

Ainslie Football and Social Club Limited - 2004 Annual Report



Board of Directors



President
David Lalor



Senior Vice President
Ralph Rendell



Vice President
Greg Vickers



Director
John Bradley



Director
Peter Lawless



Director
Laurie Laffan



Director
Tony Jamieson



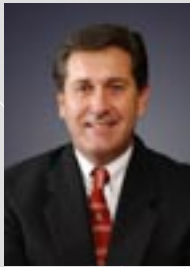
Director
Malcolm Scholes



Director
Barry Browning



Director
Harold Pennay



General Manager
Kevin Grace

Ainslie Football and Social Club



The Ainslie Football and Social Club (AF&SC) was formed in 1957 as a community and sporting based Canberra Club with the principal aim of supporting Australian Rules Football.

The Ainslie Football Club Incorporated (AFC) was formed some 30 years earlier and together with the AF&SC, has been and actively remains a living part of the Canberra community. Both Clubs will continue to promote their activities with a strong community focus.

While support for Australian Rules Football remains the Club's principal focus, the provision of support to many community organisations continues to be a key objective. Contributions are provided to a wide range of recipients who benefit through direct donations, the use of the Club's facilities for meetings and functions and assistance with fund-raising.

The Club also provides considerable support to Golf and Lawn Bowls with the operation of Gungahlin Lakes Golf Club (Gungahlin Lakes) and Canberra City Bowling Club (Canberra City Bowls).

AF&SC Ltd now has a membership in excess of 50,000 and is one of Canberra's premier clubs, winning numerous industry awards.

Life Members

Mr H J Gaylard*, Mr L James, Mr J B McCabe, Mr G A Bennett*, Mr A L Ray, Mr R J Venables*, Mr B M Browning.

* Deceased

Executive Management

Mr K H Grace — Group General Manager

Mr B A Dobson — Assistant General Manager

Mr M C Field — Ainslie Assistant Manager

Mr A P M Bruzga — Gungahlin Assistant Manager

Miss L J Rourke — Chief Financial Officer

Ms E L Brohan – Group Human Resource Manager

Principal Bankers

Commonwealth Bank

Solicitors

Clayton Utz

Auditors

RSM Bird Cameron Partners

Message From The President



David Lalor

This Annual Report provides detail on the business and operational activities of the AF&SC Ltd, incorporating Gungahlin Lakes and Canberra City Bowls, for the financial year ending 30 September 2004.

Particular features of the year's financial performance outcomes included record turnover \$24.314m (up \$3 from last year), a healthy surplus of \$2.695m, and an increase in our Net Assets of \$4.634m (due mainly to the revaluation of our Coffs Harbour Apartments) with total Net Assets now worth \$40.11m. This result has again been achieved in an environment where we have been able to fund sporting and community organisations to the tune of more than \$1.16m. The Club during the year maintained a high level of member services and amenities, completed stage three extensions at Gungahlin Lakes as well as ongoing improvements to golfing amenities.

It is also pleasing to note that all operating areas, across all sites, showed continued growth. This result combined with good cash flow management has meant that the Club's debt exposure has been contained at \$3.6m which is significantly better than the \$4.3m forecast at last year's Annual General Meeting.

Overall, the performance of the organisation was sound given that there were significant cost increases associated with gaming taxes and the expanded operation at Gungahlin Lakes. In this context the ACT Government was the recipient of almost \$1m more in gaming taxes than the previous year.

Once again my fellow Board Members, Senior Management and Staff have all contributed significantly to this excellent end of year result. While there has been a concerted effort throughout the year on maintaining the quality of day to day operations, a focus on securing the future well being of our organisation continues to be a major priority.

The year saw nine months of trade at the new expanded facilities at Gungahlin Lakes. The extensions at Gungahlin Lakes posed many operational challenges to the Board and Management and caused considerable disruption to normal member services. The patience and tolerance of members throughout this process was much appreciated and it is pleasing to see that our members are continuing to patronise Gungahlin Lakes, which now offers one of the best club vistas in Canberra.

During the year the club industry in the ACT has continued to be under constant scrutiny from different sections of the community and Government, particularly in relation to the proposed introduction of smoking bans from 1 December 2006 and the ongoing requirement to meet existing responsible gambling and drinking laws. Our Club continues to work closely with ClubsACT and the ACT Gambling and Racing Commission in ensuring that the impact of these regulations do not unduly impair the wide range of member services offered by our three licensed clubs.

The proposed prohibition of smoking has led to the redesign of the ground floor space of the Ainslie property. It is expected work on this project will commence and

be completed in 2005 at a cost of approximately \$2.65m. Also, an outdoor area is planned for Gungahlin Lakes at a cost of \$350,000. This work is seen as a high priority in ensuring the continued success of our club operations. Members will see a complete change in the ambience of the layout of the Ainslie property, particularly that part of the Club facing Wakefield Avenue.

The new ACT Gaming Act became effective from 1 November 2004. ClubsACT, your Board and Management were part of the consultative process used by Government in revising the legislation. There will be obvious changes to previous gaming practices that may cause some inconveniences to patrons. Also, we anticipate a downturn in gaming revenue and this is being managed accordingly. During the year it was also necessary to replace our ageing and obsolete poker machine management system. The new system is state of the art and will cater for our needs well into the future.

The major recipient of financial support from AF&SC is the AFC. Keith Heales and his Committee have worked hard to turn around the fortunes of the Football Club's on-field endeavors. Unfortunately, and despite a more improved showing in season 2004, a First Grade premiership has eluded us once again. Both boards of the Social and Football clubs continue to work cooperatively towards achieving future premiership success.

The Ainslie Oval Building committee met on many occasions during the year to further advance AF&SC's commitment to erect new grandstand facilities. Preliminary planning meetings have been conducted with the ACT Planning & Land Management Authority and Pegrum & Associates have been appointed as architects for the project. It is hopeful that plans for this development will be submitted for approval early in 2005 with construction commencing sometime in 2006 with completion prior to the commencement of the 2007 football season, coinciding with the 80th Anniversary of the AFC.

My appreciation, for their efforts in 2003/2004, is also extended to both the Gungahlin Lakes Golf and Canberra City Bowls committees whose activities have now become an integral part of our overall operations. AF&SC looks forward to the respective committees' continued cooperation and support for our mutual endeavours.

The contents of this Annual Report speak for themselves. The continued sound management and positive performance of our business operations should be comfort for our members.

David Lalor

President

Human Resources



Jimmy Nguyen



Ellen Martin



Franca Catanzariti



James Gilligan

This year saw the Club demonstrate a firm commitment to the area of Human Resource Management with the appointment of Ms Emma Brohan as Group Human Resource Manager early 2004. Prior to this appointment, the Club's Assistant Managers performed Human Resource Management, however, as the business has seen much growth and with the complexities of Human Resource Management continually increasing, the Club saw it necessary to move in the direction of specialisation. Ms Brohan possesses extensive knowledge in Human Resource Management with previous engagements in the Australian Public Service and the hospitality industry. Emma's key areas of responsibility include Recruitment and Selection, Training and Development, Policy Development, Performance Management and Occupational Health and Safety. Emma has already built an excellent rapport with staff.

Training and Development

AF&SC has always embraced the importance of training and developing staff to provide an environment of opportunity for staff advancement through excellent work performance. The Club views such training and development as an investment in the future through the retention of many staff that have successfully progressed through the ranks of the organisation. The Club has also been involved in providing higher educational study opportunities for staff that show a commitment to

progressing their careers in the industry. During 2005 the Club will introduce an Executive Management Training program, which will seek to identify and train staff in all areas of operations and to enable them to cope with the broader issues of our industry.

Responsible Conduct of Gambling

Lifeline has been conducting two hour refresher courses on Responsible Conduct of Gambling for the three clubs gaming staff as part of the new code of practice under the revised Gaming Machine Regulations effective 1 October 2004 and the new Gaming Machine Act of 2004 effective 1 November 2004.

The purpose of these courses is to clarify changes in legislation as well as the amendments to self-exclusion procedures. While the priority has been to ensure that all club and gaming staff attend the course, restaurant and functions staff are now required to attend to support the responsible conduct of gambling in the clubs.

General Staff Training

In conjunction with compulsory training sessions staff are required to attend (Responsible Conduct of Gambling and Responsible Service of Alcohol), staff have also been

involved in various technical training sessions such as first aid, computer training, disability awareness, wine appreciation and coffee-making. The training schedule will be further extended in 2005 with training in Discrimination Awareness and Workplace Harassment to be added to the list of training requirements for staff.

Key Appointments

In addition to the appointment of a Human Resource Manager, appointments were made in the following key positions within the organisation.

Functions Manager, Ainslie Function Centre

Alison Percival was appointed to the position of Functions Manager after Joe Teixeira's departure to his homeland in Portugal. Alison commenced her employment with the Club as a trainee in 1999 and has progressed through many areas of the Club including restaurant, bar and gaming until her appointment as Duty Manager in 2002. Alison's appointment to Functions Manager was due to her excellent work ethic and dedication to the organisation and is a further example of the Club's commitment to internal promotion and the development of staff.

Executive Chef, Gungahlin Lakes Club

Congratulations to Graeme Mason who during 2004 was appointed to this position. Graeme was originally employed

as a casual chef, working at both The Lakes and Choices restaurants. Also known as the 'Singing Chef' Graeme's natural flare and enthusiasm have provided a new and positive approach to the business. We thank Graeme and his staff in managing large numbers of customers coming to the Club since mid December 2003 when trade substantially increased.

Golf Course Superintendent

During 2004 the Club bid farewell to the long serving Golf Course Superintendent, Geoff Hurley. Geoff was the inaugural Superintendent of the course and has provided a substantial contribution to the development of the Golf Course over his twelve-year tenure. The Club would like to formally thank Geoff for his contribution and wish him all the best in his future endeavours. Following Geoff's departure, Shane Dawson was promoted to Course Superintendent. Shane is performing exceptionally well in his new role. Golf Club Members comments indicate the Golf Course is in superb condition and arguably one of the top courses in the ACT. Gabriel Garrigues filled Shane's previous position as Assistant Superintendent.

Duty Managers, Gungahlin Lakes

During the year Nicolas McKirdy and Matthew Clynych were appointed as Full-time Duty Managers and both are performing well in their new roles.

Ainslie Football & Social Club – One big happy family



Katie James



Karen James



Lionel James (Jnr)



Lionel James (Snr)

During the year Katie James' appointment to staff marked a significant historical event in the life of AF&SC. Katie James is the fourth-generation member of the James family to have played an integral part in the growth of AF&SC. Katie's great grandfather Lionel James (Snr) played 117 first grade games for the AFC from 1933 and later coached between 1946 and 1951. Both Lionel (Snr) and his wife Kitty were awarded life membership of AFC.

Following his father's example Lionel James (Jnr) moved through the junior ranks of the Football Club joining first grade in their 1952 championship year and received the best and fairest award in his first year of senior football. Following the establishment of the Ainslie Football and Social Club Inc, Lionel (Jnr) became the Social Club's first Secretary Manager from 1959 -1961 and 1963-1968, Vice President from 1969-1971 and President from 1972-1982. Lionel (Jnr) was awarded life membership of AFC in 1965 and AF&SC Inc. in 1982.

Following in her father's footsteps Karen James commenced employment at the Club in the mid-eighties and has worked in most operational areas. In 2003 Karen was appointed as Duty Manager and remains in this key position. Following the family's interest in hospitality, Karen's daughter Katie was appointed to the position of Bar Attendant at Gungahlin Lakes becoming the fourth generation James family member to play an active role in the Club's operations.

AF&SC congratulates the James family on their dedication and service to the organisation over more than 70 years. It cannot be overstated the contribution that the James family has made to the Club since its establishment.

25 Years and counting

2004 has seen two significant employment milestones reached at AF&SC. Congratulations to both Brian Dobson and Deddo Wolthof who celebrated 25 years of continuous service to the Club. This degree of longevity in the hospitality industry at the one club is rarely seen and is testament to the Club's commitment to its staff and their development.

Brian Dobson

Brian commenced work as a Bar Attendant in 1979 and was promptly identified as an individual with potential. Subsequently, Brian was trained in all operational areas of the business where he showed great ability to quickly comprehend and learn new tasks. In 1985, Brian commenced his long career in management with his appointment as Sub Assistant Manager. The following year, 1986, saw Brian move to the position of Assistant Secretary Manager and was involved in the many capital work projects under taken by the Club as it continued to grow. In



Deddo Wolthof



Brian Dobson

1998, in close consultation with the General Manager, Kevin Grace, Brian provided an instrumental contribution to the development of the Gungahlin Lakes property. Brian was appointed Manager of this substantial property by AF&SC and his management over the years has ensured the long term success of Gungahlin Lakes. Brian continues to be a valued member of the organisation and his input is highly regarded by the Board, his fellow Managers and within the club industry. The Board, Management and Staff of the AF&SC Group wish to congratulate Brian on 25 years of invaluable service.

Deddo Wolthof

Deddo is unquestionably one of the most recognisable and memorable AF&SC staff members in the Club's history. Deddo is very much appreciated and revered by all who have been associated with him. Deddo has been involved in all operational areas of the Club throughout his 25-year tenure and has provided substantial contributions as Duty Manager. Deddo possesses a real passion for the hospitality industry and is always striving to provide the very best service to members and their guests in all circumstances. Deddo's approach to his work epitomises professionalism, he leads by example in all his tasks and is held in very high regard by fellow staff members. In addition to his invaluable service to the Club, Deddo has a substantial involvement in AF&SC's Social Golf Club since 1984 and currently holds the position of President. Deddo achieved his first "hole-in-

one" during 2004. Deddo's contribution to the organisation over the past 25 years will be forever etched in the history of the Club and the Club wholeheartedly thanks him for this outstanding contribution.

Coffs Harbour Beach Park Apartments

The Club would like to acknowledge Ken and Lyn Mousdell for their ongoing efforts in providing a pleasant and relaxing environment for the many members who utilise the Club's Coffs Harbour Apartments. Ken and Lyn have ensured the maintenance and upkeep of this facility has remained at a very high standard.

Marketing and Promotions



The Marketing Department is pleased to report success with the promotions undertaken during the year. The highlight of the year was the Catchin' Z's promotion which provided two lucky members each with a brand new Nissan 350Z. The Club has worked very hard to provide members with excellent opportunities and a variety of ways to win prizes in return for members' continued patronage. During the year the Club made it possible for all members to share equally and participate in all promotions simply by swiping their membership cards at all points of sale.

Some of the other fun and exciting promotions over the year included American Adventure, Fant'ASIA, Get it Indy-a, Hot August Nights and Mystical Maldives.

American Adventure started the year off with a bang and was one of the year's most popular giveaways. In total eight lucky members plus their partners were provided with the opportunity to explore the U.S including San Diego, Los Angeles & Las Vegas.

Fant'ASIA provided another eight lucky members plus their partners with opportunities to experience Asia including Hong Kong, Bangkok and Hua Hin in Thailand. Feedback from winners has been very positive with all being very impressed with the secret locations like Hua Hin. Winners

who were lucky enough to collect the present bonus found that the \$1,500 comfortably covered their spending money.

The major member promotion of the year involved the combination of two promotions, Get It Indy'a and Catchin' Z's. Members shared in over \$180,000 in cash and prizes with the major prize being the two previously mentioned Nissan 350Z's. The Get It Indy'a component of the promotion gave twelve lucky members plus their partners a seven-night Gold Coast holiday including tickets to the Lexmark Indy 300.

In the spirit of the popular rocker Neil Diamond, the Club ran the Hot August Nights promotion. The promotion involved substantial hourly cash giveaways throughout the month of August culminating with the giveaway of two \$10,000 diamonds.

The last of the holiday promotions for the year was Mystical Maldives. This promotion was repeated due to popular demand and gave eight lucky members plus their partners a chance to experience the beautiful island paradises in the Indian Ocean. The previous winners referred to The Maldives as 'paradise' and highly recommended the Club repeat the promotion.

The Club is focused on providing more variety and changes to our promotional schedule in 2005 and looks forward to providing more opportunities for members to share in.

The Club has also continued its popular weekly raffles including the Wednesday Beef & Beer, Thursday Treasure Trove, Friday Meat and the Sunday Grocery raffle. Many members have shared in the great prizes on offer with these regular raffles.

WHAT'S ON AT www.ainsliefc.com

AF&SC's website continues to provide an excellent communication medium for members to access information on what's happening at the Club. The Club is committed to continually improving the features of the site to provide an even better source of information for members.

The Pokies Pages

The Club will investigate the possibility of password protecting the pages that relate to poker machines in 2005. This innovative approach will be consistent with the Club's responsible conduct of gaming policy and the spirit of the legislation. This process will involve consultation with ACT Gambling and Racing Commission to ensure the Club has utilised the appropriate technology to prevent unrestricted access to this area on the website. The password protection will have cross referenced security paths, which will mean these pages will only be available to individual members.

Book On line

Members continue to utilise the on line booking facilities available on the site. On line bookings can be made for any of the Club's upcoming functions along with ability to even book a table in Choices or The Lakes restaurants.

On line Membership

New members continue to utilise the on line membership facilities provided on the site. The Club hopes that the utilisation of this facility will continue to grow over the coming years. It is expected during 2005 the Club will further develop on line membership to make it easier for members to keep their information current and up to date by allowing members to access the membership database as it relates to their own membership.

Ainsliefc.com \$11,500 On line AFL Tipping Competition

Now in its fourth year of operation the on line AFL tipping competition is continuing to be a success with the members. To enter, members are required to log onto www.ainsliefc.com and register on line free of charge. The competition offers member tipsters opportunities to share in weekly prizes along with a huge overall prize awarded to the first, second and third placed tipsters at the conclusion of the "home and away" competition. Apart from generating some high density traffic through the website, the Club believes the tipping competition provides some excellent exposure and interest for Australian Football in Canberra.

Internet Café

The Club's Internet café continues to provide members with free access to the World Wide Web. Many members who don't have Internet access at home find this service beneficial allowing them the ability to check their email accounts, surf the web, enter ainsliefc.com competitions or even apply on line for employment.

Gungahlin Lakes Community and Golf Club



Jon Stanhope, Bob McMullan, Kevin Grace

After five years in operation Gungahlin Lakes shows continued steady growth. The Club's popularity among Gungahlin residents is positive and this support provides enhanced surety for the longevity of this community asset. After the completion of stage three renovations in December 2003 the Club has improved its overall service delivery, expanded the number of products and services available to members and overall has provided members with a focal meeting point in the Gungahlin district.

The Club was recognised during the year for the stage three renovations, winning the coveted Club Development award at the ClubsACT Awards for Excellence.

In addition to the improvements to the Club property the Golf Course has shown remarkable improvements and is fast becoming one of the best courses in the Canberra region.

Stage Three Official Opening

Bob McMullan, Member for Fraser and Jon Stanhope, ACT Chief Minister jointly opened the Gungahlin Lakes stage three renovations on 20th February 2004. The opening was held at the Club with over 150 guests in attendance.

The Lakes Restaurant and Coffee Shop

The Lakes Restaurant has stamped itself as one of the most convenient, quality bound and affordable club restaurants in Canberra in the first year of trading since the stage three renovations. The restaurant provides for seating over 300, a new carvery, BBQ areas located both upstairs and downstairs and a hot section for the salad bar and revised menu to suit all tastes.

The renovations also included the re-location of the Coffee Shop from the Lakes Restaurant next to the Main Bar with the purpose of being able to offer Coffee Shop service until close of business each day. This facility has proven to be very popular and is a welcome change for members wanting to eat freshly made sandwiches, rolls and foccacia's

Functions Area

The new multi-purpose functions area has been a welcome addition to the Club's restaurant area. The area is capable of holding a wide range of small functions already playing host to birthday parties, work parties, conference / seminars, wakes and anniversaries. The area has also been used as an overflow area when The Lakes Restaurant is fully occupied.

Members Lounge and Entertainment Area

The Members Lounge now offers nearly double the seating capacity compared with the previous year. An additional four televisions and large screen TV have been provided enabling patrons to view their program of choice, in particular the range of different sporting events available. A special meat raffle fridge has been installed to ensure meat remains in prime condition until collected by the lucky winning patron.

The stage three renovations also included an extremely popular new video games and Internet café area. Demand for this facility has been overwhelming with both members and their children enjoying the variety of Nintendo and Play station games on offer.

TAB Facilities

The new dedicated TAB facility has provided racing enthusiasts with an uninterrupted telecast of races on the big screen TV in a comfortable and relaxed environment. This facility is the only one of its kind in the Gungahlin region and has been very well received by members.

Car Parking Facilities

The car park has been extended for members' convenience and security now offering an additional 140 car parking spaces with an extra seven disabled spaces.

Golf Facilities

The stage three renovations saw the Spike Bar double in size including major refurbishments to the outdoor area providing a state of the art BBQ facility for members and corporate golfers. The Spike Bar has a television wall offering Golf Club members access to all the TV viewing programs that are available upstairs in the Members Lounge and also provides an electronic scoreboard for golfing competitions.

The pro shop has been relocated and the increased floor space offers our resident golf professional, Murray Blair, additional room to display an extensive range of golfing equipment and apparel. Lockers have been installed for Golf Club Members' convenience allowing them to store their golf clubs on site.

Corporate Golf

During the year the Club appointed a Corporate Golf and Events Coordinator to actively pursue the opportunities that exist for corporate golf and showcase the exceptional new corporate golf facilities. To date this new initiative has reaped success with already a number of Corporate Golf days being held at the Club with many more booked in for late 2004 and 2005.

Golf Course Developments

The Golf Course has recovered exceptionally well after the recent drought conditions and is in superb condition. Congratulations are in order to the Green Keeping staff lead by the recently appointed Shane Dawson and the guidance and input provided by the Gungahlin Lakes Golf Club Committee, headed by President, Ben Hall.

The Club incurred some major expenses during the year with the purchase and replacement of machinery crucial to the upkeep of a quality Golf Course. The purchases included a new Tractor, Seeder, Vertidrain, Truck and Forklift.

The Golf Course continues to improve with further improvements to many holes on the course. Willow trees have been removed on the 14th, 16th and 18th holes

and approximately 300 new trees have been planted throughout the course including Casuarinas, Eucalyptus and a variety of deciduas plantings. Waterways have been cleared of Cumbungi on the 4th, 5th, 11th and 16th holes. Other works on the 12th, 13th have continued and new bunkers on the 2nd, 10th and 18th holes are in place.

In conjunction with the property renovations, new practice nets and a golf cart storage area have been installed and the surrounding area has been given a face-lift with new paths, turf and gardens.

The Canberra City Bowling Club



Peter Sullivan



The Canberra City Bowling Club has had another successful year with increased patronage and turnover and shows potential for further growth. The popularity of lawn bowls continues to grow with Canberra City Bowls membership increasing and providing a solid base of patronage for the Club.

Most pleasingly is the dramatic increase of participants in social bowls during 2003 / 2004. Canberra City Bowls believes this is due to the continued increase in popularity of the sport among the younger generation, the co-operation and assistance from members and the increased usage of the facilities by the corporate sector.

Lawn Bowls

The AF&SC Board would like to sincerely thank the Canberra City Bowls Committee for their considerable efforts in making lawn bowls successful throughout the year. The Co-Presidents Graeme Barrow (Men) and Helen Burden (Women) and the Committee have worked diligently improving bowling facilities and providing very good advice on the general day to day running of the clubhouse. As already reported, bowling membership has continued to increase with club members enjoying playing on some of the best greens in Canberra.

Canberra City Bowling Club – Live on the World Wide Web

During 2004, Canberra City Bowls was one of the first bowling clubs in the region to go live on the Internet. The site is attached to the Ainslie Football Club's website and provides extensive information on competition results, future competitions and tournaments and general information on bowls in the ACT. The AF&SC would like to thank Cliff Gilbert and Anton Vogt for their ongoing contribution to this project. To view the Canberra City Bowls web pages go to <http://ainsliefc.com/displaypage.cfm?id=286> or browse through from the Ainslie Football Club website at www.ainsliefc.com

Human Resources

Nancy Connor retired after 23 years of devoted service to Canberra City Bowls during 2004. Nancy has made an outstanding contribution to the management and operation of Canberra City Bowls and AF&SC would like to acknowledge Nancy's loyalty, dedication and commitment to the organisation and wish her all the very best in retirement. It is nice to see that Nancy will continue to make a contribution as Assistant Treasurer on the Canberra City Bowls Committee.

Green Keeping

During 2004 AF&SC in consultation with the head green keeping staff at Canberra City Bowls and Gungahlin Lakes undertook a human resource strategy to better utilise and distribute the skills set of the green keeping staff across both sites. Subsequently, Canberra City Bowls' Head Green Keeper Peter Sullivan took on extra responsibilities as Greens Team Leader at Gungahlin Lakes. Peter has extensive knowledge and experience in the preparation of greens and has been able to apply his skills to assist in the preparation of greens at the golf course. To date this strategy has proven to be highly successful with the greens at the golf course in superb condition. With Peter's increased involvement at Gungahlin Lakes, Brendan Lee accepted greater responsibility and performed well at Canberra City Bowls. Brendan completed his four-year apprenticeship during the year and with Peter Sullivan's guidance has ensured the bowling greens have remained arguably the best in the region.

Community Support

During the year the Canberra City Bowls continued to support a number of community groups and sporting organisations, such as Ainslie Baseball Club, North Canberra Gungahlin Cricket Club and Ainslie Snooker and Billiards Club. These groups have taken advantage of the superb facilities to host many meetings, functions and fund-raisers.

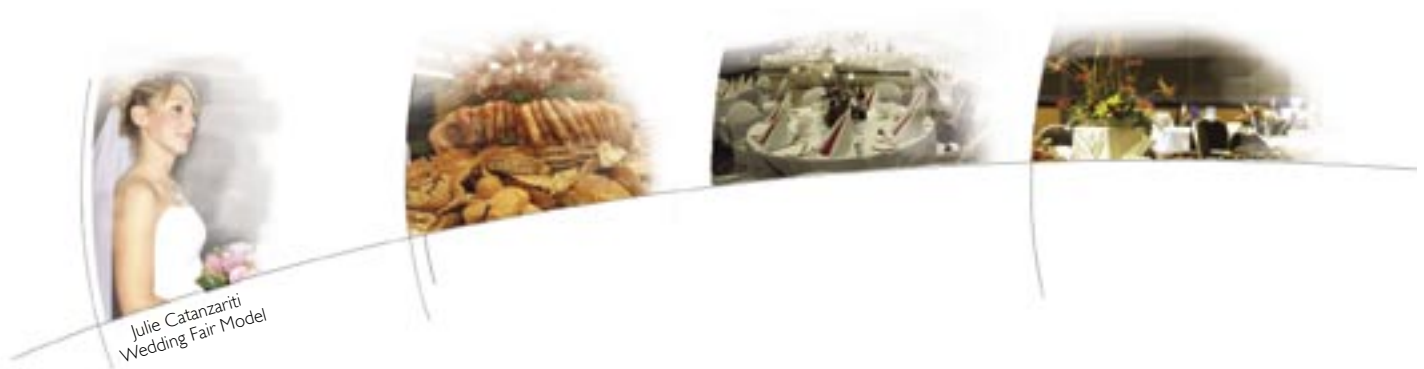
Functions and Entertainment

The function facilities at Canberra City Bowls continue to increase in popularity, providing a low cost alternative for private functions, conferences and seminars. With the absence of in-house catering many function organisers choose to utilise catering supplied by companies such as 'Coast to Coast' the Golden Roast who are regular caterers at the Club. During 2004, the Club played host to numerous gatherings such as birthdays, anniversaries, weddings, theatre productions, and trivia nights. Friday night remains a popular night at the Club with the Friday Night meat treat raffle followed by Karaoke with the 'Ugly Sambucca Brothers' where many unsigned stars have entertained the masses.

Club Facilities

The TAB/Sportsbet and Keno facility has proven popular with punters. Pokie players at Canberra City Bowls now have the opportunity to be involved in the many promotions run at Ainslie and Gungahlin Lakes clubs with the provision of a link between all Ainslie properties.

The Ainslie Function Centre



Julie Catanzariti
Wedding Fair Model

The Function Centre has had another successful operating year. An increase in revenue combined with the successful implementation of cost control measures have provided improvements in the net result of the Centre and provide a solid base for the next financial year. The Centre's new Manager, Alison Percival is very committed to further improving the results in the coming year with a number of initiatives already planned such as monthly in-house dinners and shows featuring nationally recognised performers.

In the last year, members and their guests also enjoyed a number of popular in-house functions at the Ainslie Function Centre, most recently the Australian Beatels and The Neil Diamond Hot August Nights Tribute Show.

Some of the other successful in-house events included:

- Valentine's Day Grand Seafood Buffet
- Easter Sunday Luncheon
- Mothers Day Luncheon
- The Ainslie Function Centre Wedding Fair
- Christmas in July Dinner Dance
- Fathers Day Luncheon
- Chief Minister's Seniors Breakfast
- Melbourne Cup Luncheon
- Christmas Day Luncheon

- New Years Eve Dinner Dance
- Monthly Food & Wine Nights

During the year the Function Centre continued to host numerous highly successful Wedding receptions. The Centre has remained one of the most highly sought after venues in the ACT offering a wide range of Wedding Packages to suit all tastes and budgets.

The Centre is also perfect for conferences, seminars, workshops or training sessions. The Centre is constantly updating its audiovisual capabilities to provide the very latest in technology including digital projectors, high-speed Internet access, DVD, VHS and CD capabilities.

The Centre now offers a number of different packages to choose from including a Standard Complete Day Package, Deluxe Complete Day Package or a Super Deluxe Complete Day Package with optional accommodation and transport to and from the Centre. These packages can be viewed on the Club's website www.ainsliefc.com

Ainslie Kangaroos President's Report



Ainslie Kangaroos- Reserve Grade



Jimmy Angel and Andy Kouvaris



Ruck: Roger McIntyre

Another year in which the First grade team didn't progress past the first Semi-Final. On face value this appears to be very disappointing but with the majority of the players being available in 2005 we can anticipate further improvement next season. Missing second position and ultimately the double chance came down to .1%, which was heart-breaking.

Brett Knowles again led from the front and he will be eager to avenge the disappointment of this season. The club was pleased to extend his contract as playing-coach until the end of season 2007.

The Reserve grade salvaged some of the club's pride with an outstanding season culminating in the Premiership. Jason Burgess returned to the club to take over the coaching duties with this team. It was a team of young players



Ainslie Kangaroos Reserves - Premiers '04

From Back left: Glen Rebecca (ASS COACH), Paul Holland, Neil Marshall, Dane Harrison, Jason Kocmar, Justin Searle, Matthew Richardson, Andrew Kouvaris, Jimmy Angel, Wayne Schuck, Jason Burgess (coach), Graeme Budd, John O'Loughlin.

Middle Row: Ty Lehmann, Sam Truesdale, Brett Cumming, Roger McIntyre, Jeremy Buckley, Aarin Butler, Kieran McRedmond, Louis Grose.

Front row: Dillon Nolan, Andrew Wainwright, Wade Archibald.

bolstered by a few experienced heads. Many of these young players will become the nucleus of the first grade sides in the future.

Our U/18's team again performed with credit during the year under the enthusiastic coaching of Scott Gibson. Many of this year's team are still eligible in 2005 so we look forward to another good season, to finish 3rd was encouraging.

The Third grade (previously known as the District Division) showed great improvement under the coaching of Trevor Treloar and also finished in third position. Again we look forward to further advances in the coming season.

Our Women's team although not as successful as they would have liked continued to show enthusiasm lead by their coach Shane Gnaden.

Apart from the reserve grade premiership, the highlight of the year was the winning of the Club Championship. This is the first time since 1996 that we have achieved this feat. It reflects well on the Club showing a depth, which should carry on into the future. To win this is a reflection of the efforts of the players, coaches and officials.

There are many people who give up their time to assist the Club in numerous ways these people are the lifeblood

of our organisation. The Managers of the various teams were Steve Whelan, John Mohrwinkle, Mark Simpson, Bryce McJannet, Shane Kershaw and Lyn Randall.

John O'Loughlin again carried out his duties as Property officer with the efficiency we have come to expect of him. On the medical side we were served by Kerry McGlenn (Sports Trainer co-coordinator & head trainer); Trainers; Paul Simper, Natalie Maxwell, Rebecca Shields, Amy Porter, Geoff Pight and Brian James. Dr D Abrahams (AIS), Kathy Finlay and Robyn Armstrong (Good Sports Physio) provided the expertise to ensure the players received the best possible opportunity to perform to their capacity.

Others who helped were Noel McCormack, Richard Nolan, Kel Duncan and Andrew McGrath (timekeepers); John Rebecca (video) James Horniblow (gatekeeper) Matthew Conway, Glen Rebecca, Gary Paine (runners) Paul Neiberding (gate) members of the U18's (scoreboard), Chris Brooks, Merryn Sherwood (Statistics); Bruce Glossop (co-coordinator of Best and Fairest voting); John Smith (Boomers club & Tribunal). As is evident by the large number of volunteers the club relies heavily on these people to ensure the smooth running of our football operations.

This year the club was fortunate to have the services of Darryn McPartland as fitness coach and runner. He brought to the club a fresh approach with his experience from the AFL and we look forward to him continuing on in the future.

The match committee consisted of Brett Knowles, Con Moraitis and Jason Burgess. They were assisted on game days by Tom Munyard Jnr, Ben Scolyer and Glen Rebecca. Con Moraitis is leaving Canberra in the near future; we wish him and his family all the best for the future.

The players maintained a programme of social activities throughout the season. These functions proved popular and successful, James Angel and Joel Forsyth again kept things bubbling along.

Again the junior committee fostered the young players in the under age grades, many of the players who played with the club having graduated from their ranks.

Clare Palmer and Jim Backen continue to keep the memorabilia of the club and produce historical displays on the appropriate occasions; it is an eye opener to see what they have in our archives.

Sponsors are a vital element within the club, their contributions are invaluable and are greatly appreciated. Campbell Brede of National Capital Motors continues as our naming rights sponsor; Terry Pulford of Terry Pulford Smash Repairs continues to be a long time supporter; his contributions are very much valued: CUB and Coca-Cola also remain sponsors of the club. Our major sponsor is AF&SC, who continue to provide us with the facilities to maintain our football operations. I thank David Lalor and his board for their co-operation and support. I would also like to acknowledge the support given to us by Kevin Grace and his staff.

I thank the members of my committee who have worked to provide the club with the infrastructure to give the players the opportunity to be successful; hopefully we won't have to wait too long. Garry Lawless, Manager Football Operations, took on the role this year. He has carried out his duties enthusiastically and ensured that the day to day operation of football ran smoothly. I would like to thank him for his efforts throughout the year.

Thanks to supporters who have stuck with the club during the year, you have been patient lets hope you will have something to cheer about in the near future.

Keith Heales

Community and Sporting Donations



Sally Vaughan & Amy Gallagher
University of Canberra Hockey



Melissa Dawe
Gungahlin Lakes Panthers



Rebecca Low
Gungahlin Lakes Netball



Bowling: Jess Edwards
North Canberra Gungahlin
Cricket Club

Your board is committed to continue funding of worthwhile community projects. That commitment is reflected in significant grants throughout the year. This year the Directors are pleased to record the Club's major community support to the following organisations.

ACT Athletics Association
 ACT Council of Social Services
 ACT Cycling Federation
 ACT Department Education & Training
 ACT Eight Ball Association
 ACT Endurance Riders
 ACT Equestrian Association
 ACT Justice of the Peace Association
 ACT Parent & Citizens Council
 ACT Playgroups Association
 ACT Snooker Association
 ACT Swimming
 ACT Totally & Permanently Incapacitated Social & Welfare Group
 ACT Under 23 Softball State Team
 ACT Veterans Hockey
 ACT Voluntary Guides
 AF&SC Social Golf Club
 Aglow Australia
 Ainslie Baker Gardens Preschool
 Ainslie Billiards Club
 Ainslie Dragons Waterpolo Club
 Ainslie Eight Ball Team
 Ainslie Football Club Inc
 Ainslie Junior Football Club
 Ainslie Neighbourhood Watch
 Ainslie Netball Team
 Ainslie Primary School

Ainslie Veterans
 Ainslie-Gungahlin Baseball Club
 Amaroo Pre-School
 Anglicare Youth & Family Services
 Aranda Primary School
 Australian Breastfeeding Association
 Australian Sheep Dog Trials
 Australian Stock Horse Society
 Basketball Canberra
 Belconnen High School
 Belconnen Volleyball Club
 Birrallee Scout Group
 Blue Gum Community Group (Parents Group)
 Blue Gum Community School
 Brindabella Cricket Club
 Campbell Tigers Cricket Club
 Canberra All Breeds Kennel Club
 Canberra Amateur Swimming
 Canberra Branch Torana Club
 Canberra Canary Fanciers Society
 Canberra Central Probus Club
 Canberra City Bowling Club
 Canberra City Touch Club
 Canberra Cycling Club
 Canberra Harness Club
 Canberra Legacy
 Canberra Non Sporting, Utility & Working Dog Club
 Canberra Off Road Cyclists
 Canberra Seniors Centre
 Canberra Special Children's Xmas Party
 Cat Coordination Council
 Catholic Women's League
 Charnwood Community Carnival
 Chief Ministers Breakfast - Senior Citizens Week
 Community Aid Abroad/Oxfam



Thomas Lamb
North Canberra Gungahlin
Little Athletics



Community Connection
Community Options
Daramalan College
Diabetes Australia ACT
Dickson College
Disabled Winter Sports
Downer Preschool
Eagles Touch Club
Fabric Family Based Respite Care
Females in Training
Girrahween Lodge
Ginninderra Lakes College
Gold Creek Homestead Committee
Goodwin Homes
Gungahlin Lakers Netball Team
Gungahlin Lakes Panthers Women's Basketball
Gungahlin Community Council
Gungahlin Community Services
Gungahlin Jets Junior AFL Club
Gungahlin Lakes Golf Club
Gungahlin Oz Tag Team
Gungahlin Scout Group
Gungahlin Lakes T-Ball Club
Gungahlin Youth Services
Karunya Trust
Koala Playschool Aranda
Koomari School
Legacy Club of Canberra
Life Without Barriers
Lifeline Canberra
Look Good/Feel Good
Lyneham High School
Lyneham Pre-School
Masters Games Cyclists
Mount Rogers Community School

MS Charity Golf Day
N Class Destroyers
National Sheepdog Trials
Nicholls Preschool
North Ainslie Preschool
North Canberra Gungahlin Athletics
North Canberra Gungahlin Cricket Club
North Canberra Gungahlin Junior Cricket
North Canberra Softball
North Melbourne Football Club
One Parent Association
Rotary Club of Canberra
Senior Citizens Christmas Luncheon
Senior Citizens Handy Craft Exhibition
Smith Family Charity Gaol
Snow Sports ACT
Softball Canberra
Spence Preschool Parent Association
St John the Baptist Church
St Joseph's Primary School
St Peter & Paul Primary School
Strikezone Softball Club
Stuart Rendell
Triathlon ACT
Turner School
United Hockey Club
University of Canberra Hockey Club
Vietnam Veterans Association
War Memorial Guides
War Widows Guild of Australia
Women's Soccer Canberra
World Vision Canberra North
86 Transport Platoon Vietnam Inc

Financial Report

For the year ended 30 September 2004

FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

Annual General Meeting

Ainslie Football and Social Club Limited

Notice is hereby given that the Second Annual General Meeting of the Ainslie Football and Social Club Ltd will be held at the Club, 52 Wakefield Avenue, Ainslie ACT on Sunday 12 December 2004 at 10:00 a.m.

The business of the meeting shall be:

- (1) To confirm the minutes of the Meeting held on 14 December 2003
- (2) To receive from the Directors reports on the activities of the Club for the year ended 30 September 2004;
- (3) To receive and consider the Statements of Accounts and Reports required under the Corporations Act 2001;
- (4) To elect Directors;
- (5) To appoint an Auditor
- (6) To transact any other business which may be brought forward in conformity with the Club Rules.

KEVIN H GRACE

SECRETARY/GENERAL MANAGER

FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

Ainslie Football and Social Club Limited ABN 17 102 364 321

Financial Report for the year ended 30 September 2004

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FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

Directors' report

Your directors present their report on the club for the financial year ended 30 September 2004.

Directors

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

Mr H J Bradley	Mr P J Lawless
Mr B M Browning	Mr H R Pennay
Mr A J Jamieson	Mr A L Ray (Resigned 13 December 2003)
Mr L Laffan	Mr R Rendell
Mr D Lalor	Mr G Vickers
	Mr Malcolm Scholes (Appointed 14 December 2003)

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

Principal activity

The principal activity of the club during the financial year was the maintenance and conduct of a licensed social club.

There were no significant changes in the nature of the club's principal activities during the financial year.

Operating results

The result of the club after providing for income tax amounted to a surplus of \$2,695,130 (2003: \$3,003,573).

Dividends paid or recommended

In accordance with the provisions of the club's articles, no distribution is available to members.

Review of operations

The operations of the club remained largely unchanged from previous years. The activities of the club are set out in the Annual Report preceding these accounts.

Significant changes in state of affairs

There were no significant changes in the state of affairs of the club during the financial year.

After balance date events

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

Future developments

The directors will continue to operate the club in the best interests of the members.

FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

Information on directors

Mr D Lalor	President
	Committee Member 13 years
Mr R Rendell	Senior Vice President
	Committee Member 5 years
Mr G Vickers	Vice President
	Committee Member 5 years
Mr H R Pennay	Committee Member 16 years
Mr B M Browning	Committee Member 16 years
Mr H J Bradley	Committee Member 20 years
Mr A J Jamieson	Committee Member 3 years
Mr L Laffan	Committee Member 7 years
Mr P J Lawless	Committee Member 4 years
Mr A L Ray	Committee Member 45 years
Mr Malcolm Scholes	Committee Member 1 year

Directors' and executive officers' emoluments

No director has become entitled to receive, during or since the financial year, a benefit because of a contract made by the club, or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest.

Meetings of directors

During the year 22 meetings of directors (including finance meetings) were held. Attendances were

	Board Meetings		Finance Meetings	
	Number eligible to attend.	Number attended.	Number eligible to attend.	Number attended.
David Lalor	12	11	10	9
Ralph Rendell	12	9	10	10
Greg Vickers	12	10	10	7
Barry Browning	12	8	10	8
Harold Pennay	12	11	10	6
Laurie Laffan	12	11	-	-
Alan Ray	2	2	2	2
John Bradley	12	12	-	-
Peter Lawless	12	11	-	-
Tony Jamieson	12	11	-	-
Malcolm Scholes	10	8	1	1

FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

Indemnifying officers or auditor

During or since the end of the financial year the club has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:


The company has paid premiums in respect of a Director's and Officer's Liability insurance contract. The insurance contract insures against certain liability (subject to exclusions), persons who are or have been directors or officers of the club or related parties corporate. A condition of the insurance contract is that the nature of the liability indemnified, the premium payable and certain other details of the policy not be disclosed.

Proceedings on behalf of company

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

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

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



Director

Dated this 11TH day of NOVEMBER 2004.

FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

Independent Audit Report to the Members of the Ainslie Football and Social Club Limited

Scope

We have audited the financial report of Ainslie Football and Social Club Limited for the financial year ended 30 September 2004 being the Director's Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows.

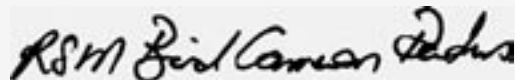
The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of the Ainslie Football and Social Club Limited is in accordance with:

- a. the Corporations Act 2001, including:
 - i. giving a true and fair view of the company's financial position as at 30 September 2004 and of its performance for the year ended on that date; and
 - ii. complying with Accounting Standards in Australia and the Corporations Regulations; and
- b. other mandatory professional reporting requirements in Australia.

Sydney, New South Wales



RSM Bird Cameron Partners

Chartered Accountants



Partner

Dated:

11.11.2004

FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

Statement of Financial Performance for the year ended 30 September 2004

	Note	2004	2003
		\$	\$
Classification of expenses by nature			
Revenues from ordinary activities	2	24,314,291	21,277,097
Poker Machine expenses		(8,772,927)	(7,340,709)
Administration expenses		(6,461,067)	(5,329,843)
Bar expenses		(2,032,323)	(1,795,162)
Grants and donations		(1,160,830)	(1,378,065)
Functions and related expenses		(1,265,746)	(1,090,957)
Golf course expenses		(912,259)	(766,608)
Borrowing costs expense	3	(244,143)	(33,421)
Other expenses from ordinary activities		(769,866)	(538,759)
Result from ordinary activities before income tax expense	3	2,695,130	3,003,573
Income tax expense relating to ordinary activities	4	-	-
Net result from ordinary activities after income tax expense attributable to members of the club	15	2,695,130	3,003,573
Total changes in equity of the club		2,695,130	3,003,573

The accompanying notes form part of these financial statements.

FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

Statement of Financial Position as at 30 September 2004

	Note	2004 \$	2003 \$
Current assets			
Cash assets	6	1,053,802	996,265
Receivables	7	422,694	428,861
Inventories	8	111,682	94,849
Other	9	100,718	141,457
Total current assets		<u>1,688,896</u>	<u>1,661,432</u>
Non-current assets			
Property, plant and equipment	10	43,667,376	36,954,184
Total non-current assets		<u>43,667,376</u>	<u>36,954,184</u>
Total assets		<u>45,356,272</u>	<u>38,615,616</u>
Current liabilities			
Payables	11	1,271,787	1,509,112
Interest-bearing liabilities	12	5,322	47,960
Provisions	13	219,041	226,883
Total current liabilities		<u>1,496,150</u>	<u>1,783,955</u>
Non-current liabilities			
Interest-bearing liabilities	12	3,600,000	1,205,322
Provisions	13	149,785	149,851
Total non-current liabilities		<u>3,749,785</u>	<u>1,355,173</u>
Total liabilities		<u>5,245,935</u>	<u>3,139,128</u>
Net assets		<u>40,110,337</u>	<u>35,476,488</u>
Equity			
Reserves	14	13,996,252	12,057,533
Retained profits	15	26,114,085	23,418,955
Total equity		<u>40,110,337</u>	<u>35,476,488</u>

The accompanying notes form part of these financial statements.

FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

Statement of Cash Flows for the year ended 30 September 2004

	Note	2004	2003
		\$	\$
Cash flows from operating activities			
Receipts from members		26,714,165	23,235,245
Payments to suppliers and employees		(21,044,024)	(17,744,474)
Interest received		34,434	30,908
Borrowing costs		(248,945)	(40,830)
Net cash provided by (used in) operating activities	17b	5,455,630	5,480,849
Cash flows from investing activities			
Payment for property, plant and equipment		(7,796,978)	(5,726,659)
Proceeds from sale of property, plant and equipment		46,845	149,797
Net cash provided by (used in) investing activities		(7,750,133)	(5,576,862)
Cash flows from financing activities			
Proceeds from borrowings		2,394,678	-
Repayment of borrowings		(42,638)	(384,249)
Net cash provided by (used in) financing activities		2,352,040	(384,249)
Net increase (decrease) in cash held		57,537	(480,262)
Cash at the beginning of year		996,265	1,476,527
Cash at the end of the year	17a	1,053,802	996,265

The accompanying notes form part of these financial statements.

FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

Notes to the Financial Statements for the year ended 30 September 2004

Note 1: Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Ainslie Football and Social Club Limited as an individual entity. Ainslie Football and Social Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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

a. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct purchase costs.

b. Property, Plant and Equipment

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

Property

Leasehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the club to have an independent valuation every three years, with annual appraisals being made by the directors.

The revaluation of leasehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of property, 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 which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Leasehold buildings	2.5% to 27%
Poker machines	20% to 40%
Plant, equipment and furniture	5% and 40%
Ainslie oval development	2.5% and 27%
Motor vehicles at cost	15% and 22.5%
Apartments – Coffs Harbour plant and equipment	2.5% and 100%

c. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the club are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the club will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

d. Employee Benefits

Provision is made for the club's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the club to employee superannuation funds and are charged as expenses when incurred.

e. Cash

For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments with less than two months to maturity, net of bank overdrafts.

f. Comparative Figures

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

FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

g. Revenue

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

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

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

h. 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 statement of financial position are shown inclusive of GST.

i. Income Tax

Tax effect accounting procedures are followed whereby the income tax expense in the operating statement is matched with the accounting profit (after allowing for permanent differences). The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit can be regarded as being virtually certain of realisation. Income tax on net cumulative timing differences is set aside to the deferred income tax and future income tax benefit accounts at the rates which are expected to apply when those timing differences reverse.

j. Company Limited by Guarantee

On 1 October 2002, the Club was incorporated as a company limited by guarantee, under the Corporations Act 2001. Previous to that date, the Club was incorporated as an association, under the Associations Incorporations Act 1991 (ACT). This change was brought about by changes to the Gaming Machine Act 1987 (ACT).

The above legislation provides that no change has occurred to the legal status of the Club and that all assets and liabilities of the association are subsumed into the company. Accordingly, there is no need to provide separate accounts for the association and the company.

In accordance with the Constitution the Club is a company limited by guarantee and accordingly no shares have been issued and no dividends recommended or paid. Liability of each member is limited to the amount of \$2.

k. Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the end of the current financial year. The board are assessing the significance of these changes and preparing for their implementation.

FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

	2004	2003
	\$	\$
Note 2: Revenue		
Operating activities		
— trading revenue	21,962,240	19,188,141
— golf course	627,637	634,174
— membership and membership services	1,668,794	1,368,134
	<hr/> 24,258,671	<hr/> 21,190,449
Non-operating activities		
— interest received	32,884	30,391
— profit on disposal of plant and equipment	22,736	56,257
	<hr/> 55,620	<hr/> 86,648
Total Revenue	<hr/> 24,314,291	<hr/> 21,277,097

Note 3: Result from ordinary activities

Result from ordinary activities before income tax has been determined after:

Expenses:

Borrowing costs	244,143	33,421
Cost of Sales	1,212,377	1,066,575
Depreciation of non-current assets		
— Buildings	1,272,830	891,990
— Plant and equipment	1,609,683	1,330,869
Total depreciation	2,882,513	2,222,859
Remuneration of auditor		
— Audit or review	14,000	14,390
Lease Rental Payments	41,000	41,000
Loss on disposal of plant and equipment	114,339	263,296

FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

Note 4: Income tax

The directors estimate that the potential future income tax benefit at 30 September 2004 in respect of tax losses not brought to account is \$107,651 (2003: \$161,115).

This benefit from tax losses will only be obtained if:

- (i) The club derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) The club continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iii) No changes in the tax legislation adversely affect the club in realising the benefit from the deductions for the losses.

Income tax is payable on that proportion of the income less expenses contributed by non-members. The aggregate amount of income tax attributable to the financial year differs from the amount prima facie payable on the operating surplus. The difference is reconciled as follows:

	2004 \$	2003 \$
Operating result before income tax	2,695,130	3,003,573
Prima facie tax payable at 30% (2003: 30%)	808,539	901,072
Tax effect of:		
Non taxable member income arising from principle of mutuality	(916,190)	(1,062,187)
	(107,651)	(161,115)
Benefit of current year tax losses not recognised	107,651	161,115
Income tax expense	-	-

Note 5: Remuneration and retirement benefits

Directors did not receive any remuneration during the financial year. No amounts were paid into any superannuation fund in connection with the retirement of directors.

Note 6: Cash

Cash at bank	578,596	619,416
Cash on hand	475,206	376,849
	1,053,802	996,265

FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

	2004	2003
	\$	\$
Note 7: Receivables		
CURRENT		
Trade debtors	422,694	428,861
	<hr/>	<hr/>
Note 8: Inventories		
Bar stocks	100,577	85,111
Sundry stocks	11,105	9,738
	<hr/>	<hr/>
	111,682	94,849
	<hr/>	<hr/>
Note 9: Other assets		
CURRENT		
Prepayments	100,718	141,457
	<hr/>	<hr/>
Note 10: Property, plant and equipment		
Leasehold land at valuation	5,200,000	5,200,000
Leasehold land at cost	461,000	461,000
	<hr/>	<hr/>
	5,661,000	5,661,000
	<hr/>	<hr/>
Buildings at valuation	17,047,065	17,005,087
Buildings at cost	14,894,523	10,463,291
Less accumulated depreciation	(3,457,117)	(2,184,287)
	<hr/>	<hr/>
	28,484,471	25,284,091
	<hr/>	<hr/>
Poker machines at cost	9,584,349	8,017,808
Less accumulated depreciation	(5,264,451)	(4,746,838)
	<hr/>	<hr/>
	4,319,898	3,270,970
	<hr/>	<hr/>
Plant, equipment and furniture at cost	6,445,891	5,478,358
Less accumulated depreciation	(4,095,950)	(3,673,625)
	<hr/>	<hr/>
	2,349,941	1,804,733
	<hr/>	<hr/>
Ainslie oval development at cost	123,593	106,912
Less accumulated depreciation	(60,276)	(51,147)
	<hr/>	<hr/>
	63,317	55,765
	<hr/>	<hr/>
Motor vehicles at cost	81,174	81,174
Less accumulated depreciation	(42,425)	(33,975)
	<hr/>	<hr/>
	38,749	47,199
	<hr/>	<hr/>

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	2004	2003
	\$	\$
Note 10: Property, plant and equipment (continued)		
Apartments – Coffs Harbour		
Land at valuation	1,650,000	153,685
Buildings at valuation	950,000	-
Less accumulated depreciation	-	-
	2,600,000	153,685
Apartments – Coffs Harbour		
Plant and equipment at valuation	150,000	896,408
Plant and equipment at cost	-	34,379
Less accumulated depreciation	-	(254,046)
	150,000	676,741
Total Property, Plant and Equipment	43,667,376	36,954,184

The basis of valuation of land and buildings is market value based on existing use.

The Coffs Harbour valuation was carried out in 1996 by Jason Carey AVLE (VAL) of Patrick Magann & Associates Pty Ltd. The apartments at Coffs Harbour were revalued in 2004 by Ken Dover AAPI of North Coast Valuation Service Pty Ltd.

The valuation of land and buildings at Wakefield Avenue and the Canberra City Bowling Club was carried out in 2003 by Brian Pitt AVLE (VAL) of McCann and Associates.

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Note 10: Property, plant and equipment (continued)

Ainslie Oval Development

The Ainslie Oval Development was revalued at 30 September 2003. The land and buildings at valuation that relate to the Ainslie Oval Development are disclosed in the land and buildings at valuation classes. Up to the date of the valuation, the actual costs incurred on the Ainslie Oval Development were \$3,493,473.

Movements in carrying amounts

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

	Leasehold Land	Buildings	Poker Machines	Plant, Equipment & Furniture	
	\$	\$	\$	\$	
Balance at the beginning of the year	5,661,000	25,284,091	3,270,970	1,804,733	
Additions	-	4,473,210	2,285,478	1,018,222	
Disposals	-	-	(718,938)	(50,689)	
Revaluation increments	-	-	-	-	
Depreciation expense	-	(1,272,830)	(1,098,324)	(471,248)	
Depreciation written back on disposals	-	-	580,712	48,923	
Carrying amount at the end of year	5,661,000	28,484,471	4,319,898	2,349,941	

	Ainslie Oval	Motor Vehicles	Coffs Harbour Land & Build at valuation	Coffs Harbour Plant & Equip at valuation	Total
	\$	\$	\$	\$	\$
Balance at the beginning of the year	55,765	47,199	153,685	676,741	36,954,184
Additions	16,681	-	-	3,387	7,796,978
Disposals	-	-	-	-	(769,627)
Revaluation decrement/ increments	-	-	2,446,315	(507,596)	1,938,719
Depreciation expense	(9,129)	(8,450)	-	(22,532)	(2,882,513)
Depreciation written back on disposals	-	-	-	-	629,635
Carrying amount at the end of year	63,317	38,749	2,600,000	150,000	43,667,376

	2004	2003
	\$	\$

Note 11: Payables

CURRENT

Trade creditors	256,347	724,622
Other creditors and accruals	1,015,440	784,490
	1,271,787	1,509,112

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	2004 \$	2003 \$
Note 12: Interest-bearing liabilities		
CURRENT		
Hire purchase loans	5,322	47,960
NON-CURRENT		
Hire purchase loans	-	5,322
Commercial bills	3,600,000	1,200,000
	<u>3,600,000</u>	<u>1,205,322</u>
Note 13: Provisions		
CURRENT		
Employee entitlements	219,041	226,883
NON-CURRENT		
Employee entitlements	149,785	149,851
	<u>149,785</u>	<u>149,851</u>
Number of employees at year-end	105	104
	<u>105</u>	<u>104</u>
Note 14: Reserves		
Asset revaluation reserve	13,996,252	12,057,533
	<u>13,996,252</u>	<u>12,057,533</u>
Movements during the year		
Opening balance	12,057,533	919,871
Revaluation increment	1,938,719	11,137,662
	<u>1,938,719</u>	<u>11,137,662</u>
Closing balance	13,996,252	12,057,533
	<u>13,996,252</u>	<u>12,057,533</u>
Note 15: Retained profits		
Retained profits at the beginning of the financial year	23,418,955	20,415,382
Net result attributable to members of the club	2,695,130	3,003,573
	<u>2,695,130</u>	<u>3,003,573</u>
Retained profits at the end of the financial year	26,114,085	23,418,955
	<u>26,114,085</u>	<u>23,418,955</u>

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Ainslie Football and Social Club Limited ABN 17 102 364 321

	2004	2003
	\$	\$
Note 16: commitments		
Total expenditure contracted for at balance date but not provided for in the statement of financial position:		
— not later than 1 year	-	2,721,242
— later than 1 year but not later than 5 years	-	197,795
— later than 5 years	-	-
	<u>-</u>	<u>2,919,037</u>

Note 17: Cash flow information

a. Reconciliation of Cash		
Cash at bank	578,596	619,416
Cash on hand	475,206	376,849
	<u>1,053,802</u>	<u>996,265</u>
b. Reconciliation of Cash Flow from Operations with Result from ordinary activities after income tax		
Result from ordinary activities after income tax	2,695,130	3,003,573
Non-cash flows in result from ordinary activities		
Depreciation	2,882,513	2,222,859
Bad debt expense	1,544	-
Net loss on disposal of property, plant and equipment	91,603	207,039
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in accounts receivable	6,167	(135,615)
(Increase)/decrease in prepayments	40,739	(73,570)
(Increase)/decrease in inventories	(16,833)	(290)
Increase/(decrease) in trade creditors and accruals	(237,325)	207,435
Increase/(decrease) in provisions	(7,908)	49,418
Cash Flows from operations	<u>5,455,630</u>	<u>5,480,849</u>

c. The club has credit stand-by facilities in place.

Subject to the continuance of a satisfactory financial position, the unused facilities may be drawn at any time. The value of unused facilities at balance date was \$2,400,000.

The bank overdraft, which was unused at year end, and the line of credit facilities are secured by a registered first mortgage over the club's premises and Ainslie Football Oval situated at 52 Wakefield Avenue, Ainslie ACT, the club's premises and land located at Gundaroo Drive Nicholls ACT, the club's Golf Course land and improvements located at Gundaroo Drive Ngunnawal ACT and by a registered first fixed and floating charge over assets and undertakings of Ainslie Football and Social Club Limited.

d. There were no non-cash financing or investing activities during the period.

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Ainslie Football and Social Club Limited ABN 17 102 364 321

Note 18: Statement of operations by segments

The club operates in predominantly in one business and geographic segment, being in the leisure sector providing social facilities to Members of the club throughout Australia.

Note 19: Financial instruments

a. Interest Rate Risk

The club's exposure to interest rate risk, which is the risk that a financial instrument's 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		Floating Interest Rate		Fixed Interest Rate Maturing				Non-interest Bearing	
					Within Year		1 to 5 Years			
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Financial Assets:										
Cash at bank	2.1	2.1	578,596	619,416	-	-	-	-	-	-
Total Financial Assets			578,596	619,416	-	-	-	-	475,206	376,849
Financial Liabilities:										
Commercial bills	6.2	6.2	-	-	-	-	3,600,000	1,200,000	-	-
Hire purchase loans			-	-	5,322	47,960	-	5,322	-	-
Total Financial Liabilities			-	-	5,322	47,960	3,600,000	1,205,322	-	-

b. 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 doubtful debts of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The club does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the club.

c. Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the club intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

Note 20: Related party transactions

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

Note 21: Company details

The registered office of the company is:

Ainslie Football and Social Club Limited
52 Wakefield Avenue Ainslie ACT 2602

The principal places of business are:

Ainslie Football and Social Club Limited
52 Wakefield Avenue Ainslie ACT 2602

Canberra City Bowling Club
Elder Street Braddon ACT 2612

Gungahlin Lakes Community and Golf Club
Gungahlin Drive Nicholls ACT 2913

FINANCIAL REPORT

Ainslie Football and Social Club Limited ABN 17 102 364 321

Directors' declaration

The directors of the company declare that:

1. the financial statements and notes, being the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements, are in accordance with the Corporations Act 2001;
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 30 September 2004 and performance for the year ended on that date of the company;
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.

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



Director

Dated this 11 TH day of NOVEMBER 2004.



Ainslie Football and Social Club
52 Wakefield Avenue
Ainslie



Canberra City Bowling Club
Elder Street
Braddon



Gungahlin Lakes
Cnr Gundaroo Road & Gungahlin Drive
Nicholls