

North Sydney District Rugby League Football Club Limited
ACN 003 009 158

Annual Report
For The Year Ended
31 October 2016

North Sydney District Rugby League Football Club Limited
ACN 003 009 158

Annual Report
For The Year Ended 31 October 2015

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North Sydney District Rugby League Football Club Limited
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Directors' Report

Your directors present their report together with the financial report of the company for the year ended 31 October 2016 and the auditor's report thereon.

Directors

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

Name	Qualification	Experience	Special Responsibilities
Perry Lopez	Company Director	13 Yrs Member NSDRLF Club	Chairman Representative to NSLC Board
Fred Thompson	Retired	55 Yrs Member NSDRLF Club Life Member	Representative to NSLC Board
Mark Dowel	Retired	16 Yrs Member NSDRLF Club	
Martin Lawson	Company Director	14 Yrs Member NSDRLF Club	
Peter McGrath	Company Director	11 Yrs Member NSDRLF Club	
Sean Wiles	Chartered Accountant	3 Yrs Member NSDRLF Club	
Justin Owen	Lawyer	5 Yr Member NSDRLF Club Appointed January 2016	Company Secretary

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

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Directors' Report

Directors' Meetings

The number of directors' meetings including special meetings of directors and the number of meetings attended by each of the directors of the company during the financial year are:

Board Meetings

Director	Number of Meetings Attended	Number of Meetings Held
Perry Lopez	10	10
Fred Thompson	8	10
Mark Dowel	10	10
Martin Lawson	9	10
Peter McGrath	8	10
Sean Wiles	8	10
Justin Owen	9	9

Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 31 October 2016 was 439.

Operating Result

The net loss for the year amounted to \$23,140.

Principal Activities

The principal activities of the company during the year were to encourage, promote and control the development, playing and interests of Rugby League Football in the North Sydney District and within the area of the boundaries of the Club as defined in the by-Laws of the New South Wales Rugby League Limited.

There have been no significant changes in the nature of these activities during the year.

Liability of members on winding up

The Company is incorporated and domiciled in Australia as a company limited by guarantee. In accordance with the Constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$1 per member in the event of the winding up of the Company during the time that he/she is a member or within one year thereafter. At 31 October 2016 there were 439 members.

**North Sydney District Rugby League Football Club Limited
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Directors' Report

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is party for the purposes of taking responsibility on behalf of the company for all or any part of those proceedings.


The company was not a party to any such proceedings during the year

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

Signed in accordance with a resolution of the directors.

Dated at Cammeray this 1st day of March 2017


Perry Lopez
Director


Sean Wiles
Director

North Sydney District Rugby League Football Club Limited
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Auditor's Independence Declaration
To the Directors
of North Sydney District Rugby League Football Club Limited

As lead auditor for the audit of North Sydney District Rugby League Football Club Limited for the year ended 31 October 2016, I declare that to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

FORTUNITY ASSURANCE



T R Davidson
Partner

155 The Entrance Road
Erina NSW 2250

Dated: *1st of March* 2017

North Sydney District Rugby League Football Club Limited
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Statement of Profit or Loss & Other Comprehensive Income
For The Year Ended 31 October 2016

	Note	2016	2015
		\$	\$
Revenue	2	1,045,644	853,355
Employee costs		(184,613)	(204,210)
Depreciation		(10,653)	(10,053)
Loss on disposal of assets		-	(4,024)
Administration expenses		(45,459)	(37,665)
Junior League expenses		(50,923)	-
NRL bid expenses		(151,336)	-
Other expenses		(625,800)	(600,440)
Profit/(loss) before income tax expense		(23,140)	(3,037)
Income tax expense		-	-
Net profit/(loss) after income tax		(23,140)	(3,037)
Other comprehensive Income		-	-
Total comprehensive income/(loss) for the year		(23,140)	(3,037)

The accompanying notes form part of these financial statements.

North Sydney District Rugby League Football Club Limited
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Statement of Financial Position
As at 31 October 2016

	Note	2016	2015
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	4	3,773	22,545
Other receivables	5	78,418	21,020
Total Current Assets		82,191	43,565
Non-Current Assets			
Property, plant and equipment	6	29,132	39,025
Total Non-current Assets		29,132	39,025
Total Assets		111,323	82,590
Current Liabilities			
Trade and other payables	7	102,301	49,097
Borrowings	8	-	10,000
Employee benefits	9	43,419	24,750
Total Current Liabilities		145,720	83,847
Non- Current Liabilities			
Borrowings	8	-	10,000
Total Non-Current Liabilities		-	10,000
Total Liabilities		145,720	93,847
Net Assets		(34,397)	(11,257)
Members' Funds			
Retained earnings		101,547	104,584
Profit/(Loss) for the year		(23,140)	(3,037)
League Football Club		(112,804)	(112,804)
		(34,397)	(11,257)

The accompanying notes form part of these financial statements.

North Sydney District Rugby League Football Club Limited
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Statement of Changes in Members Funds
For the Year Ended 31 October 2016

	2016	2015
	\$	\$
Balance at the beginning of the year	(11,257)	(8,220)
Profit/(loss) for the year	(23,140)	(3,037)
Balance at the end of the year	<u>(34,397)</u>	<u>(11,257)</u>

The accompanying notes form part of the financial statements.

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Statement of Cash Flows
For Year Ended 31 October 2016

	Note	2016 \$ Inflows (Outflows)	2015 \$ Inflows (Outflows)
Cash flows from operating activities			
Receipts from members, sponsors		988,182	873,475
Payments to suppliers and employees		(986,200)	(887,054)
Interest received		64	106
Interest paid		(58)	(3,787)
Net cash provided by operating activities	10	1,988	(17,260)
Cash flows from investing activities			
Payments for property, plant & equipment		(760)	(2,745)
Proceeds on disposal of property, plant & equipment		-	728
Net cash used in investing activities		(760)	(2,017)
Cash flows from financing activities			
Repayment of borrowings		(20,000)	(11,000)
Net cash provided by financing activities		(20,000)	(11,000)
Net (decrease)/increase in cash held		(18,772)	(30,277)
Cash at the beginning of the financial year		22,545	52,822
Cash at the end of the financial year		3,773	22,545

The accompanying notes form part of these financial statements.

North Sydney District Rugby League Football Club Limited

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Notes to the Financial Statements For The Year Ended 31 October 2016

The financial statements are for North Sydney District Rugby League Football Club Limited as an individual entity, incorporated and domiciled in Australia. North Sydney District Rugby League Football Club Limited is a company limited by guarantee.

Note 1. Summary of Significant Accounting Policies

Basis of Preparation

North Sydney District Rugby League Football Club Limited has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 January 2010.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. 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 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.

Accounting Policies

(a) Income Tax

The company has applied to the Australia Taxation Office for an exemption from income tax as it is a sporting club.

(b) Inventories

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

(c) 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.

North Sydney District Rugby League Football Club Limited
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Notes to the Financial Statements
For The Year Ended 31 October 2016

Note 1. Statement of Significant Accounting Policies (cont'd)

(c) Property, Plant and Equipment (cont'd)

Plant and Equipment

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

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Plant & equipment	7.5% - 30%
Leasehold Improvements	2.5% - 4%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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.

(d) Impairment of Assets

At each reporting date, the company reviews the carrying values of its 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 assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

North Sydney District Rugby League Football Club Limited
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Notes to the Financial Statements
For The Year Ended 31 October 2015

Note 1. Statement of Significant Accounting Policies (cont'd)

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other bank accounts and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(f) Revenue

Revenue from the sale of goods, services and gaming is recognised upon the sale to customers and members.

Interest revenue is recognised upon receipt.

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

Game day revenue, fundraising and merchandise sales are mainly in the form of cash. It is not possible to maintain an effective system of internal control over these receipts and the associated revenue is recognised in the accounting records when the cash is banked.

(g) 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 Tax 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.

(h) Members Subscriptions

Members subscriptions received in advance are amounts received from members in respect of subscriptions for 2017 and subsequent years, and are shown in the balance sheet under trade and other payables.

(i) Limitation of Members' Liability

In accordance with the Club's Constitution the liability of members in the event of the Club being wound up would not exceed \$1 per member.

North Sydney District Rugby League Football Club Limited
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Notes to the Financial Statements
For The Year Ended 31 October 2016

	2016	2015
	\$	\$
Note 2. Revenue		
Operating activities		
Membership subscriptions	10,671	2,160
Grant – North Sydney Leagues Club Ltd	400,005	449,397
Grant – NSW Rugby League	114,831	100,000
Function Income	65,985	24,108
Fundraising proceeds	-	13,787
Takings	26,463	22,702
Interest received	64	106
Sponsorship	186,006	161,666
Junior League Income	49,995	-
Merchandise Income	29,759	20,578
NRL Bid associated income	151,336	-
Royalties	2,664	-
Sales	2,920	44,638
Sundry Income	4,945	14,213
Total Revenue	1,045,644	853,355
Note 3. Expenses		
Depreciation	10,653	10,053
Loss on disposal of assets	-	4,024
	10,653	14,077
Note 4. Cash and Cash Equivalents		
Cash at bank and in hand	3,773	22,545
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	3,773	22,545

North Sydney District Rugby League Football Club Limited
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Notes to the Financial Statements
For The Year Ended 31 October 2016

	2016	2015
	\$	\$
Note 5. Other Receivables		
Other debtors & prepayments	78,418	21,020
	<hr/>	<hr/>
Note 6. Property Plant and Equipment		
Plant and equipment – at cost	53,046	52,286
Less accumulated depreciation	(23,914)	(13,261)
	<hr/>	<hr/>
	29,132	39,025
	<hr/>	<hr/>
Total Property Plant and Equipment	29,132	39,025
	<hr/>	<hr/>

(a) Movements in Carry Amounts

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 & Equipment	Total
Balance 1 November 2015	39,025	39,025
Additions	760	760
Disposals	-	-
Depreciation	(10,653)	(10,653)
Balance 31 October 2016	29,132	29,132

Note 7. Trade and Other Payables

Trade payables	89,091	19,973
GST Payable	(7,266)	(8,161)
Accrued Expenses	8,555	9,561
Superannuation Payable	11,921	13,179
ATO Integrated Client Account *	-	14,545
	<hr/>	<hr/>
	102,301	49,097
	<hr/>	<hr/>

North Sydney District Rugby League Football Club Limited
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Notes to the Financial Statements
For The Year Ended 31 October 2016

	2016 \$	2015 \$
Note 8. Borrowings		
Current liability		
Loan – North Sydney Leagues Club Limited	-	10,000
Total current borrowings	<u>-</u>	<u>10,000</u>
Non – current liability		
Loan – North Sydney Leagues Club Limited	-	10,000
Total non - current borrowings	<u>-</u>	<u>10,000</u>
Total borrowings	<u>-</u>	<u>20,000</u>

The loan is unsecured, interest free and has no defined terms of repayment.

Note 9. Employee Benefits

Current		
Annual Leave	13,671	-
Long service leave	29,748	24,750
Total current employee benefits	<u>43,419</u>	<u>24,750</u>
Total employee benefits	<u>43,419</u>	<u>24,750</u>

North Sydney District Rugby League Football Club Limited
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Notes to the Financial Statements
For The Year Ended 31 October 2016

	2016	2015
	\$	\$
Note 10. Cash Flow Information		
(a) Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax		
Profit/(loss) from ordinary activities after Income tax	(23,140)	(3,037)
Non-cash flows in profit from ordinary activities		
Depreciation	10,653	10,053
Loss and disposal of assets	-	4,024
Changes in assets and liabilities		
(Increase)/decrease in other debtors	(57,398)	19,726
Increase/(decrease) in payables	53,204	(48,526)
Increase/(decrease) in employee benefits	18,669	-
Cashflow from operations	1,988	(17,760)

Note 11. Related Party Disclosures

The directors also purchase goods from the company on the same terms and conditions available to members, guests and employees.

Note 12. Financial Reporting By Segments

The company operates predominantly in one industry. The principal activity of the company is that of the promotion of rugby league in the North Sydney area. The company operates predominantly in one geographical area, being North Sydney, NSW.

Note 13. Key Management Personnel Compensation

The following person had authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, during the financial year.

Name	Position
Gregory Florimo	General Manager

Key management personnel compensation

Short-term benefits	135,000	131,985
	135,000	131,985

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Notes to the Financial Statements
For The Year Ended 31 October 2016

Note 13. Key Management Personnel Compensation (cont'd)

In addition to the short term benefits reported above, during the financial year, Mr Gregory Florimo, a director and general manager was given the use of a motor vehicle and all associated running costs were paid for by a major sponsor, JJ Lawson Customs & Freight Brokers Pty Limited.

Note 14. Contingent Liabilities

In the opinion of the directors, North Sydney District Rugby League Football Club Limited did not have any contingencies at 31 October 2016.

Note 15. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to financial loss to North Sydney District Rugby League Football Club Limited and arises principally from the receivables.

Note 16. Registered Office

The registered office address of the company is:

12 Abbott Street
Cammeray NSW 2062

North Sydney District Rugby League Football Club Limited
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Directors' Declaration
For The Year Ended 31 October 2016

The directors of the company declare that:-

- 1 The financial statements and notes, as set out on pages 7 to 18 are in accordance with the Corporations Act 2001 and
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 31 October, 2016 and of the performance for the year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.


Perry Lopez
Director


Sean Wiles
Director

Signed at Cammeray this 4th day of March 2017.

North Sydney District Rugby League Football Club Limited
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Independent Auditor's Report to the Members
Of North Sydney District Rugby League Football Club Limited

Report on the Financial Report

We have audited the accompanying financial report of North Sydney District Rugby League Football Club Limited (the company), which comprises the statement of financial position as at 31 October 2016, the statement of comprehensive income, statement of changes in members funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report.

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respect the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed an audit opinion on the basis of these procedures, which included:

- examining on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

North Sydney District Rugby League Football Club Limited
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Independent Audit Report to the Members
Of North Sydney District Rugby League Football Club Limited

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

Audit Opinion

In our opinion, the financial report of North Sydney District Rugby League Football Club Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 October 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001;
- (b) other mandatory financial reporting requirements in Australia.

Emphasis of Matter

We draw attention to Note 1(f) Revenue in the financial report which describes the revenue recognition policy in regards to game day income, fundraising and merchandise sales of North Sydney District Rugby League Football Club Limited. Our opinion is unmodified in respect of this matter.

FORTUNITY ASSURANCE



T R Davidson
Partner

155 The Entrance Road
ERINA NSW 2250

Dated: 1st of March 2017

North Sydney District Rugby League Football Club Limited
ACN 003 009 158

Additional Financial Information
Detailed Profit And Loss Statement
For The Year Ended 31 October 2016

	2016 \$	2015 \$
Income		
Membership subscriptions	10,671	2,160
Grant – North Sydney Leagues Club Ltd	400,005	449,397
Grant – NSW Rugby League	114,831	100,000
Function income	65,985	24,108
Fundraising proceeds	-	13,787
Takings	26,463	22,702
Interest received	64	106
Sponsorship	186,006	161,666
Junior League income	49,995	-
Merchandise income	29,759	20,578
NRL Bid income	151,336	-
Royalties	2,664	-
Sales	2,920	44,638
Sundry income	4,945	14,213
	1,045,644	853,355
Less: Expenses		
Administration:		
Salary & wages	152,479	186,550
Superannuation	13,465	17,660
Advertising	9,145	7,642
Annual leave	13,671	-
Audit fees	2,600	1,100
Bank charges	524	45
Consulting fees	-	2,042
Donations	1,000	1,000
Fringe benefits tax	-	3,170
Interest	58	3,787
Motor vehicle expenses	4,211	3,770
Long service leave	4,998	-
Postage	1,734	1,631
Printing & stationery	2,646	4,121
Repairs & maintenance	252	3,425
Telephone	1,041	1,661
Sundry expense	6,582	4,249
Development expense	-	2,000
Social/Special Event/Fundraising	43,124	41,350
Computer expenses	12,487	1,518

North Sydney District Rugby League Football Club Limited
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Additional Financial Information
Detailed Profit And Loss Statement
For The Year Ended 31 October 2016

	2016	2015
	\$	\$
Less: Expenses (cont'd)		
Football team expenses	602,005	484,484
Game day expenses	34,773	71,110
Depreciation	10,653	10,053
Loss of assets disposed	-	4,024
NRL bid expenses	151,336	-
	<u>1,068,784</u>	<u>856,392</u>
Net Profit/(Loss) for the Year	<u>(23,140)</u>	<u>(3,037)</u>