

QUEANBEYAN LEAGUES CLUB LIMITED

ABN 16 000 371 157

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 OCTOBER 2009**

QUEANBEYAN LEAGUES CLUB LIMITED
ABN 16 000 371 157

FINANCIAL REPORT
FOR THE YEAR ENDED 31 OCTOBER 2009

Contents

President's Report	Page 1 - 2
Directors' Report	Page 3
Auditor's Independence Declaration	Page 4
Income Statement	Page 5
Statement of Recognised Income and Expenditure	Page 5
Balance Sheet	Page 6
Cash Flow Statement	Page 7
Notes to the Financial Statements	Page 8 - 16
Directors' Declaration	Page 17
Independent Auditor's Report	Page 18 - 19

President's Report

I am pleased to report on the club's financial success for the year ending the 31st of October 2009, achieving an operating profit after tax and grants of \$6,503,454. This result includes an increase in football grants from the previous year. A pleasing result considering the year was full of uncertainty due to the affects of the global financial crisis.

On a more somber note the past year has saw the passing of Mr Leslie McIntyre OAM. The clubs founder sadly passed away in February 2009. Mr McIntyre has left a legacy that will live on at both the Queanbeyan Leagues Club and the Canberra Raiders Football Club.

Another year of increases in the clubs food revenue has shown that the quality of food has continued to contribute to the clubs overall popularity. This coupled with our friendly and hospitable staff makes the club the destination of choice for members and guests alike.

Again this year the following organizations and others benefited from the club to the amount of \$2,578,367:

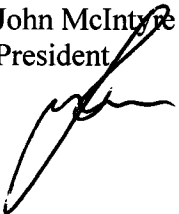
ACT Eden Monaro Cancer Support Group
Cystic Fibrosis Australia
Victorian Bushfire Appeal
Variety Children's Charity
Open Family ACT
Karabar Preschool
Queanbeyan District Girl Guides
Men of League Foundation
Queanbeyan Mens Shed
Queanbeyan Special Needs Group
Schools as Community Centres
St John Ambulance Queanbeyan
1st Jerrabomberra Scouts
Queanbeyan United Football Club (Queanbeyan Blues)
Canberra District Rugby League
Queanbeyan United Rugby Football Club (Queanbeyan Whites)
Queanbeyan United Hockey Club
Queanbeyan Leagues Club Swimming Club
Canberra District Junior Rugby League

A warm thank you and congratulations must go to the management, staff and my fellow directors of the club for their continued hard work throughout another year.

I must thank also all the members that continue to support the club and am looking forward to another exciting year ahead.

Best wishes to our membership and all involved with the club for a safe and happy festive season and a healthy and prosperous new year.

John McIntyre
President



QUEANBEYAN LEAGUES CLUB LIMITED
ABN 16 000 371 157

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31 October 2009.

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

Director - Position	Occupation	Experience	Directors' Meetings	
		Years	No. eligible to attend	No. attended
T Ebsworth - Director	Public Servant	12	13	10
G Hatch - Director	Business Proprietor	15	13	13
B Holley - Director	Clerk	7	13	12
P Lawler - Director	Retired	10	13	13
J McIntyre - Chairman	Football Administrator	29	13	13
P Ozols - Director	Public Servant	5	13	13
R Warner - Director	Business Proprietor	17	13	13

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

The position of company secretary was held by Jeremy Wyatt - General Manager of Queanbeyan Leagues Club Ltd.

The principal activity of the Company during the course of the financial year was that of a licensed club. There were no significant changes in the nature of the activities of the Company during the year.

The profit of the financial year ended 31 October 2009 was \$6,503,454 (2008: profit \$7,358,174).

Operations comprised the running of Licensed Club facilities, the provision of member services and the fostering and promotion of the game of Rugby League Football. No significant changes in the company's state of affairs occurred during the financial year. The company expects to maintain the present status and level of operations and hence there are no likely developments in the company's operations.

No matters or circumstances have arisen since the end of the financial year to the date of this report which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in subsequent financial years.

The Company is subject to various environmental regulations including the *Smoke-Free Areas Act 1994*. The club's mechanical systems comply with the imposed AS 1668.2 standards and the Directors are not aware of any significant breaches of this, or any other, environmental regulations during the financial year.


During the year, a premium was paid for a Directors and Officers liability insurance policy. The company has not otherwise, during or since the end of the year, indemnified any Director or Officer.

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is 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.

A copy of the Auditor's Independence Declaration for the year ended 31 October 2009 as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Signed in accordance with a resolution of the Board Directors.

Director

Dated this  day of *December* 2009.



WALTERTURNBULL
your extra asset

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THE
QUEANBEYAN LEAGUES CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 31 October 2009 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.

Shane Bellchambers, CA
Partner
Registered Company Auditor
WalterTurnbull

Canberra, ACT
Date: 18 December 2009

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BUSINESS ADVISORY SERVICES

ASSURANCE SERVICES

MANAGEMENT CONSULTING

FINANCIAL PLANNING

FRAUD & FORENSIC SERVICES

ACCOUNTING SOLUTIONS

QUEANBEYAN LEAGUES CLUB LIMITED
ABN 16 000 371 157

INCOME STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2009

	Note	2009 \$	2008 \$
Revenue	2	23,059,014	22,796,170
Employee benefits expense		(3,855,742)	(3,805,007)
Depreciation expense	3	(1,717,902)	(1,622,529)
Grants paid	3	(2,421,356)	(2,076,697)
Poker machine expenses		(5,652,234)	(5,587,221)
Cost of goods sold	3	(1,225,838)	(1,236,715)
Administration expenses		<u>(1,524,008)</u>	<u>(1,630,843)</u>
Profit before income tax		6,661,934	6,837,158
Income tax expense	6	<u>(158,480)</u>	<u>521,016</u>
Profit after income tax		<u><u>6,503,454</u></u>	<u><u>7,358,174</u></u>

STATEMENT OF RECOGNISED INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 OCTOBER 2009

Opening Balance of Equity	58,581,465	51,223,291
Profit attributable to the company	6,503,454	7,358,174
Closing Balance of Equity	<u><u>65,084,919</u></u>	<u><u>58,581,465</u></u>

QUEANBEYAN LEAGUES CLUB LIMITED
ABN 16 000 371 157

BALANCE SHEET
AS AT 31 OCTOBER 2009

	Note	2009 \$	2008 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,648,351	1,781,206
Trade and other receivables	8(i)	18,347	15,400
Inventories	9	35,274	48,722
Other current assets	10	<u>157,992</u>	<u>85,696</u>
TOTAL CURRENT ASSETS		<u>1,859,964</u>	<u>1,931,024</u>
NON-CURRENT ASSETS			
Other receivables	8(ii)	45,370,833	39,933,775
Property, plant and equipment	11	<u>20,222,763</u>	<u>19,008,156</u>
TOTAL NON-CURRENT ASSETS		<u>65,593,596</u>	<u>58,941,931</u>
TOTAL ASSETS		<u>67,453,560</u>	<u>60,872,955</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	<u>2,327,609</u>	<u>2,250,099</u>
TOTAL CURRENT LIABILITIES		<u>2,327,609</u>	<u>2,250,099</u>
NON-CURRENT LIABILITIES			
Long term provisions	13	<u>41,032</u>	<u>41,391</u>
TOTAL NON-CURRENT LIABILITIES		<u>41,032</u>	<u>41,391</u>
TOTAL LIABILITIES		<u>2,368,641</u>	<u>2,291,490</u>
NET ASSETS		<u>65,084,919</u>	<u>58,581,465</u>
EQUITY			
Retained earnings	1(m)	60,936,321	54,432,867
Asset revaluation reserve	11	<u>4,148,598</u>	<u>4,148,598</u>
TOTAL EQUITY		<u>65,084,919</u>	<u>58,581,465</u>

The accompanying notes form part of these financial statements.

QUEANBEYAN LEAGUES CLUB LIMITED
ABN 16 000 371 157

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2009

	Note	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts in the course of operations		25,275,491	24,843,521
Payments in the course of operations		(14,505,630)	(15,411,376)
Interest received		35,324	65,201
Grants paid		(2,421,356)	(2,076,697)
Income tax paid		(192,615)	443,242
Borrowing costs		-	662
Net cash provided by operating activities	17	8,191,214	7,864,553
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,946,811)	(2,844,872)
Proceeds from sale of property, plant and equipment		59,800	216,002
Net cash (used in) investing activities		(2,887,011)	(2,628,870)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash loaned to related parties		(5,437,058)	(4,804,318)
Net cash (used in) financing activities		(5,437,058)	(4,804,318)
Net (decrease) / increase in cash held		(132,855)	431,365
Cash at the beginning of the financial year		1,781,206	1,349,841
Cash at the end of the financial year	7	1,648,351	1,781,206

The accompanying notes form part of these financial statements.

QUEANBEYAN LEAGUES CLUB LIMITED
ABN 16 000 371 157

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2009

The financial report covers Queanbeyan Leagues Club Limited (the company) as an individual entity. Queanbeyan Leagues Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Note 1. Statement of Significant Accounting Policies

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply.

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

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a) Income Tax

Non-member income of the company is only assessable for tax, as member income is excluded under the principle of mutuality.

Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant tax authority.

The carrying amount of deferred income tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

b) Inventories

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

c) Property, Plant and Equipment

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

Property

Land and buildings are shown at cost and are reviewed for impairment on an annual basis. Valuations are performed on a periodical basis to ensure the cost does not exceed the fair value.

Plant and Equipment

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Fixed assets are depreciated on a straight line or diminishing value basis over their useful lives to the company commencing from the time the asset is held ready for use.

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

Buildings	0-2.5%
Plant & Equipment	2% to 50%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2009

Note 1. Statement of Significant Accounting Policies (continued)

d) Accounting Policy Amendments

A number of Australian Accounting Standards issued or amended, which are applicable to the company but not yet effective, have not been adopted in preparation of the financial statements at reporting date as they have no material effect to the organisation.

e) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention. Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit making. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Fair Value

Various valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions.

f) Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets and financial instruments to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

QUEANBEYAN LEAGUES CLUB LIMITED
ABN 16 000 371 157

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2009

	2009	2008
	\$	\$

Note 1. Statement of Significant Accounting Policies (continued)

g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance sheet date. Employee benefits that are expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus any 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 company to an employee superannuation fund and are charged as expenses when incurred. A provision has been recognised for employee benefits relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and bank overdrafts.

i) Revenue and Other Income

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

Interest revenue is recognised using the effective interest rate method for which floating rate financial assets is the rate inherent in the instruments. All revenue is stated net of the amount of goods and services tax (GST).

j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisitions of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

k) Comparative Figures

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

l) Critical accounting estimates and judgements

The directors' estimates and judgements, where appropriate, are incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

m) Member's Guarantee

On the winding up of the company, the Constitution states that each member of the company is required to contribute to the company's assets an amount not exceeding four dollars. As at 31 October 2009 there were 13,681 members (2008: 11,533).

n) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Note 2. Revenue and Other Income

Sales Revenue	2,970,976	3,000,798
Revenue from rendering of services	20,007,216	19,547,972
Interest received	35,324	65,201
Gain on sale of non-current assets	45,498	182,199
	23,059,014	22,796,170

QUEANBEYAN LEAGUES CLUB LIMITED
ABN 16 000 371 157

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2009

	2009	2008
	\$	\$
Note 3. Details of Items Included in Profit		
<i>Expenses</i>		
Finance costs	-	(662)
Depreciation of non-current assets	1,717,902	1,622,529
Grants paid	2,421,356	2,076,697
Bad & doubtful debts	-	177
Community donations	181,162	198,175
Cost of goods sold	1,225,838	1,236,715
Note 4. Key Management Personnel Compensation		
The aggregate compensation of the key management personnel of the company is:		
- Salary	470,698	398,911
- Superannuation	123,319	169,258
Total compensation	<u>594,017</u>	<u>568,169</u>
Note 5. Auditor's Remuneration		
Remuneration of the auditor for:		
- auditing or reviewing the financial report	18,000	18,600
- other services	5,745	9,355
	<u>23,745</u>	<u>27,955</u>
Note 6. Income Tax Expense		
a) The components of the tax expense comprise:		
- Current tax	158,480	206,288
- Deferred tax	-	(734,182)
- Underprovision in respect of prior years	-	6,878
	<u>158,480</u>	<u>(521,016)</u>
b) The prima facie tax on profit before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit before income tax at 30% (2008: 30%)	1,998,580	2,051,148
Add - Tax effect of:		
- Non allowable items	871,549	786,043
- Non allowable items (mutuality)	3,311,863	3,246,310
- Deferred tax liability not previously recognised	-	-
- Under provision for income tax in prior years	-	6,878
	<u>6,181,992</u>	<u>6,090,379</u>
Less - Tax effect of:		
- Non-taxable income	(8,748)	(7,798)
- Non-taxable income (mutuality)	(6,014,764)	(5,869,415)
- Deferred tax asset not previously recognised	-	(734,182)
Income tax attributable to the company	<u>158,480</u>	<u>(521,016)</u>
The applicable weighted average effective tax rates are:	2.38%	-7.62%
Note 7. Cash and Cash Equivalents - Current		
Cash on hand and at bank	<u>1,648,351</u>	<u>1,781,206</u>
Note 8. Trade and Other Receivables		
(i) Current		
Trade receivables	<u>18,347</u>	<u>15,400</u>
(ii) Non-Current		
Unsecured loans - related parties	<u>45,370,833</u>	<u>39,933,775</u>
Note 9. Inventories - Current		
Stock on hand - at cost	<u>35,274</u>	<u>48,722</u>

QUEANBEYAN LEAGUES CLUB LIMITED
ABN 16 000 371 157

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2009**

	2009	2008
	\$	\$
Note 10. Other Assets - Current		
Prepayments	157,992	85,696
Note 11. Property, Plant and Equipment		
Land & Buildings - at cost	20,014,473	18,026,255
Less: Accumulated depreciation	(2,540,039)	(2,122,754)
	<u>17,474,434</u>	<u>15,903,501</u>
Plant and Equipment - at cost	10,260,788	9,798,011
Less: Accumulated depreciation	(7,512,459)	(6,693,356)
	<u>2,748,329</u>	<u>3,104,655</u>
Total property, plant & equipment	<u>20,222,763</u>	<u>19,008,156</u>

Movements in carrying amounts

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

	Land & Buildings	Plant & Equipment	Total
Balance at 1 November 2007	14,633,886	3,185,730	17,819,616
Additions	1,888,121	1,234,252	3,122,373
Disposals	(277,502)	(33,802)	(311,304)
Depreciation expense	(341,004)	(1,281,525)	(1,622,529)
Balance at the end of the year	<u>15,903,501</u>	<u>3,104,655</u>	<u>19,008,156</u>
Balance at 1 November 2008	15,903,501	3,104,655	19,008,156
Additions	1,988,218	958,593	2,946,811
Disposals	-	(14,302)	(14,302)
Depreciation expense	(417,285)	(1,300,617)	(1,717,902)
Balance at the end of the year	<u>17,474,434</u>	<u>2,748,329</u>	<u>20,222,763</u>

Land and buildings were valued by CB Richard Ellis on 12 August 2008. The cost base as published is lower than fair value. The asset revaluation reserve represents revaluations of land and buildings.

Note 12. Trade and Other Payables - Current

Trade payables	98,675	181,976
Income tax liability	106,091	73,563
Employee benefits	596,921	560,275
Accrued expenses	1,525,922	1,434,285
	<u>2,327,609</u>	<u>2,250,099</u>

Note 13. Provisions - Non-current

Employee benefits

Opening balance	41,391	24,051
Movement in provisions in the year	(359)	17,340
Closing Balance	<u>41,032</u>	<u>41,391</u>

Deferred tax

Opening balance	-	734,182
Increase in provisions in the year	-	(734,182)
Closing Balance	<u>-</u>	<u>-</u>
	<u>41,032</u>	<u>41,391</u>

Refer to Note 1(g) for definitions.

Note 14. Capital Management

The directors control the capital of the company in order to maintain a good debt to equity ratio and to ensure that the company can fund its operations and continue as a going concern. There have been no changes in the strategy since last year.