

GLENORIE R.S.L. CLUB LIMITED

ABN 29 001 068 631



**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2009**

GLENORIE R.S.L. CLUB LIMITED

ABN 29 001 068 631

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GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

DIRECTORS' REPORT

Your directors present their report on Glenorie R.S.L. Club Limited ("the company") for the financial year ended 30 June 2009.

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

Name	Position
Robert Hodges	President
Geoff Benfield	Vice President
Robert Clarke	Vice President
Hank Leeuw	Director
Andrew Pellizzer (Sub branch member)	Director
Peter Whelan	Director
Graham Osborne (appointed 2/11/08)	Director
Keith Jamieson (resigned 2/11/08)	Director

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 at the end of the financial year was held by Robert Frier.

The profit of the company for the financial year after providing for income tax amounted to \$164,571.84.

A review of the operations of the company during the financial year and the results of those operations are included in the chairman's report.

No significant change in the company's state of affairs occurred during the financial year.

The principal activity of the company during the financial year was that of a Registered Club.

No significant change in the nature of this activity occurred during the year.

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

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

The company is prevented by its constitution from paying dividends.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

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

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

DIRECTORS' REPORT

Information on Directors

Name	Qualifications	Experience, special responsibilities
Robert Hodges	Company Director	Club President/Director 27 years
Geoff Benfield	Company Director	Club Vice President/Director 21 years
Hank Leeuw	Company Director/Builder	Club director 6 years
Andrew Pellizzer	Company Director/Sub-Branch Member	Club director 20 years
Robert Clarke	Company Director/Sub-Branch Member	Club director 3 year
Peter Whelan	Company Director/Electrical Engineer	Treasurer 2 year
Graham Osborne	Company Director	Club Director (discontinuous 8 years)

Meeting of Directors


During the financial year 12 meetings of directors were held. Attendances were:

Name	Number eligible to attend	Number attended
Robert Hodges	12	12
Geoff Benfield	12	12
Keith Jamieson	4	4
Hank Leeuw	12	10
Andrew Pellizzer	12	11
Robert Clarke	12	9
Peter Whelan	12	11
Graham Osborne	8	6

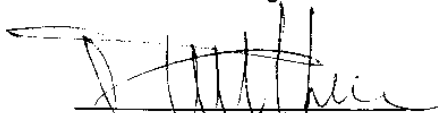
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

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



Mr. Robert T. Hodges



Mr. Peter Whelan

Dated this 16th day of September 2009



THOMAS GLC
CHARTERED ACCOUNTANTS
& BUSINESS ADVISORS

PRINCIPALS:

CHRISTINE ANDREWS CPA
GLENN MCEWEN CA
GORDON OGBORNE CA
LUCAS QUINLAN CA

CONSULTANTS:

KEVIN THOMAS FCA
BRIAN THOMAS CA

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

AUDITORS' INDEPENDENCE DECLARATION
UNDER S307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF GLENORIE R.S.L. CLUB LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 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.



Glenn J. McEwen

Dated this 16th day of September 2009

Suite 3, Level 1, 16-20 Edgeworth David Avenue Hornsby NSW 2077

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
Revenue	2	3,117,968.56	3,056,618.99
Cost of goods sold		(299,830.27)	(255,603.22)
Poker Machine payouts		(1,649,212.33)	(1,665,587.42)
Employee benefits expense		(403,251.96)	(393,147.76)
Depreciation and amortisation expenses		(147,860.02)	(128,613.19)
Other expenses		(453,242.14)	(439,013.58)
Profit before income tax expense	3	164,571.84	174,653.82
Income tax expense	4	-	(4,931.40)
Profit after income tax expense		<u>164,571.84</u>	<u>169,722.42</u>

The accompanying notes form part of these financial statements.
This report is to be read in conjunction with the attached audit report.

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

BALANCE SHEET
AS AT 30 JUNE 2009

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash and cash equivalents	5	794,393.15	853,496.29
Trade and other receivables	6	1,632.09	500.00
Inventories	7	15,320.76	11,527.75
Current tax assets	8	15,845.00	-
Other assets	9	2,896.21	18,490.44
TOTAL CURRENT ASSETS		830,087.21	884,014.48
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,317,251.99	1,245,427.44
Intangible assets	11	352,355.54	236,532.08
TOTAL NON-CURRENT ASSETS		1,669,607.53	1,481,959.52
TOTAL ASSETS		2,499,694.74	2,365,974.00
CURRENT LIABILITIES			
Trade and other payables	12	70,850.28	77,071.62
Financial liabilities	13	-	25,104.39
Current tax liabilities	14	-	4,931.40
Short-term provisions	15	23,125.32	17,719.29
TOTAL CURRENT LIABILITIES		93,975.60	124,826.70
TOTAL LIABILITIES		93,975.60	124,826.70
NET ASSETS		2,405,719.14	2,241,147.30
EQUITY			
Members' Guarantee	23	-	-
Reserves		617,681.03	617,681.03
Retained profits		1,788,038.11	1,623,466.27
TOTAL EQUITY		2,405,719.14	2,241,147.30

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GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	Retained Profits \$	Asset Revaluation Reserve \$	Capital Profits Reserve \$	Total \$
Balance 1 July 2007	1,453,743.85	161,513.00	456,168.03	2,071,424.88
Profit attributable to the company	169,722.42	-	-	169,722.42
Balance 30 June 2008	1,623,466.27	161,513.00	456,168.03	2,241,147.30
Profit attributable to the company	164,571.84	-	-	164,571.84
Balance 30 June 2009	<u>1,788,038.11</u>	<u>161,513.00</u>	<u>456,168.03</u>	<u>2,405,719.14</u>

For a description of each reserve refer to note 22.

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,112,055.90	3,010,551.35
Payment to suppliers and employees		(2,831,702.67)	(2,948,235.69)
Interest received		43,000.57	47,145.02
Finance Costs		(604.03)	(2,349.10)
Income tax paid		(20,776.40)	-
Net cash provided by (used in) operating activities	16	301,973.37	107,111.58
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	23,411.00
Payment for property, plant and equipment		(206,156.66)	(248,849.31)
Payment for poker machine licences		(129,815.46)	-
Net cash provided by (used in) investing activities		(335,972.12)	(225,438.31)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of hire purchase liability		(25,104.39)	(78,967.64)
Net cash provided by (used in) financing activities		(25,104.39)	(78,967.64)
Net increase (decrease) in cash held		(59,103.14)	(197,294.37)
Cash at beginning of financial year		853,496.29	1,050,790.66
Cash at end of financial year	16	794,393.15	853,496.29

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GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

1 Statement of Significant Accounting Policies

This financial report covers Glenorie R.S.L. Club Limited as an individual entity. Glenorie R.S.L. Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), 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. Material accounting policies adopted in the preparation of this financial report are presented below and 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.

Income Tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to the 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 are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Inventories

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

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.

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 that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

All assets, excluding freehold land, and depreciated on a straight line basis over their useful lives to the company.

All assets, excluding freehold land and buildings are depreciated over their useful lives to the company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

1 Statement of Significant Accounting Policies (continued)

Depreciation (Continued)

The depreciable amount of all fixed assets including building improvements, but excluding freehold land and original building is depreciated on a straight line basis over the asset's useful life 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:

Class of Fixed Asset	Depreciation Rate
Building Improvement	2.5%
Plant and Equipment	5 - 40%
Motor Vehicles	12.5%

The assets' 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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Intangible Assets

Poker Machine Licences

Poker machine licences are recognised at cost of acquisition. Poker machine licences have a finite life and are carried at cost less accumulated amortisation and any impairment losses. Licences are amortised over their useful life of 20 years.

Impairment of Assets

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

1 Statement of Significant Accounting Policies (continued)

Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities, are recognised when the company becomes a party to the contractual provisions of the instruments. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified as at fair value through profit or loss, in which case, transaction costs are expensed to profit or loss immediately.

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

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 taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. 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.

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.

Held- to maturity- investments

Held- to –maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Financial Liabilities

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

1 Statement of Significant Accounting Policies (continued)

Employee Benefits

Provision is made for the liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. 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 to an employee superannuation fund and are charged as expenses when incurred.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, term deposits with banks, other short-term highly liquid investment with maturities of three months or less.

Revenue

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

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

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

Goods and Services Tax (GST)

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

Comparative Figures

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

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
2 Revenue		
Sale of Goods		
- Bar Sales	604,381.26	502,022.77
- Cigarette Sales	52,245.66	40,528.80
	656,626.92	542,551.57
Poker Machine Revenue	2,335,685.41	2,381,923.72
Membership Subscriptions	7,794.77	7,391.00
Commissions and Rebates	37,357.49	37,703.20
Interest Received	43,000.57	47,145.02
Other Revenue	37,503.40	39,904.48
Total Revenue	3,117,968.56	3,056,618.99
3 Expenses		
Profit before income tax expense has been determined after:		
Expenses:		
Depreciation of property, plant & equipment	133,868.02	114,837.39
Amortisation of intangibles	13,992.00	13,775.80
Total amortisation and depreciation	147,860.02	128,613.19
Remuneration of auditor		
Audit	7,863.63	14,199.00
Other services	9,086.37	8,250.00
	16,950.00	22,449.00
Net loss on disposal of plant and equipment	464.09	10,603.49
Finance Costs:		
- Hire purchase charges	605.03	2,349.10

GLENORIE R.S.L. CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
4 Income Tax Expense		
The components of tax expense comprise:		
- Current tax	(4,124.40)	12,229.80
- Benefit of current year tax losses not recognised	4,124.40	-
- Recoupment of prior year tax losses	-	(7,298.40)
	-	4,931.40
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%)	49,371.55	52,396.15
Add:		
Tax effect of:		
- Non-deductible depreciation	1,468.80	1,468.80
Less:		
Tax effect of:		
- General business tax break	12,999.06	-
- Gain on disposal of assets	-	2,587.80
- Member income & expenses	41,965.69	39,047.35
- Recoupment of prior year losses	-	7,298.40
	(4,124.40)	4,931.40
Plus: Benefit of current year tax losses not recognised	4,124.40	-
	-	4,931.40
5 Cash and cash equivalents		
Cash Float	53,314.20	63,290.55
Petty Cash	1.00	1.00
Cash at Bank - Trading Account	46,580.20	77,772.51
Cash at Bank - Cash Maxi Account	-	2,084.36
Undeposited Cash	2,860.00	2,780.00
Tab & Keno Clearing A/C	2,420.31	(183.21)
Term Deposit	689,217.44	707,751.08
	794,393.15	853,496.29
6 Trade and other receivables		
Current		
Sundry Debtors	1,632.09	500.00

The company does not have any material credit risk exposure to any single debtor or group of debtors. All sundry debtors are within initial trading terms.

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
7 Inventories		
<i>Current</i>		
Stock on Hand - Bar	14,363.29	10,408.89
Stock on Hand - Cigarettes	957.47	1,118.86
	15,320.76	11,527.75
8 Current tax assets		
Income Tax refund	15,845.00	-
	15,845.00	-
9 Other current assets		
Prepayments	2,896.21	18,490.44
	2,896.21	18,490.44
10 Property, Plant & Equipment		
<i>Land and Buildings</i>		
Land – at deemed cost	425,000.00	425,000.00
	425,000.00	425,000.00
Buildings - at deemed cost	125,000.00	125,000.00
	125,000.00	125,000.00
Improvements at cost	382,952.83	420,628.26
Less: Accumulated Depreciation	77,156.02	147,351.33
	305,796.81	273,276.93
<i>Total Land and Buildings</i>	855,796.81	823,276.93
<i>Plant & Equipment</i>		
Plant & Equipment - at Cost	1,261,300.83	1,065,896.78
Less: Accumulated Depreciation	816,362.65	662,744.27
	444,938.18	403,152.51
Motor Vehicles - at Cost	21,500.00	21,500.00
Less: Accumulated Depreciation	4,983.00	2,502.00
	16,517.00	18,998.00
<i>Total Plant & Equipment</i>	461,455.18	422,150.51
<i>Total Property, Plant & Equipment</i>	1,317,251.99	1,245,427.44

These notes are to be read in conjunction with the attached audit report.

GLENORIE R.S.L. CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
13 Interest Bearing Liabilities		
Current		
Hire Purchase Liability	-	25,104.39
14 Current tax liabilities		
Income Tax	-	4,931.40
15 Short-term provisions		
Current		
Provision for Holiday Pay	9,757.25	5,693.45
Provision for Long Service Leave	13,368.07	12,025.84
	23,125.32	17,719.29
16 Cash Flow Information		
(a) Reconciliation of Cash		
Cash Float	53,314.20	63,290.55
Petty Cash	1.00	1.00
Cash at Bank - Trading Account	46,580.20	77,772.51
Cash at Bank - Cash Maxi Account	-	2,084.36
Undeposited Cash	2,860.00	2,780.00
Tab & Keno Clearing A/C	2,420.31	(183.21)
Term Deposit	689,217.44	707,751.08
	794,393.15	853,496.29
(b) Reconciliation of Cashflow from operations with profit after income tax		
Profit after income tax	164,571.84	169,722.42
Non-cash flows :		
Loss on sale of non-current assets	464.09	10,603.49
Amortisation	13,992.00	13,775.80
Depreciation	133,868.02	114,837.39
Changes in Assets and Liabilities:		
Decrease (Increase) in current inventories	(3,793.00)	4,810.92
Decrease (Increase) in prepayments	15,594.23	(6,115.44)
Decrease (Increase) in receivables – Sundry Debtors	(1,132.09)	(327.38)
Increase (Decrease) in trade creditors	15,035.87	(204,928.32)
Increase (Decrease) in other creditors	(21,257.22)	(3,855.91)
Increase (Decrease) in current provisions	5,406.03	8,588.61
Increase (Decrease) in income tax payable	(20,776.40)	-
Cash flows from operations	301,973.37	107,111.58

These notes are to be read in conjunction with the attached audit report.

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
17 Capital and Leasing Commitments		
<i>Hire Purchase Commitments</i>		
Not later than 12 months	-	25,709.04
Between 12 months and five years	-	-
Minimum lease payments	-	25,709.04
Less: future finance charges	-	604.18
Present value of minimum lease payments	-	25,104.86

18 Financial Risk Management

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

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The company does not have any derivative instruments at 30 June 2009.

Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

(i) Interest Rate Risk

The company is subject to minimal interest rate risk on debt. Interest on Hire Purchase contracts entered into is fixed.

(ii) Liquidity Risk

The company manages liquidity risk by monitoring cash flows and ensuring adequate funding is maintained.

(iii) Credit Risk

The company exposure to credit risk at balance date is through its deposits with financial institutions. The credit risk is managed by depositing cash with banks with high credit ratings.

GLENORIE R.S.L. CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

18 Financial Risk Management (continued)

Financial liability and financial asset maturity analysis

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realization. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities -								
Due for payment								
Trade payables	46,825	31,789	-	-	-	-	46,825	31,789
Other payables	24,025	50,214	-	25,104	-	-	24,025	75,318
Total expected outflows	70,850	82,003	-	25,104	-	-	70,850	107,107
Financial Assets -								
Cash flows realisable								
Cash & cash equivalents	794,393	853,496	-	-	-	-	794,393	853,496
Receivables	17,477	500	-	-	-	-	17,477	500
Total anticipated inflows	811,870	853,996	-	-	-	-	811,870	853,996
Net (outflow)/inflow on financial instruments	741,020	771,993	-	(25,104)	-	-	741,020	746,889

Net Fair Values

The net fair values of financial assets and liabilities approximates their recognised carrying values. The aggregate carrying amounts of financial assets and liabilities are disclosed in the balance sheet and in the notes to the financial statements. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the entity intends to hold these assets to maturity.

Sensitivity analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

	Profit \$	Equity \$
Year ended 30 June 2009		
+/- 2% in interest rates	10,341.00	10,341.00
Year ended 30 June 2008		
+/- 2% in interest rates	11,065.00	11,065.00

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

19 Capital Management

Management control the capital of the company to ensure that adequate cash flows are generated to fund its services to members and its support of the local community. The board of directors ensures that the overall risk management strategy is in line with this objective.

Management operate under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year. The company does not have any borrowings.

20 Events Subsequent to Reporting date

There have been no significant events subsequent to the reporting date.

21 Company Details

The registered office and principal place of business is:

3 Post Office Road
GLENORIE NSW 2157

The principal activities of the company are that of a Registered Club

22 Reserves

Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets

Capital Profits Reserve

The capital profits reserve records non-taxable profits on sale of non-current assets.

23 Members' Guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$5.00 each towards meeting any outstanding obligations of the company. At 30 June 2009 the number of members was 647 (2008: 638).

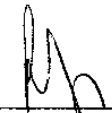
GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

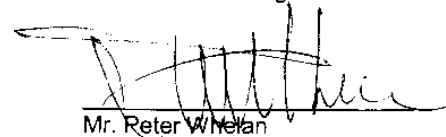
DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on page 4 – 19, are in accordance with the *Corporations Act 2001*:
 - (a) comply with Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2009 and of the 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.



Mr. Robert T. Hodges

Mr. Peter Whelan

Dated this 16th day of September 2009



THOMAS GLC
CHARTERED ACCOUNTANTS
& BUSINESS ADVISORS

PRINCIPALS:

CHRISTINE ANDREWS CPA
GLENN MCEWEN CA
GORDON OGBORNE CA
LUCAS QUINLAN CA

CONSULTANTS:

KEVIN THOMAS FCA
BRIAN THOMAS CA

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF**

GLENORIE R.S.L. CLUB LIMITED

Report on the financial report

We have audited the accompanying financial report of Glenorie R.S.L. Club Limited (the company), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act* 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631**

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Glenorie R.S.L. Club Limited on 16 September 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Glenorie R.S.L. Club Limited as at 30 June 2009, and its financial performance and cash flows for the year then ended in accordance with the *Corporations Act 2001* and the Australian Accounting Standards (including the Australian Accounting Interpretations).

Name of Firm: Thomas GLC
Chartered Accountants

Name of Partner:



Glenn J. McEwen

Address: Suite 3, Level 1, 16-20 Edgeworth David Avenue Hornsby NSW 2077

Dated this 17th day of September 2009

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
SALES		
Bar Sales	604,381.26	502,022.77
Poker Machine Revenue	2,335,685.41	2,381,923.72
Cigarette Sales	52,245.66	40,528.80
Rent - Kitchen	8,500.00	6,722.33
TOTAL SALES	<u>3,000,812.33</u>	<u>2,931,197.62</u>
Less: Cost of Sales	(2,256,086.04)	(2,242,729.12)
GROSS PROFIT	<u>744,726.29</u>	<u>688,468.50</u>
LESS EXPENSES		
Accountancy Fees	9,086.37	8,250.00
Advertising	4,277.50	8,487.80
Amenities	3,719.89	2,541.86
Amortisation	13,992.00	13,775.80
Auditor's Remuneration	7,863.63	14,199.00
Bank Charges	2,800.21	2,693.78
Badge Draw	6,999.98	9,909.09
Cash Deficiency	(1,991.97)	617.16
Cleaning and Garbage disposal	42,152.71	40,177.13
Consultants	250.00	-
Contract Administration	2,645.40	-
Depreciation - Property (Non-deductible)	4,896.00	4,896.00
Depreciation - Buildings	6,718.00	5,878.00
Depreciation - Plant & Equipment	70,521.32	60,165.39
Depreciation - Motor Vehicles	2,481.00	2,508.00
Dining Room Expenses	688.36	57.27
Donations	11,088.30	8,748.49
Electricity	44,480.37	35,643.40
Entertainers & Equipment Hire	13,905.46	6,331.16
Function Costs	661.17	503.95
Foxtel expenses	17,149.08	16,916.36
Freight & Cartage	28.81	12.50
Gas	13,051.27	12,884.02
Hire of Plant & Equipment	20,638.93	19,863.08
Hire Purchase Charges	605.03	2,349.10
Insurance	34,036.43	39,649.47
Interest Paid	-	408.79
Kitchen expenses	250.00	637.49
Late Payment Fee	-	3.42
Legal Costs	-	922.50
Licensing Fees	-	1,255.21
Long Service Leave	1,342.23	3,352.40
Membership Expenses	4,206.50	5,096.08
Motor Vehicle Expenses	15,451.95	6,031.89
Occupational Health & Safety	156.00	-
Pool Table/Juke Box	9,289.13	9,641.45

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
Postage & Stationery	7,739.64	7,412.71
Prizes	57,807.11	36,624.30
Rates & Taxes	5,391.70	4,546.89
Repairs & Maintenance	36,461.36	32,286.84
Salaries & Wages	160,440.52	135,053.94
Security Costs	21,701.64	23,416.50
Staff Training & Welfare	4,450.95	7,720.80
Subscriptions	3,887.32	4,716.00
Superannuation Contributions	30,988.17	27,576.67
Telephone	4,537.12	4,870.87
	<u>696,846.59</u>	<u>628,632.56</u>
TRADING PROFIT	<u>47,879.70</u>	<u>59,835.94</u>
Other Operating Income		
Interest Received	43,000.57	47,145.02
Membership Subscriptions	7,794.77	7,391.00
TAB Commissions	5,520.72	5,605.28
ATM Rebate	5,211.73	5,009.56
Vending Machine	868.59	834.03
Carlton Rebate	1,366.20	1,395.90
Gaming and Racing Rebate Received	17,180.00	17,180.00
Keno Commission	7,210.25	6,825.13
Raffles & Functions income	25,486.70	19,942.90
Sky Rebate	-	853.30
Donations	3,516.70	13,239.25
	<u>117,156.23</u>	<u>125,421.37</u>
Other Operating Expenses		
Loss on Sale of Non-current Assets	464.09	10,603.49
	<u>464.09</u>	<u>10,603.49</u>
PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX	<u>164,571.84</u>	<u>174,653.82</u>

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

SUMMARY OF COST OF SALES
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
Opening inventory	11,527.75	16,338.71
Purchases	303,623.28	250,792.26
Bar Consumables	4,443.95	4,727.94
Depreciation - Poker Machines	49,251.70	41,390.00
Dining Room Incidentals	-	1,220.45
Direct Wages	210,481.04	227,159.75
Free Food & Drink	4,516.69	6,498.81
LAB Monitoring Fee	14,847.84	12,313.74
Payouts	1,649,212.33	1,665,587.42
Repairs & Maintenance	19,332.08	16,039.62
Poker Machine Duties & other taxes	710.14	8,593.17
Stocktaking Expenses	3,460.00	3,595.00
	<u>2,271,406.80</u>	<u>2,254,256.87</u>
Less Closing inventory	15,320.76	11,527.75
Cost of Sales	<u><u>2,256,086.04</u></u>	<u><u>2,242,729.12</u></u>