  
FOR THE YEAR ENDED 31 OCTOBER 2018

In the opinion of the Board of Directors the accompanying financial statements, as set out on pages 3 to 9:

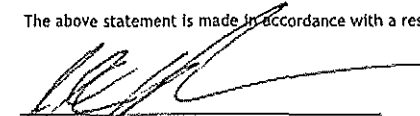
- (a) Present fairly the financial position of the Club as at 31 October 2018 and the result of its operations for the year then ended; and
- (b) Have been prepared and presented in accordance with the applicable accounting standards.

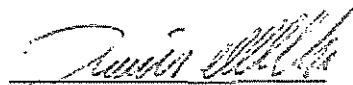
The Board of Directors has reasonable grounds to believe that the Club will be able to pay its debts as and when they fall due.

The Board of Directors hereby states that during the financial year ended 31 October 2018:

- (a) (i) No officer of the Club;  
(ii) No firm of which an officer is a member; and  
(iii) No body Corporate in which an officer has a substantial financial interest  
has received, or become entitled to receive, a benefit outside of normal trading terms as a result of a contract between the officer, firm or body corporate and the Club; and
- (b) No officer of the Club has received directly or indirectly from the Club any payment or other benefit of a pecuniary value other than disclosed amounts shown in Note 8.

The above statement is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Club by:

  
\_\_\_\_\_  
Nick Chignolden  
Chairman

  
\_\_\_\_\_  
David Whelan  
Finance Director

Dated: at Glenelg, this 18<sup>th</sup> day of January 2019

GLENELG FOOTBALL CLUB INC  
A.B.N. 94 586 591 723

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 OCTOBER 2018

	Note	2018 \$	2017 \$
<b>INCOME</b>			
Football income	2a	1,169,976	1,278,304
Membership income (net of expenses)		72,395	102,020
Sponsorship income (net of expenses)		488,096	479,238
Fundraising & coterie groups (net of expenses)		96,494	43,761
Grants & donations		8,310	5,495
Other Income	2b	16	169,211
Total income		<u>1,835,287</u>	<u>2,078,029</u>
<b>EXPENDITURE</b>			
Senior & junior football		1,306,036	1,240,270
Administration expenses		346,568	353,152
Occupancy expenses		59,197	58,049
Depreciation expense		41,670	60,347
Loss on revaluation of leasehold improvements (changerooms)		75,382	-
Other expenses		31,495	25,790
Total expenditure		<u>1,860,348</u>	<u>1,737,608</u>
Net profit/(loss) for the year		<u>(25,061)</u>	<u>340,421</u>
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Reversal of previous revaluation increment on leasehold improvements (changerooms)		<u>(350,800)</u>	-
Other comprehensive income for the year		<u>(350,800)</u>	-
Total comprehensive income for the year		<u>(375,861)</u>	<u>340,421</u>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

GLENELG FOOTBALL CLUB INC  
A.B.N. 94 586 591 723

STATEMENT OF FINANCIAL POSITION  
AS AT 31 OCTOBER 2018

	Note	2018 \$	2017 \$
<b>ACCUMULATED FUNDS</b>			
Accumulated funds brought forward		(488,755)	(829,176)
Net profit/(loss) for the year		<u>(25,061)</u>	<u>340,421</u>
Accumulated funds carried forward		(513,816)	(488,755)
Stan Wickham Memorial Trust Fund		3,539	3,539
Asset Revaluation Reserve		-	350,000
Ossie Amies Trust Fund		<u>51,013</u>	<u>51,013</u>
<b>TOTAL MEMBER FUNDS</b>		<u>(459,264)</u>	<u>(84,203)</u>
This is represented by:			
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash & cash equivalents	3	23,786	13,023
Trade receivables		37,418	38,938
Inventories		21,943	19,173
Prepayments		<u>7,431</u>	<u>8,000</u>
<b>TOTAL CURRENT ASSETS</b>		<u>90,578</u>	<u>79,134</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	<u>438,414</u>	<u>896,509</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>438,414</u>	<u>896,509</u>
<b>TOTAL ASSETS</b>		<u>528,992</u>	<u>975,643</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	5	130,405	96,263
Asset finance liabilities		8,488	22,561
Provision for sponsorship		19,749	19,133
Employee benefit liabilities	6	<u>29,511</u>	<u>66,972</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>188,153</u>	<u>204,929</u>
<b>NON-CURRENT LIABILITIES</b>			
Asset finance liabilities		423	10,035
Provision for sponsorship		-	19,749
Footballers Club Loan	8	<u>799,680</u>	<u>825,133</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>800,103</u>	<u>854,917</u>
<b>TOTAL LIABILITIES</b>		<u>988,256</u>	<u>1,059,846</u>
<b>NET ASSETS</b>		<u>(459,264)</u>	<u>(84,203)</u>

The above statement of financial position should be read in conjunction with the accompanying notes.



GLENELG FOOTBALL CLUB INC  
A.B.N. 94 586 591 723

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 OCTOBER 2018

	Note	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from football & sponsorship		1,703,350	2,026,776
Proceeds from fundraising		110,282	123,403
Payments to suppliers and employees		(1,746,264)	(1,917,183)
Net cash provided by (used in) operating activities	11	<u>67,368</u>	<u>232,996</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(8,957)	(1,134)
Proceeds from Australian Sports Foundation grants		1,490	4,108
Net cash provided by (used in) investing activities		<u>(7,467)</u>	<u>2,974</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from / (repayment of) Footballers Club borrowings		(25,453)	(281,417)
Repayment of asset purchase finance		(21,760)	(16,796)
Finance costs		(1,925)	(3,845)
Net cash provided by (used in) financing activities		<u>(49,138)</u>	<u>(302,058)</u>
Net increase / (decrease) in cash held		10,763	(66,088)
Cash at beginning of year		<u>13,027</u>	<u>79,111</u>
Cash at end of year	11	<u>23,786</u>	<u>13,023</u>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

GLENELG FOOTBALL CLUB INC  
A.B.N. 94 586 591 723

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018

**Note 1: Statement of Significant Accounting Policies**

The financial statements cover Glenelg Football Club Inc as an individual entity. Glenelg Football Club Inc is a not-for-profit association incorporated in South Australia under the Associations Incorporations Act (SA) 1985.

**Basis of Preparation**

The financial statements are special purpose financial statements prepared to satisfy the financial report preparation requirements of the Associations Incorporations Act (SA) 1985. The directors have determined that the association (the club) is not a reporting entity.

No Australian Accounting Standards have mandatory applicability and Australian Accounting Interpretations are also not applicable.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**Economic Dependency**

The Club is reliant on the continued support of the Glenelg Footballers Club Inc to continue as a going concern. The organisational objective of the Glenelg Footballers Club Inc is to provide support to the Club. This support has been provided historically and the budget for the year ended 31 October 2019 includes provision for this support to continue. This funding should also be sufficient to meet the Club's creditors, both outstanding as at 31 October and throughout the period.

**Depreciation & Amortisation**

Depreciation is charged on property, plant and equipment using either the prime cost or diminishing value method at rates which provide for a write down from cost over the anticipated period of economic usefulness.

**Provision for Sick Leave**

No provision is made for sick leave. The amounts paid are brought to account as an expense.

**Provision for Long Service Leave and Annual Leave**

Long service leave is accrued for all employees who have completed five years service with the Club, and calculated on the basis of the relevant Award or State Act.

Annual Leave is accrued on the basis of the relevant Award or State Act.

GLENELG FOOTBALL CLUB INC  
A.B.N. 94 586 591 723

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018

	Note	2018 \$	2017 \$
<b>Note 2: Football and Other Income</b>			
a. Football Income			
SANFL Distributions		1,025,200	1,108,750
Senior Football		63,169	92,115
Junior Football		81,607	77,439
		<u>1,169,976</u>	<u>1,278,304</u>
b. Other Income			
Payroll tax refund		-	163,025
Other income		16	6,186
		<u>16</u>	<u>169,211</u>
<b>Note 3: Cash &amp; Cash Equivalents</b>			
Cash on hand		1,523	667
Cash at bank		<u>22,261</u>	<u>12,356</u>
		<u>23,786</u>	<u>13,023</u>
<b>Note 4: Property, Plant and Equipment</b>			
Leasehold change rooms at valuation		-	449,822
Less: accumulated depreciation		-	(24,440)
		<u>-</u>	<u>425,382</u>
Plant and equipment at cost		793,945	776,985
Less: accumulated depreciation		(372,685)	(336,957)
		<u>421,260</u>	<u>440,028</u>
Motor vehicles at cost		62,880	87,048
Less: accumulated depreciation		(45,726)	(55,949)
		<u>17,154</u>	<u>31,099</u>
Total property, plant and equipment		<u>438,414</u>	<u>896,509</u>
<p>(i) The Club has revalued the old leasehold change rooms down to nil during the year, as a result of the storm damage which occurred in 2017 and new change rooms which have been now built in 2018. The new change rooms have not been recognised as the entitlement to the assets ultimately belongs with the landlord, City of Holdfast Bay, whom own Glenelg Oval and insure the buildings. The leasehold change rooms previously recognised were a result of refurbishments and other costs the Club had incurred in order to maintain and continue using the asset over a number of years.</p>			
<b>Note 5: Trade and Other Payables</b>			
CURRENT			
Trade payables		94,545	50,164
Sundry creditors and accruals		33,295	26,099
Income collected in advance		2,565	20,000
		<u>130,405</u>	<u>96,263</u>
<b>Note 6: Employee Benefit Liabilities</b>			
CURRENT			
Annual Leave		29,511	46,956
Long Service Leave		-	20,016
		<u>29,511</u>	<u>66,972</u>

GLENELG FOOTBALL CLUB INC  
A.B.N. 94 586 591 723

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018

	2018	2017
	\$	\$

**Note 7: Borrowings**

The Glenelg Football Club Inc, in conjunction with the Glenelg Footballers Club Inc, has an overdraft facility with the ANZ Banking Group of \$160,000 and a Commercial Bill Facility of \$500,000. All borrowings are secured by cross guarantee from/to the Glenelg Football Club Inc and Glenelg Footballers Club Inc.

**Note 8: Related Party Transactions**

(a) Glenelg Footballers Club Inc

The Glenelg Football Club Inc and Glenelg Footballers Club Inc operate in unison to provide a football team and licensed club facilities to support football activities. Glenelg Footballers Club Inc has provided a loan to Glenelg Football Club Inc and from time to time will also make donations to the Club.

As at 31 October 2018 the following loan balance exists:  
Amount due to Glenelg Footballers Club Inc

	799,680	825,133
--	---------	---------

(b) Board of Directors

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

N Chigwidden (Chairman)	J Scripps
D Whelan	M Michaels
J Kavanagh	R Gillies
G King	B Veale
R Nunn	C Sayer

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

(c) Remuneration of Directors

The Directors in office during the year ended 31 October 2018 did not receive any remuneration for their services.

**Note 9: Contingent Liabilities**

In the opinion of the Board of Directors, the association did not have any contingent liabilities as at 31 October 2018.

**Note 10: Events after the end of the reporting period**

No matters or circumstances have arisen since the end of the financial year ended 31 October 2018 which significantly affected or may significantly affect the operations of the association, the results of those operations or the state of affairs of the entity in future financial years.

GLENELG FOOTBALL CLUB INC  
A.B.N. 94 586 591 723

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018

	2018 \$	2017 \$
<b>Note 11: Cash Flow Information</b>		
<b>a. Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash at bank	1,523	667
Cash on hand	22,263	12,356
	23,786	13,023
<b>b. Reconciliation of cash flow from football activities to operating results attributable to football activities</b>		
Net operating profit/(loss)	(25,061)	340,421
Non-cash flows in operating result from ordinary activities:		
Depreciation expense	41,670	61,061
Loss on revaluation of fixed assets	75,382	-
Transfer to/(from) provisions	(19,133)	(19,133)
Cash flows in operating activities reclassified:		
Australian Sport Foundation Grants	(1,490)	(4,108)
Changes in assets and liabilities:		
Decrease/(Increase) in trade receivables	1,520	35,981
Decrease/(Increase) in inventories	(2,770)	(1,873)
Decrease/(Increase) in prepayments	569	(5,295)
Increase/(Decrease) in trade and other payables	34,142	(183,166)
Increase/(Decrease) in employee benefit liabilities	(37,461)	9,108
Net cash flows from operating activities	67,368	232,996

**Note 12: Association Details**

The registered office and principal place of business of the association is:  
Glenelg Football Club Inc  
Brighton Road  
GLENELG SA 5045



Tel: +61 8 7324 6000  
Fax: +61 8 7324 6111  
www.bdo.com.au

BDO Centre  
Level 7, 420 King William Street  
Adelaide SA 5000  
GPO Box 2018 Adelaide SA 5001  
Australia

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLENELG FOOTBALL CLUB INC.

### Opinion

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

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 31 October 2018 and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in note 1.

### 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 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.

### Emphasis of matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the requirements of the Associations Incorporations Act 1985 (SA). As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Responsibilities of management and those charged with governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of Associations Incorporations Act 1985 (SA) and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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 (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

A handwritten signature in black ink that reads 'BDO'.

**BDO Audit (SA) Pty Ltd**

A handwritten signature in black ink that reads 'Andrew Tickle'.

Andrew Tickle  
Director

Adelaide, 21 January 2019