Croatia Deakin Soccer Club Limited

ABN: 50 616 274 100

Financial Statements

For the Year Ended 30 September 2019

Croatia Deakin Soccer Club Limited

ABN: 50 616 274 100

Contents

For the Year Ended 30 September 2019

Directors' Report
For the Year Ended 30 September 2019

The directors present their report, together with the financial statements of the Group, being the Company and its controlled entities, for the financial year ended 30 September 2019.

General information

Directors

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

Names	Appointed/Resigned
Ivan Bulum	
Tony Pratezina	
Tony Vidovic	
Mario Spralja	
Drago Novakovic	
Marko Vrkic	
Chris Collins	Appointed: 9 December 2018
Tom Babic	Resigned: 9 December 2018
Mice Kljusuric	Resigned: 9 December 2018

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

Principal activities

The principal activities of the Group during the financial year were to promote the sport of soccer and encourage social interaction between members of the club.

No significant change in the nature of these activities occurred during the year.

Short term objectives

The Group's short term objectives are to:

- Be a dominant force in Capital football with both its senior and junior teams; and
- Establish and encourage social interaction between the members of the club

Long term objectives

The Group's long term objectives are to:

- Continue the development and support of all the club's socer teams so that they continue to be the best performing teams in the ACT and surrounding region;
- Establish and maintain relationships that foster social interaction between members and the community; and
- Be a financially and operationally sustainable club that endevours to offer the best possible facilities and services to members and players.

Croatia Deakin Soccer Club Limited

ABN: 50 616 274 100

Directors' Report

For the Year Ended 30 September 2019

General information

Strategy for achieving the objectives

To achieve these objectives, the Group has adopted the following strategies:

- Utilise the services of top quality coaches and facilities to encourage participation and excellence in the sport of soccer; and

- Set financially responsible budgets that return profits while continuing to upgrade facilities.

Performance measures

The following measures are used within the Group to monitor performance:

- Monitor player numbers;

- Monitor team success; and

- Monitor the actual financial performance compared to budget

Operating results and review of operations for the year

Operating results

The consolidated profit of the Group amounted to $ 200,776 (2018: $ 191,105).

Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 September 2019 has been received and can be found on page 3 of the financial report.

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

Director: .... Director: ....

Dated 13 December 2019

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Hardwickes Partners Pty Ltd
ABN 21 008 401 536

Croatia Deakin Soccer Club Limited

ABN: 50 616 274 100

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Croatia Deakin Soccer Club Limited and Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2019, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Hardwickes

Hardwickes
Chartered Accountants

Robert Johnson FCA
Partner

13 December 2019

Canberra

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 September 2019

	Note	2019 $	2018 $
Sales revenue	5	**2,701,644**	2,540,202
Cost of sales		**(1,281,314)**	(1,191,434)
Gross profit		**1,420,330**	1,348,768
Other income	5	**457,114**	521,820
Administrative expenses		**(735,900)**	(717,514)
Poker Machine expense		**(440,580)**	(416,552)
Soccer expenses		**(293,535)**	(374,463)
Other expenses		**(199,476)**	(155,392)
Finance costs		**(7,177)**	(15,562)
Profit before income tax		**200,776**	191,105
Income tax expense	3(b)	**-**	-
Profit for the year		**200,776**	191,105
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation changes for property, plant and equipment	9(b)	**1,046,215**	-
Total comprehensive income for the year		**1,246,991**	191,105
Profit attributable to:			
Members of the parent entity		**200,776**	191,105
Total comprehensive income attributable to:			
Members of the parent entity		**1,246,991**	191,105

The Group has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

Croatia Deakin Soccer Club Limited

ABN: 50 616 274 100

Statement of Financial Position

As At 30 September 2019

	Note	2019 $	2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**166,696**	229,301
Trade and other receivables	7	**233,739**	19,475
Inventories	8	**35,544**	64,228
TOTAL CURRENT ASSETS		**435,979**	313,004
NON-CURRENT ASSETS			
Property, plant and equipment	9	**4,263,954**	3,192,957
Intangible assets	10	**384,000**	480,000
TOTAL NON-CURRENT ASSETS		**4,647,954**	3,672,957
TOTAL ASSETS		**5,083,933**	3,985,961
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**142,154**	197,299
Borrowings	12	**67,774**	124,087
Employee benefits	13	**125,587**	113,313
TOTAL CURRENT LIABILITIES		**335,515**	434,699
NON-CURRENT LIABILITIES			
Borrowings	12	**9,247**	61,372
Employee benefits	13	**5,890**	3,600
TOTAL NON-CURRENT LIABILITIES		**15,137**	64,972
TOTAL LIABILITIES		**350,652**	499,671
NET ASSETS		**4,733,281**	3,486,290
EQUITY			
Reserves		**1,430,215**	480,000
Retained earnings		**3,303,066**	3,006,290
TOTAL EQUITY		**4,733,281**	3,486,290

The Group has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

Croatia Deakin Soccer Club Limited

ABN: 50 616 274 100

Statement of Changes in Equity

For the Year Ended 30 September 2019

2019

	Note	Retained Earnings $	Asset Revaluation Surplus $	Total $
Balance at 1 October 2018		**3,006,290**	**480,000**	**3,486,290**
Profit for the year		**200,776**	**-**	**200,776**
Transfer on sale of asset		**96,000**	**(96,000)**	**-**
Total other comprehensive income for the period	9(b)	**-**	**1,046,215**	**1,046,215**
Balance at 30 September 2019		**3,303,066**	**1,430,215**	**4,733,281**

2018

	Note	Retained Earnings $	Asset Revaluation Surplus $	Total $
Balance at 1 October 2017		2,815,185	480,000	3,295,185
Profit for the year		191,105	-	191,105
Balance at 30 September 2018		3,006,290	480,000	3,486,290

The accompanying notes form part of these financial statements.

Croatia Deakin Soccer Club Limited

ABN: 50 616 274 100

Statement of Cash Flows

For the Year Ended 30 September 2019

	Note	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		3,421,958	3,785,399
Payments to suppliers and employees		(3,289,837)	(3,513,746)
Interest paid		(7,177)	(15,562)
Net cash provided by operating activities	22	124,944	256,091
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		120,000	-
Purchase of property, plant and equipment		(199,111)	(406,441)
Net cash (used in) investing activities		(79,111)	(406,441)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		(114,501)	(275,442)
Net cash (used in) financing activities		(114,501)	(275,442)
Net (decrease) in cash and cash equivalents held		(68,668)	(425,792)
Cash and cash equivalents at beginning of year		229,301	655,093
Cash and cash equivalents at end of financial year	6	160,633	229,301

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 September 2019

The financial report covers Croatia Deakin Soccer Club Limited and its controlled entity ('the Group'). Croatia Deakin Soccer Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The entity within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

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.

Significant accounting polivies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Change in Accounting Policy

Financial Instruments - Adoption of AASB 9

The Group has adopted AASB 9 *Financial Instruments* for the first time in the current year with a date of initial adoption of 1 October 2018.

As part of the adoption of AASB 9, the Group adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 *Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. In the comparative year, this information was presented as part of other expenses.

- AASB 7 *Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, this disclosures have been provided for in the current year.

The key changes to the Group's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except the Group has not restated any amounts relating to classification and measurement requirements including impairment which have been applied from 1 October 2018.

Notes to the Financial Statements

For the Year Ended 30 September 2019

2 Change in Accounting Policy

Financial Instruments - Adoption of AASB 9

Classification of financial assets

The financial assets of the Group have been reclassified into one of the following categories on adoption of AASB 9 based on primarily the business model in which a financial asset is managed and its contractual cash flow characteristics:

- Measured at amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income - equity instruments (FVOCI - equity).

Impairment of financial assets

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost, contract assets and fair value through other comprehensive income. This has resulted in the earlier recognition of credit loss (bad debt provisions).

Classification of financial assets and financial liabilities

The table below illustrates the classification and measurement of financial assets and liabilities under AASB 9 and AASB 139 at the date of initial application.

	Note	Classification under AASB 139	Classification under AASB 9	Carrying amount under AASB 139	Carrying amount under AASB 9
				$	$
Financial assets					
Trade and other receivables	7	Loans and receivables	Amortised cost	19,475	19,475
Cash and cash equivalents	6	Loans and receivables	Amortised cost	229,301	229,301
Total financial assets				248,776	248,776
Financial liabilities					
Finance lease liabilities	12	Other financial liabilities	Other financial liabilities	185,459	185,459
Trade payables	11	Other financial liabilities	Other financial liabilities	165,940	165,940
Total financial liabilities				351,399	351,399

3 Summary of Significant Accounting Policies

(a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a September financial year end.

A list of controlled entities is contained in Note 18 to the financial statements.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

(b) Income Tax

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

(c) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(d) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

3 Summary of Significant Accounting Policies

(e) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) Inventories

Cost of inventory is determined using the first in first out basis and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(g) 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.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding leasehold land, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	6%-50%
Furniture, Fixtures and Fittings	7.5%-40%
Poker Machines	30%-40%
Oval improvements	10%-20%

3 Summary of Significant Accounting Policies

(g) Property, plant and equipment

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(h) Financial instruments

For comparative year

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Group's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Group renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Group does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Group uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

3 Summary of Significant Accounting Policies

(h) Financial instruments

Financial liabilities

The Group's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of Financial Assets

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance account, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

For current year

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost

3 Summary of Significant Accounting Policies

(h) Financial instruments

Financial assets

- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Group does not hold any investments in listed and unlisted entities that fall under this category.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

The Group does not hold any investments in listed and unlisted entities that fall under this category

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

3 Summary of Significant Accounting Policies

(h) Financial instruments

Financial assets

When determining whether the credit risk of financial assets has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or

- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

3 Summary of Significant Accounting Policies

(h) Financial instruments

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and finance lease liabilities.

(i) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is any evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(j) Intangible Assets

Gaming Licenses

From August 2015 the ACT Government has allowed gaming machine licenses to be traded. A condition of the scheme is that if 4 licenses are traded, 1 license has to be returned to the government by the buyer.

(k) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(l) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled .

Notes to the Financial Statements

For the Year Ended 30 September 2019

3 Summary of Significant Accounting Policies

(l) Employee benefits

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(m) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 30 September 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

(n) New Accounting Standards and Interpretations

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

Standard Name	Effective date for entity	Requirements	Impact
AASB 15: Revenue from Contracts with Customers	1 October 2019	When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.	Based on a preliminary assessment, it is expected that the application of this Standard will not have a material affect on the accounts.
AASB 16: Leases	1 October 2019	When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.	Based on a preliminary assessment, it is expected that the application of this Standard will not have a material affect on the accounts.

Notes to the Financial Statements

For the Year Ended 30 September 2019

4 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - property held at fair value

An independent valuation of property (land and buildings) carried at fair value was obtained on 30 September 2019. The directors have reviewed this valuation and updated it based on valuation indexes for the area in which the property is located. The valuation is an estimation which would only be realised if the property is sold.

Note 19 provides information on inputs and techniques to determine valuation.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

5 Revenue and Other Income

	2019 $	2018 $
Revenue from sales		
- sale of goods	**1,505,246**	1,367,135
- Poker machine income	**1,196,398**	1,173,067
	2,701,644	2,540,202
Other income		
- Administration and management fees	**5,766**	10,326
- Rental income	**46,873**	52,591
- Other income	**73,748**	130,398
- TAB commission income	**24,571**	26,615
- Soccer income	**202,156**	261,172
- Tournament income	**-**	40,718
- Profit on sale of assets	**104,000**	-
	457,114	521,820
Total Revenue and other income	**3,158,758**	3,062,022

Notes to the Financial Statements

For the Year Ended 30 September 2019

6 Cash and Cash Equivalents

		2019	2018
		$	$
Cash at bank and in hand		**166,696**	229,301
	15	**166,696**	229,301

Reconciliation of cash

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

		2019	2018
	Note	$	$
Cash and cash equivalents		**166,697**	229,301
Bank overdrafts	12	**(6,064)**	-
Balance as per statement of cash flows		**160,633**	229,301

7 Trade and Other Receivables

		2019	2018
	Note	$	$
CURRENT			
Trade receivables		**28,739**	14,475
Other receivables		**5,000**	5,000
Other debtor[(a)]		**200,000**	-
Total current trade and other receivables	15	**233,739**	19,475

(a) Balance is credit received from ACT Government that is to be used towards the de-concessionalisation of the lease.

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

8 Inventories

	2019	2018
	$	$
CURRENT		
Inventories Bar	**27,551**	35,783
Inventories Bistro	**7,993**	8,354
Inventories Merchandise	**-**	20,091
	35,544	64,228

Write downs of inventories to net realisable value during the year were $ NIL (2018: $ NIL).

Notes to the Financial Statements
For the Year Ended 30 September 2019

9 Property, plant and equipment

	2019 $	2018 $
Leasehold land		
At fair value	**370,525**	133,000
Total leasehold land	**370,525**	133,000
Buildings		
Club house building - at directors' valuation	**2,506,856**	2,490,860
Oval building - at independent valuation	**1,286,560**	448,220
Accumulated depreciation	**(1,516,943)**	(1,455,008)
Total buildings	**2,276,473**	1,484,072
Total land and buildings	**2,646,998**	1,617,072
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	-	119,918
Accumulated depreciation	-	(9,712)
Total capital works in progress	-	110,206
Plant and equipment		
At cost	**1,075,276**	860,413
Accumulated depreciation	**(734,699)**	(671,860)
Total plant and equipment	**340,577**	188,553
Furniture, fixtures and fittings		
At cost	**103,770**	66,097
Accumulated depreciation	**(25,797)**	(11,316)
Total furniture, fixtures and fittings	**77,973**	54,781
Motor vehicles		
Poker machines		
At cost	**1,059,365**	957,130
Accumulated depreciation	**(680,074)**	(548,103)
Total poker machines	**379,291**	409,027
Oval improvements		
At fair value	**819,115**	819,002
Accumulated depreciation	-	(5,684)
Total oval improvements	**819,115**	813,318
Total plant and equipment	**1,616,956**	1,575,885
Total property, plant and equipment	**4,263,954**	3,192,957

Notes to the Financial Statements

For the Year Ended 30 September 2019

9 Property, plant and equipment

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

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

	Capital Works in Progress	Land - Oval	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Poker Machines	Oval improvements	Total
	$	$	$	$	$	$	$	$	$
Year ended 30 September 2019									
Balance at the beginning of year	110,206	133,000	1,484,072	188,553	54,781	-	409,027	813,318	3,192,957
Additions	47,539	-	15,996	85,468	37,673	-	108,435	-	295,111
Transfers	(157,745)	-	38,062	119,683	-	-	-	-	-
Depreciation expense	-	-	(61,935)	(53,127)	(14,481)	-	(138,171)	(2,615)	(270,329)
Revaluation increase	-	237,525	800,278	-	-	-	-	8,412	1,046,215
Balance at the end of the year	-	370,525	2,276,473	340,577	77,973	-	379,291	819,115	4,263,954

	Capital Works in Progress	Land - Oval	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Poker Machines	Oval improvements	Total
	$	$	$	$	$	$	$	$	$
Year ended 30 September 2018									
Balance at the beginning of year	-	133,000	1,545,915	205,166	15,066	557	322,454	816,001	3,038,159
Additions	119,918	-	-	19,984	44,495	-	222,044	-	406,441
Disposals	-	-	-	-	-	(441)	-	-	(441)
Depreciation expense	(9,712)	-	(61,843)	(36,597)	(4,780)	(116)	(135,471)	(2,683)	(251,202)
Balance at the end of the year	110,206	133,000	1,484,072	188,553	54,781	-	409,027	813,318	3,192,957

Notes to the Financial Statements

For the Year Ended 30 September 2019

9 Property, plant and equipment

(b) Asset Revaluations

The Deakin Oval and building were independently valued at 30 September 2019 by Mr Matthew Curtis - FAPI, certified practising valuer from CIVAS (ACT) Pty Limited (part of Colliers International). The valuation resulted in a revaluation increment of $1,046,215 being recognised in the revaluation surplus for the year ended 30 September 2019.

10 Intangible Assets

	2019	2018
	$	$
Gaming licenses		
At fair value	**384,000**	480,000
Total Intangibles	**384,000**	480,000

11 Trade and Other Payables

	Note	2019	2018
		$	$
Current			
Trade payables	15	**76,879**	133,200
GST payable		**19,395**	20,648
Accrued expense	15	**33,403**	32,740
Other payables		**12,477**	10,711
		142,154	197,299

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

12 Borrowings

	2019	2018
	$	$
Bank loans	**9,585**	6,399
Bank overdraft - secured	**6,064**	-
Other financial liabilities	**52,125**	117,688
Total current borrowings	**67,774**	124,087

Notes to the Financial Statements

For the Year Ended 30 September 2019

12 Borrowings

		2019	2018
		$	$
NON-CURRENT			
Other financial liabilities		9,247	61,372
Total non-current borrowings		9,247	61,372
		2019	2018
		$	$
Total borrowings	15	77,021	185,459

Summary of borrowings

Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loans.

13 Employee Benefits

	2019	2018
	$	$
Current liabilities		
Long service leave	32,957	28,795
Annual leave provision	92,630	84,518
	125,587	113,313

	2019	2018
	$	$
Non-current liabilities		
Long service leave	5,890	3,600
	5,890	3,600

14 Reserves

(a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

15 Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

15 Financial Risk Management

The most significant financial risks to which the Group is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - interest rate risk

Financial instruments used

The principal categories of financial instrument used by the Group are:

- Trade receivables
- Cash at bank
- Bank overdraft
- Trade and other payables
- Floating rate bank loans

		2019 $	2018 $
Financial assets			
Cash and cash equivalents	6	-	229,301
Trade and other receivables	7	-	19,475
Held at amortised cost			
Cash and cash equivalents	6	**166,696**	-
Trade and other receivables	7	**233,739**	-
Total financial assets		**400,435**	248,776
Financial liabilities			
Trade and other payables	11	-	165,940
Borrowings	12	-	185,459
Financial liabilities at fair value			
Trade and other payables	11	**110,282**	-
Borrowings	12	**77,021**	-
Total financial liabilities		**187,303**	351,399

The Group has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

15 Financial Risk Management

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas such as interest rate risk and credit risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The day-to-day risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate risk and assessment of market forecasts for interest rates.

The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Group maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Financial guarantee liabilities are treated as payable on demand since the Group has no control over the timing of any potential settlement of the liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

15 Financial Risk Management

The table below reflects the undiscounted contractual maturity analysis for financial liabilities.

Financial liability maturity analysis - Non-derivative

	Within 1 Year		1 to 5 Years		Total	
	2019	2018	2019	2018	2019	2018
	$	$	$	$	$	$
Financial liabilities due for payment						
Bank overdrafts and loans	9,585	6,399	-	-	9,585	6,399
Finance lease liabilities	52,125	117,688	9,247	61,372	61,372	179,060
Total contractual outflows	61,710	124,087	9,247	61,372	70,957	185,459

The timing of expected outflows is not expected to be materially different from contracted cashflows.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Trade receivables

Trade receivables consist of a small number of customers, that are associated with the use of club facilities.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group review includes external ratings, if they are available, financial statements, credit agency information and industry information. Credit limits are established for each customer and the utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

The Board receives monthly reports summarising debtor collection.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

Notes to the Financial Statements

For the Year Ended 30 September 2019

15 Financial Risk Management

The following table details the Group's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

			Past due but not impaired (days overdue)				
	Gross amount	Past due and impaired	< 30	31-60	61-90	> 90	Within initial trade terms
	$	$	$	$	$	$	$
2019							
Trade receivables	**28,739**	**-**	**19,015**	**1,800**	**1,800**	**6,124**	**-**
Other receivables	**5,000**	**-**	**-**	**-**	**-**	**-**	**5,000**
Total	**33,739**	**-**	**19,015**	**1,800**	**1,800**	**6,124**	**5,000**
2018							
Trade receivables	14,475	-	13,695	450	330	-	-
Other receivables	5,000	-	-	-	-	-	5,000
Total	19,475	-	13,695	450	330	-	5,000

The Group does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Interest rate risk

The Group is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, the Group is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

Notes to the Financial Statements

For the Year Ended 30 September 2019

16 Key Management Personnel Remuneration

Key management personnel remuneration included within employee expenses for the year is shown below:

	2019	2018
	$	$
Short-term employee benefits	102,433	93,198
Termination benefits	9,610	8,696
	112,043	101,894

17 Auditors' Remuneration

	2019	2018
	$	$
Remuneration of the auditor [Hardwickes Chartered Accountants], for:)		
- auditing or reviewing the financial statements	17,880	16,500
Total	17,880	16,500

18 Interests in Subsidiaries

(a) Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Controlled (%)* 2019	Percentage Controlled (%)* 2018
Subsidiaries:			
Croatia Deakin Football Club Inc	Australia	100	100

*The percentage of control interest held is equivalent to the percentage voting rights for all subsidiaries.

19 Fair Value Measurement

The Group measures the following assets and liabilities at fair value on a recurring basis:

- Property, plant and equipment
  - Capital Works in Progress
  - Land - Oval
  - Buildings
  - Oval improvements

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Other

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Group:

30 September 2019	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements				
Property, plant and equipment				
Land - Oval	-	-	**370,525**	**370,525**
Oval - instrastructure	-	-	**1,286,560**	**1,286,560**
Oval improvements	-	-	**819,115**	**819,115**

30 September 2018	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements				
Property, plant and equipment				
Land - Oval	-	-	133,000	133,000
Oval - instrastructure	-	-	448,220	448,220
Oval improvements	-	-	819,002	819,002

Level 3 measurements

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

Total gains or losses for the year

Other movements

The Group obtains independent valuations of its investment property portfolio on an annual basis and at the end of each reporting period the financial statements reflect the most up-to-date valuation.

The best evidence of fair value is the current price in an active market for similar assets, the following information is used where necessary:

- Current prices in an active market for different types of properties or similar properties in a less active market;

- Discounted cash flow projections based on management's best estimates of future cash inflows and outflows;

The Deakin oval land & building valuations are included in level 3 of the hierarchy. The key unobservable input to the valuation is the price per square metre.

The fair value of the Deakin oval land & building is determined by independent, qualified valuers on an annual basis who have experience in the location of the property. The Directors review the valuation reports and discuss significant movements with the valuers.

As at 30 September 2019, the valuation of the Deakin oval land & building was performed by CIVAS (ACT) Pty Limited. There has been no change to the valuation process during the reporting period.

Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

20 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 September 2019 (30 September 2018:None).

21 Related Parties

Key management personnel - refer to Note 16.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

A number of Directors have provided sponsorship to the club through their respective companies. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

Notes to the Financial Statements

For the Year Ended 30 September 2019

22 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2019	2018
	$	$
Profit for the year	200,776	191,105
Non-cash flows in profit:		
- depreciation	270,329	251,202
- net (gain) / loss on disposal of property, plant and equipment	(120,000)	441
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(214,264)	93,936
- (increase)/decrease in inventories	28,684	52,146
- increase/(decrease) in income in advance	-	(45,012)
- increase/(decrease) in trade and other payables	(55,145)	(302,493)
- increase/(decrease) in employee benefits	14,564	14,766
Cashflows from operations	124,944	256,091

(b) Credit standby arrangements with banks

The following facilities were available at the end of the reporting period:

	2019
	$
Unused at reporting date	
Bank overdraft	40,000
Bank loans	333,500
	373,500

23 Events after the end of the Reporting Period

The financial report was authorised for issue on 13 December 2019 by the Board of Directors.

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

Notes to the Financial Statements

For the Year Ended 30 September 2019

24 Parent entity

The following information has been extracted from the books and records of the parent, Croatia Deakin Soccer Club Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Croatia Deakin Soccer Club Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

	2019	2018
	$	$
Statement of Financial Position		
Assets		
Current assets	**435,980**	313,004
Non-current assets	**4,373,428**	3,539,956
Total Assets	**4,809,408**	3,852,960
Liabilities		
Current liabilities	**335,515**	434,699
Non-current liabilities	**15,137**	64,971
Total Liabilities	**350,652**	499,670
Equity		
Retained earnings	**2,970,066**	2,873,290
Revaluation surplus	**1,288,690**	480,000
Total Equity	**4,258,756**	3,353,290
Statement of Profit or Loss and Other Comprehensive Income		
Total profit or loss for the year	**200,776**	191,106
Total comprehensive income	**200,776**	191,106

25 Statutory Information

The registered office and principal place of business of the company is:

Croatia Deakin Soccer Club Limited
3 Grose Street
Deakin ACT 2600

Notes to the Financial Statements

For the Year Ended 30 September 2019

26 The Gaming Machine Act 2004: Disclosure

(a) Poker Machine Trading

GST amounts are included in the poker machine cash cleared and payout accounts only.

	2019 $	2018 $
Poker Machine Trading		
Poker machine cash cleared	**4,603,721**	4,675,289
Poker machine payouts	**(3,287,683)**	(3,384,916)
Net GST remitted to ATO	**(119,640)**	(117,306)
Poker machine revenue	**1,196,398**	1,173,067
Less: Direct Costs		
Depreciation	**138,171**	135,471
Allocated wages & superannuation	**167,809**	156,585
Licenses	**1,449**	1,172
Poker machine tax	**114,250**	95,574
Repairs and maintenance	**33,460**	41,335
Total Direct Costs	**455,139**	430,137
	741,258	742,930

(b) Section 54(a) of the Gaming Machine Act 2004-contracts with influential persons:

There are no contracts with influential persons to report for the year ended 30 September 2019.

(c) Section 54(b) of the Gaming Machine Act 2004- contractual arrangements or consultancies greater than $99,999:

There are no contractual arrangement or consultancies greater than $99,999 during the year ended 30 September 2019.

(d) Section 54(c) of the Gaming Machine Act 2004 - remuneration which is equal to or more than $150,000:

There is no person receiving remuneration equal to or more than $150,000 during the year ended 30 September 2019.

(e) Section 54(d) of the Gaming Machine Act 2004- any benefits taken by a person during the financial year:

No benefits were taken by any persons during the financial year ended 30 September 2019.

Croatia Deakin Soccer Club Limited

ABN: 50 616 274 100

Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 4 to 33, 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 30 September 2019 and of the performance for the year ended on that date of the entity.

2. In the directors' opinion, there are reasonable grounds to believe that the entity 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 .... Director ....

Dated 13 December 2019

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more than accounting

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Croatia Deakin Soccer Club Limited

Independent Audit Report to the members of Croatia Deakin Soccer Club Limited

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Croatia Deakin Soccer Club Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 30 September 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 September 2019 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

The board of the club is responsible for the maintenance of an accounting system that allows the preparation of true and fair financial statements. In relation to men's, women's and children's football, accounting records were supplied for inclusion in the financial statements but there was no external supporting documentation available for audit. We are, therefore, unable to obtain sufficient and appropriate audit evidence in relation to income and expenses for Football activities.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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Hardwickes Partners Pty Ltd
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Croatia Deakin Soccer Club Limited

Independent Audit Report to the members of Croatia Deakin Soccer Club Limited

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hardwickes

Hardwickes
Chartered Accountants

Robert Johnson FCA
Partner

Canberra
13 December 2019

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND