
**Guildford Rugby League Football &
Recreation Club Limited**

ABN 70 000 304 585

**Annual Financial Report
31 December 2010**

Guildford Rugby League Football & Recreation Club Limited

Directors' Report

Directors

Your directors present their report together with the financial report of Guildford Rugby League Football & Recreation Club Limited (the company) for the year ended 31 December 2010 and the auditor's report thereon.

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

KEN HURST

Retired School Teacher. Over 38 years' experience in the Club movement. First played in 1948 and has served on Rugby League, Golf and Cricket Committees. At the Rugby League Country Club Ken was an original Director in 1964 and currently Chairman of Directors and a former Director of ClubsNSW. A long term Director and the current President of Guildford Leagues Club. Chairman of Narellan Properties, Chairman of The Rugby League Country Club (Camden Valley Golf Resort).

Declared Interest in Contracts: Nil

GRAHAM BONWICK

Club Sports Administrator. Member of Guildford Leagues Club for 34 years. Past President and Vice President of Junior Rugby League. Current Treasurer of the McCredie Park Trust. A Director of Guildford Leagues Club for the past 11 years.

Declared Interest in Contract: 26 March 2008

WAYNE TRINDALL

Currently employed with Energy Australia. Member of Guildford Leagues Club for the past 26 years. Played A Grade and A Reserve in 1981-1982 with Guildford Leagues Club. Coach and Manager for the Juniors' Club from 1993-1997. Worked with the Junior Committee for 5 years. Past Manager of Women's Touch Football. Currently on the McCredie Park Trust Committee and Member of Holroyd ASIC Committee. A Director of Guildford Leagues Club for the past 9 years.

Declared Interest in Contracts: Nil

REX SORBY

Retired after 38 years working in the Railway Industry and has also worked full time as Senior Union Official in areas of New South Wales Government Transport Appeals Board Equal Employment Opportunity and Safety Areas. A member of Guildford Leagues Club for the past 35 years. Previous positions with the Club include President of Junior League 1991-1994 and Honorary Treasurer and Committee Member for a considerable number of years. Member of Holroyd ASIC Committee, and a current member of the Safety and Compliance Committee. A Director of Guildford Leagues for 10 years.

Declared Interest in Contracts: Nil

GARY DALE

Currently employed as a Warehouse Supervisor for a stationery company and has been a member of Guildford Leagues for 22 years. Was on the Junior Committee for 8 years and also manager and trainer for various junior teams for 6 years. A Director of Guildford Leagues for 4 years.

Declared Interest in Contracts: Nil

Guildford Rugby League Football & Recreation Club Limited

Directors' Report (continued)

Directors (continued)

PAUL O'DONOGHUE

A Club member for 32 years. A Certified Practising Accountant (CPA) who has retired after 35 years with the Australian Taxation Office with service including Director Financial Services and a member of the Parramatta Branch Board of Management. Over many years Paul has served on work, school and sporting Club Committees including this Club's Bowls Committee and for 13 years was on the Board of Management of the Parramatta Rugby League Referees Association where he is a Life Member. From 1980 to 1992 he was also a Director of a Credit Union. A Director of Guildford Leagues for 4 years.

Declared Interest in Contracts: Nil

GARY WHITEHEAD

Currently a Work Supervisor for 23 years, however employed for 35 years at the same company. Member of Guildford Leagues Club for the last 19 years. Former President of the Football Club for 5 years, Football Manager for 5 years, Golden Oldie Representative for 5 years, and current Vice President of Men's Bowls, for the past 4 years. Current Treasurer of the Snooker Club for 3 years and is a member of the McCredie Park Trust Committee, for the past 5 years. A Director of Guildford Leagues for 2 years.

Declared Interest in Contracts: Nil

Directors' meetings

The number of directors' meetings attended by each of the directors of the company during the financial year is:

Director	Number of meetings attended	Number of meetings held*	Number of special meetings attended	Number of special meetings held*
Ken Hurst	12	12	6	7
Graham Bonwick	12	12	7	7
Wayne Trindall	12	12	7	7
Rex Sorby	12	12	7	7
Gary Dale	9	12	6	7
John (Paul) O'Donoghue	12	12	7	7
Gary Whitehead	12	12	7	7

* Number of meetings held during the time the director held office during the year.

Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 31 December 2010 and the comparison with last year is as follows:

	2010	2009
Full	9,161	10,837
Social	1,511	1,647
Life	11	11
	<hr/>	<hr/>
	10,683	12,495
	<hr/>	<hr/>

Guildford Rugby League Football & Recreation Club Limited

Directors' Report (continued)

Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that he is a member or within one year thereafter.

Operating result

The net profit from ordinary activities before tax for the year amounted to \$60,572 compared with an \$11,367 loss for the prior year. This resulted after charging \$1,659,099 (2009: \$1,378,309) for depreciation/amortisation and after charging \$55,646 (2009: \$102,688) and \$137,259 (2009: \$92,149) for finance charges and the promotion of sport respectively. The result was also impacted by Guildford Rugby League Football and Recreation Club's share of the loss on Narellan Properties of \$33,452 (2009: \$707,299).

Objectives

Short term

Increased traffic flow in the club thus increasing club profits and cash flows. Our ability to continue to support the game of Rugby League and other sports.

Long term

Serving the members and the community in accordance with club industry traditions and objectives of the Clubs Constitution.

Strategy for achieving the objectives

The Club implements a number of strategies to achieve these objectives, including:

- Providing improved club facilities for members and their guest's
- Providing quality meals at affordable prices
- Offering a range of regular member promotions
- Providing wide range of sporting and gaming facilities
- Provides support & services to members through the club Welfare Officer.
- Investing in the clubs future in capital works
- Investing in the community sporting facilities

Guildford Rugby League Football & Recreation Club Limited

Directors' Report (continued)

Principal activity

The principal activity of the company during the year has continued to be that of a licensed social sporting club.

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

How these activities assist in achieving the objectives

Providing continual support in the game of Rugby League and other sports for club members and within the community.

Performance measurement and key performance indicator

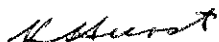
A number of KPIs are employed by the Club in order to measure and improve Club's performance. The club uses the Gross profit% and Wages to sales% to measure the financial performance of departments such as Bars, Catering, etc. The club also uses EBITDA% to measure the financial performance of the club as a whole. In addition the club uses information from Club Data-online and ClubsNSW to measure the Club's strategic position at a industry benchmark level.

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 5.

Signed in accordance with a resolution of the directors.

Dated at Guildford this 15th day of March 2011.



Ken Hurst
Director

Guildford Rugby League Football & Recreation Club Limited
Auditor's Independence Declaration



Chartered Accountants
& Business Advisers

As lead auditor for the audit of Guildford Rugby League Football & Recreation Club Limited for the year ended 31 December 2010, I declare that to the best of my knowledge and belief there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect to Guildford Rugby League Football & Recreation Club Limited during the year.

PKF

Paul Cheeseman
Partner

15 March 2011

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Guildford Rugby League Football & Recreation Club Limited

Independent Audit Report



Chartered Accountants
& Business Advisers

To the members of Guildford Rugby League Football & Recreation Club Limited

Report on the Financial Report

We have audited the accompanying financial report of Guildford Rugby League Football & Recreation Club Limited, which comprises the Statement of Financial Position as at 31 December 2010, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies, 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 – Reduced Disclosure Requirements and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls 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 judgement, 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 entity'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 entity'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.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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Guildford Rugby League Football & Recreation Club Limited
Independent Audit Report (continued)



Auditor's Opinion

In our opinion the financial report of Guildford Rugby League Football & Recreation Club Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the entity's financial position as at 31 December 2010 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and

A handwritten signature in black ink that reads 'PKF'.

PKF

A handwritten signature in black ink that reads 'Paul Cheeseman'.

Paul Cheeseman
Partner

15 March 2011

Guildford Rugby League Football & Recreation Club Limited

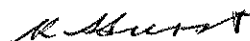
Directors' Declaration

The directors of Guildford Rugby League Football & Recreation Club Limited declare that:

- (a) In the Directors' opinion the financial statements and notes set out on pages 13 to 31, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2010 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Corporations Regulations 2001.
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

Dated at Guildford this 15th day of March 2011.



Ken Hurst
Director

Guildford Rugby League Football & Recreation Club Limited
Statement of Comprehensive Income
For the Year Ended 31 December 2010

	Note	2010 \$	2009 \$
Revenue from continuing operations			
Sale of goods		1,194,550	1,244,852
Rendering of services		10,947,972	11,409,592
Other revenue		69,065	477,722
		<hr/>	<hr/>
Total revenue from continuing operations	2	12,211,587	13,132,166
		<hr/>	<hr/>
Expenses			
Cost of sales		(532,866)	(583,325)
Employee benefits expense		(3,004,595)	(3,273,138)
Entertainment, marketing and promotional costs		(1,245,520)	(1,281,709)
Members benefits and amenities		(430,028)	(264,275)
Equipment rental		(122,801)	(451,898)
Repairs and maintenance		(545,142)	(548,809)
Poker machine licences and taxes		(2,683,578)	(2,812,652)
Occupancy expenses		(1,163,150)	(1,129,407)
Other expenses from ordinary activities		(537,879)	(517,875)
		<hr/>	<hr/>
		(10,265,559)	(10,863,088)
		<hr/>	<hr/>
Earnings before depreciation and amortisation expense, finance costs, promotion of sport and loss on Narellan Properties		1,946,028	2,269,078
Depreciation and amortisation expenses	3(a)	(1,659,099)	(1,378,309)
Finance costs	3(a)	(55,646)	(102,688)
Promotion of sport		(137,259)	(92,149)
Share of loss - Narellan Properties		(33,452)	(707,299)
		<hr/>	<hr/>
Profit / (Loss) before income tax		60,572	(11,367)
Income tax expense	1(e)	-	-
		<hr/>	<hr/>
Net profit / (loss) from continuing operations after income tax expense attributable to members	16	60,572	(11,367)
		<hr/>	<hr/>
Other comprehensive income for the year, net of tax		-	-
		<hr/>	<hr/>
Total comprehensive income for the year, net of tax		60,572	(11,367)
		<hr/>	<hr/>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 13 to 31.

Guildford Rugby League Football & Recreation Club Limited
Statement of Financial Position
As at 31 December 2010

	Note	2010 \$	2009 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	1,225,885	1,947,862
Trade and other receivables	5	147,502	68,300
Inventories	7	52,823	54,494
Other current assets	8	186,137	146,503
Total Current Assets		<u>1,612,347</u>	<u>2,217,159</u>
Non-Current Assets			
Interest in partnership accounted for using the equity method	6	14,893	33,345
Property, plant and equipment	10	9,062,766	9,330,553
Total Non-Current Assets		<u>9,077,659</u>	<u>9,363,898</u>
Total Assets		<u>10,690,006</u>	<u>11,581,057</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	11	1,569,386	1,742,570
Financial liabilities	12	498,214	1,259,395
Employee benefits	13	454,802	422,067
Provisions	14	41,717	41,606
Other current liabilities	15	41,258	40,835
Total Current Liabilities		<u>2,605,377</u>	<u>3,506,473</u>
Non-Current Liabilities			
Financial liabilities	12	301,075	322,234
Employee benefits	13	98,043	128,718
Other non-current liabilities	15	86,706	85,399
Total Non-Current Liabilities		<u>485,824</u>	<u>536,351</u>
Total Liabilities		<u>3,091,201</u>	<u>4,042,824</u>
Net Assets		<u>7,598,805</u>	<u>7,538,233</u>
Members' Funds			
Retained profits	16	6,125,043	6,064,471
Reserves	17	1,473,762	1,473,762
Total Members' Funds		<u>7,598,805</u>	<u>7,538,233</u>

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 13 to 31.

Guildford Rugby League Football & Recreation Club Limited
Statement of Changes in Equity
For the Year Ended 31 December 2010

	Retained Earnings \$	Reserves \$	Total Equity \$
Balance at 1 January 2009	6,075,838	1,473,762	7,549,600
Net loss for the year	(11,367)	-	(11,367)
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	(11,367)	-	(11,367)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2009	6,064,471	1,473,762	7,538,233
	<hr/>	<hr/>	<hr/>
Net profit for the year	60,572	-	60,572
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	60,572	-	60,572
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2010	6,125,043	1,473,762	7,598,805
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes set out on pages 13 to 31.

Guildford Rugby League Football & Recreation Club Limited
Statement of Cash Flows
For the Year Ended 31 December 2010

	Note	2010 \$	2009 \$
Cash Flows From Operating Activities			
Receipts from customers		13,345,573	13,977,322
Payments to suppliers and employees		(11,862,779)	(12,527,769)
Interest received		30,782	26,637
Rent received		-	3,030
Borrowing costs paid		(55,646)	(102,688)
		<hr/>	<hr/>
Net cash inflow from operating activities		1,457,930	1,376,532
		<hr/>	<hr/>
Cash Flows From Investing Activities			
Proceeds from sale of investment properties		-	368,250
Proceeds from sale of property, plant and equipment		62,400	57,000
Proceeds from sale of poker machine entitlements		-	400,000
Payment for property, plant and equipment		(909,787)	(691,721)
Contributions to partnership		(15,000)	(75,000)
		<hr/>	<hr/>
Net cash inflow/(outflow) from investing activities		(862,387)	58,529
		<hr/>	<hr/>
Cash Flows From Financing Activities			
Repayment of borrowings		(740,000)	(740,000)
Repayment of finance leases		(577,520)	(274,468)
		<hr/>	<hr/>
Net cash outflow from financing activities		(1,317,520)	(1,014,468)
		<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents		(721,977)	420,593
Cash and cash equivalents at the beginning of the financial year		1,947,862	1,527,269
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	4	1,225,885	1,947,862
		<hr/> <hr/>	<hr/> <hr/>

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 13 to 31.

Guildford Rugby League Football & Recreation Club Limited

Notes to the Financial Statements

For the Year Ended 31 December 2010

1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*.

In preparing the financial report the company has taken the exemptions available to non profit entities.

Compliance with Australian Accounting Standards – Reduced Disclosure Requirements

The financial statements of the Guildford Rugby League Football & Recreation Club Limited comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

Historical Cost Convention

These 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.

(b) Revenue Recognition – Note 2

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sale of Goods

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods and is recognised (net of rebates, returns, discounts and other allowances) on the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods.

Rendering of Services

Revenue from rendering services comprises revenue from gaming facilities together with other services to members and other patrons of the club and is recognised when the services are provided.

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Sale of Property, Plant and Equipment

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs) and is recognised as revenue at the date control of the asset passes to the buyer.

Contribution of Assets

Contributions of assets and contributions to assist in the acquisition of assets, being non-reciprocal transfers, are recognised as revenue at the fair value of the asset received when the company gains control of the contribution, except when the contributions are by owners.

Guildford Rugby League Football & Recreation Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2010

1 Summary of Significant Accounting Policies (continued)

(c) Goods and Services Tax

Revenues, 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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the Statement of Financial Position.

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

(d) Finance Costs

Finance costs include interest, premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges.

Finance costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets, which take more than 12 months to get ready for their intended use or sale. In these circumstances, finance costs are capitalised to the cost of the assets. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of finance costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, finance costs are capitalised using a weighted average capitalisation rate.

(e) Income Tax

No provision has been made in the financial statements for income tax, as the directors of the club have assessed that they continue to be exempt under Section 50-45 of the Income Tax Assessment Act (1997).

(f) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(g) Cash and Cash Equivalents - note 4

Cash and cash equivalents include cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts.

Guildford Rugby League Football & Recreation Club Limited
Notes to the Financial Statements

For the Year Ended 31 December 2010

1 Summary of Significant Accounting Policies (continued)

(h) Trade and Other Receivables – Note 5

Trade debtors and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

(i) Inventories – Note 7

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.

(j) Land Held for Sale - Note 9

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, foreign currency movements, borrowing costs and holding costs until completion of development. Borrowing costs, foreign currency movements and holding charges incurred after development is completed, are expensed. Profits are brought to account on the signing of an unconditional contract of sale.

(k) Leased Assets

Leases under which the company assumes substantially all the risks and benefits incidental to the ownership of the assets but not the legal ownership are classified as finance leases. Other leases are classified as operating leases.

Operating Leases

Payments made under operating leases are expensed on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

(l) Interest in joint ventures - Note 6

The interest in a jointly controlled entity is accounted for and reported in the financial statements using the equity method whereby an interest in a jointly controlled entity is initially recorded at cost and adjusted thereafter for the post acquisition change to the share of net assets of the jointly controlled entity. The statement of comprehensive income reflects the share of the results of operations of the jointly controlled entity.

Notes to the Financial Statements For the Year Ended 31 December 2010 (continued)

1 Summary of Significant Accounting Policies (continued)

(m) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets such as trading and available-for-sale securities is based on quoted market prices at the Statement of Financial Position date. The quoted market price used for financial assets held by the company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

(n) Property, Plant and Equipment – Note 10

All property, plant and equipment are stated at historical cost less depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated using the straight line/ diminishing value methods to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Leasehold improvements	7 years
Plant and equipment	2½ - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income. When revalued assets are sold, it is company policy to transfer the amounts included in other reserves with respect to those assets to retained earnings.

(o) Trade and Other Payables – Note 11

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Guildford Rugby League Football & Recreation Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2010 (continued)

1 Summary of Significant Accounting Policies (continued)

(p) Financial Liabilities – Note 12

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date.

(q) Employee Benefits – Note 13

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables with respect to employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long Service Leave

The provision for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the market yields on national government bonds at reporting date which most closely match the terms of maturity with the expected timing of cash flows. The unwinding of the discount is treated as long service leave expense.

Superannuation Plan

The company contributes to several defined contribution superannuation plans. Contributions are recognised as an expense as they are made. The company has no legal or constructive obligation to fund any deficit.

Guildford Rugby League Football & Recreation Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2010 (continued)

1 Summary of Significant Accounting Policies (continued)

(r) Comparatives

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(s) Customer Loyalty Program

The company operates a loyalty program where customers accumulated points for dollars spent. The award points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale that the award points are recognised at their fair value. Revenue from the award points is recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed.

(t) New Accounting Standards and Interpretations

Adoption of New Accounting Standards

Early adoption of standards

The entity has elected to apply the following pronouncements to the annual reporting period beginning 1 January 2010:

- AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The early adoption of AASB 1053 enables the entity to be part of the Tier 2 reporting requirements for general purpose financial statements. The Tier 2 reporting framework comprises the recognition and measurement requirements of Tier 1 but substantially reduced disclosure requirements. The entity is eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements and has adopted the requirements of the standard effective from the financial year ended 31 December 2010.

Guildford Rugby League Football & Recreation Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2010 (continued)

	2010 \$	2009 \$
2 Revenue from Continuing Operations		
Sale of Goods Revenue		
Bar sales	1,194,550	1,244,852
	<hr/>	<hr/>
Rendering of Services Revenue		
Poker machines – net clearances	10,608,206	11,036,926
Members' subscriptions	52,397	59,763
TAB commission	17,029	19,835
Keno sales	81,916	79,780
Commission received	14,482	16,129
Sundry income	173,942	197,159
	<hr/>	<hr/>
	10,947,972	11,409,592
	<hr/>	<hr/>
Other Revenues		
Interest received	30,782	26,637
Rent received	-	3,030
	<hr/>	<hr/>
Total other revenue	30,782	29,667
	<hr/>	<hr/>
Total Revenue	12,173,304	12,684,111
	<hr/>	<hr/>
Other Income		
Net gain on disposal of non-current assets	38,283	48,055
Net gain on disposal of intangible assets	-	400,000
	<hr/>	<hr/>
Total other income	38,283	448,055
	<hr/>	<hr/>
Total revenue from continuing operations	12,211,587	13,132,166
	<hr/>	<hr/>

Guildford Rugby League Football & Recreation Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2010 (continued)

	2010 \$	2009 \$
3 Expenses		
(a) Loss before income tax includes the following specific expenses:		
Finance costs		
Bank loans	55,646	102,688
Depreciation		
Plant and equipment	726,741	705,282
Amortisation		
Leased assets	505,092	248,039
Leasehold improvements	427,266	424,988
Total depreciation and amortisation	1,659,099	1,378,309
Net expense from movements in provision for		
Provision – Mortality Fund	111	366
Employee benefits	2,060	(27,739)
Defined contribution superannuation expense	208,363	220,832
(b) Key Performance Indicators	%	%
Bar		
Gross profit percentage	61.30%	58.58%
Wages to sales percentage	40.28%	41.27%
Wages and salaries – percentage of total revenue	24.60%	24.92%
EBITDAG percentage (before Loss from Narellan Properties and gain on sale of non-current assets)	15.67%	14.36%

Guildford Rugby League Football & Recreation Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2010 (continued)

4 Cash and Cash Equivalents

(a) Reconciliation of Cash

Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2010	2009
	\$	\$
Cash and cash equivalents	1,225,885	1,947,862
	<hr/>	<hr/>

(b) Non-Cash Financing and Investment Activities

During the financial year the company acquired property, plant and equipment with an aggregate fair value of \$505,640 (2009: \$899,497) by means of finance leases. These acquisitions are not reflected in the Statement of Cash Flows.

	2010	2009
	\$	\$
5 Trade and Other Receivables		
Current		
Trade Debtors	12,109	40,328
Less: Provisions for doubtful debts	(360)	(360)
	<hr/>	<hr/>
Loan to Narellan Properties Holdings	11,749	39,968
Loan to Rugby League Country Club Limited	68,000	-
Other debtors	37,000	2,000
	30,753	26,332
	<hr/>	<hr/>
	147,502	68,300
	<hr/>	<hr/>

Guildford Rugby League Football & Recreation Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2010 (continued)

	2010 \$	2009 \$
6 Investment Accounted for using equity method		
Non-Current Investments		
Equity Method		
Narellan Properties – Share in partnership	713,762	678,762
– Current account	(698,869)	(645,417)
	<hr/>	<hr/>
Share in partnership – Equity method	14,893	33,345
	<hr/>	<hr/>
(a) The company has an 8.33% interest in the Narellan Properties Partnership. The principal activity of which is the rental of land ownership.		
The interest in the partnership resulted in a share of loss of \$33,452 (2009: \$707,299) to the company.		
(b) Movements during the year in equity accounted investments in a joint venture		
Balance at beginning of the financial year	33,345	665,644
Share of partnership loss	(33,452)	(707,299)
Contributions to partnership	15,000	75,000
	<hr/>	<hr/>
Balance at end of the financial year	14,893	33,345
	<hr/>	<hr/>
7 Inventories		
Finished goods – at cost	52,823	54,494
	<hr/>	<hr/>
8 Other Assets		
Current		
Prepayments	121,567	99,375
Other	64,570	47,128
	<hr/>	<hr/>
	186,137	146,503
	<hr/>	<hr/>

Guildford Rugby League Football & Recreation Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2010 (continued)

	2010 \$	2009 \$
9 Land Held for Sale		
Land and Buildings		
<i>At cost</i>	-	-
	-----	-----
	-	-
	-----	-----
Reconciliation		
Carrying amount at beginning of year	-	368,250
Disposals	-	(368,250)
	-----	-----
Carrying amount at end of year	-	-
	-----	-----
10 Property, Plant and Equipment		
Leasehold improvements		
<i>At cost</i>	13,449,503	13,443,008
<i>Accumulated amortisation</i>	(7,452,517)	(7,025,251)
	-----	-----
	5,996,986	6,417,757
	-----	-----
Plant and equipment		
<i>At cost</i>	9,405,950	9,411,806
<i>Accumulated depreciation</i>	(7,028,580)	(7,156,672)
	-----	-----
	2,377,370	2,255,134
	-----	-----
Capitalised lease equipment		
<i>At cost</i>	1,405,137	899,497
<i>Accumulated amortisation</i>	(753,131)	(248,039)
	-----	-----
	652,006	651,458
	-----	-----
Work in progress		
<i>At cost</i>	36,404	6,204
	-----	-----
Total property, plant and equipment net book value	9,062,766	9,330,553
	-----	-----

Refer to Note 12 for details of security over property, plant and equipment.

Guildford Rugby League Football & Recreation Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2010 (continued)

10 Property, Plant and Equipment (continued)

Valuation

The independent valuation of the company's leasehold improvements was carried out as at 30 March 2009 on the basis of open market value for existing use. Based upon the assumption that the new lease will be signed with the council the valuation of leasehold improvements was \$9,180,000. As the leasehold improvements are recognised at cost, the increase in valuation has not been brought into account.

	2010	2009
	\$	\$
Reconciliations		
Movements in Carrying Amounts		
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:		
Leasehold Improvements		
Carrying amount at beginning of year	6,417,757	6,798,069
Additions	6,495	44,676
Amortisation expense	(427,266)	(424,988)
	<hr/>	<hr/>
Carrying amount at end of year	5,996,986	6,417,757
	<hr/>	<hr/>
Plant and Equipment		
Carrying amount at beginning of year	2,255,134	2,328,518
Additions	873,093	640,843
Disposals	(24,116)	(8,945)
Depreciation expense	(726,741)	(705,282)
	<hr/>	<hr/>
Carrying amount at end of year	2,377,370	2,255,134
	<hr/>	<hr/>
Leased Plant and Equipment		
Carrying amount at beginning of year	651,458	-
Additions	505,640	899,497
Amortisation expense	(505,092)	(248,039)
	<hr/>	<hr/>
Carrying amount at end of year	652,006	651,458
	<hr/>	<hr/>
Work in Progress		
Carrying amount at beginning of year	6,204	-
Additions	30,200	6,204
	<hr/>	<hr/>
Carrying amount at end of year	36,404	6,204
	<hr/>	<hr/>

Guildford Rugby League Football & Recreation Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2010 (continued)

10 Property, Plant and Equipment (continued)

The following are core properties:

Guildford Rugby League Football & Recreation Club
 Tamplin Road
 GUILDFORD NSW 2161

	2010	2009
	\$	\$
11 Trade and Other Payables		
Current		
Trade creditors	234,109	423,418
Goods and Services Tax (GST) payable	184,030	188,740
Other creditors and accruals	1,151,247	1,130,412
	<hr/>	<hr/>
	1,569,386	1,742,570
	<hr/>	<hr/>
12 Financial Liabilities		
Current		
Bank loans – secured	185,000	740,000
Finance Leases - secured	313,214	519,395
	<hr/>	<hr/>
	498,214	1,259,395
	<hr/>	<hr/>
Non-Current		
Bank loans – secured	-	185,000
Finance Leases - secured	301,075	137,234
	<hr/>	<hr/>
	301,075	322,234
	<hr/>	<hr/>
Financing Arrangements		
The company has access to the following lines of credit:		
Total facilities available:		
Bank overdraft	200,000	200,000
Bill acceptance facility	185,000	925,000
	<hr/>	<hr/>
	385,000	1,125,000
	<hr/>	<hr/>
Facilities utilised at reporting date:		
Bank overdraft	-	-
Bill acceptance facility	185,000	925,000
	<hr/>	<hr/>
	185,000	925,000
	<hr/>	<hr/>

Guildford Rugby League Football & Recreation Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2010 (continued)

12 Financial Liabilities (continued)

Financing Arrangements (continued)

Bill Acceptance Facility

The facility bears interest at 6.35% (2009: 6.05%).

Security

The bank overdraft and bill facility are secured by registered first mortgages and floating charges over the whole of the assets of the company.

Other than those classes of interest bearing liabilities denoted as “traded”, none of the classes are readily traded on organised markets in standardised form.

Fair value is inclusive of costs which would be incurred on settlement of a liability.

On-Statement of Financial Position

The fair value of interest bearing liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for liabilities with similar risk profiles.

	2010 \$	2009 \$
Leasehold improvements	5,996,986	6,417,757
	<hr/>	<hr/>
Total pledged	5,996,986	6,417,757
	<hr/> <hr/>	<hr/> <hr/>

Guildford Rugby League Football & Recreation Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2010 (continued)

	2010	2009
	\$	\$
13 Employee Benefits		
Current	454,802	422,067
	<hr/>	<hr/>
Non-Current	98,043	128,718
	<hr/>	<hr/>

The present value of employee benefits not expected to be settled within 12 months of reporting date have been calculated using the following weighted averages:

Inflation rate	3.0%	3.7%
Discount rate	5.51%	4.50%
Settlement term (years)	10 years	10 years

Superannuation Plans

Contributions

The company is under a legal obligation to contribute 9% of each employee's base salary to a superannuation fund.

Guildford Rugby League Football & Recreation Club Limited

Notes to the Financial Statements

For the Year Ended 31 December 2010 (continued)

	2010 \$	2009 \$
14 Provisions		
Current		
Mortality benefits	41,717	41,606
	<hr/>	<hr/>
15 Other Liabilities		
Current		
Income received in advance	41,258	40,835
	<hr/>	<hr/>
Non-Current		
Income received in advance	86,706	85,399
	<hr/>	<hr/>
16 Retained Profits		
Retained profits at the beginning of the year	6,064,471	6,075,838
Net profit/(loss) attributable to members of the company	60,572	(11,367)
	<hr/>	<hr/>
Retained profits at the end of the year	6,125,043	6,064,471
	<hr/>	<hr/>
17 Reserves		
Asset Revaluation Reserve	1,473,762	1,473,762
	<hr/>	<hr/>

18 Contingent Liabilities

Narellan Properties Partnership

Narellan Properties Holdings Pty Ltd as trustee for the Narellan Properties Partnership, of which Guildford Rugby League Football & Recreation Club Limited is a partner of, have provided an unlimited guarantee and indemnity over the loan provided to the Rugby League Country Club trading as Camden Valley Golf Resort. The finance facility at Camden Valley Golf Resort has a balance of \$1,268,302 as of 31 December 2010 to which each partner's share of the liability is 8.33%.

Notes to the Financial Statements

For the Year Ended 31 December 2010 (continued)

	2010 \$	2009 \$
19 Commitments		
Non Cancellable Operating Lease Expense Commitments		
Future operating lease commitments not provided for in the financial statements and payable:		
Within one year	75,908	278,481
One year or later and no later than five years	590,481	417,129
Later than five years	3,800,001	3,800,000
	4,466,390	4,495,610
	4,466,390	4,495,610

20 Key Management Personnel Details

(a) Directors

The following persons were non-executive directors of the company during the financial year:

Ken Hurst
 Graham Bonwick
 Wayne Trindall
 Rex Sorby
 Gary Dale
 Paul O'Donoghue
 Gary Whitehead

(b) Other Key Management Personnel

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

Name	Position
Greg Edwards	Chief Executive Officer
Alan Crow	Operations Manager
Bronwyn Durney	Gaming Manager

Guildford Rugby League Football & Recreation Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2010 (continued)

20 Key Management Personnel Details (continued)

(c) Key Management Personnel Compensation

	2010	2009
	\$	\$
Benefits and payments made to the Directors and Other Key Management Personnel named in (a) and (b) above	435,815	409,770
	<u>435,815</u>	<u>409,770</u>

21 Related Parties

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 20.

Directors' Transactions with the Company

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers and are trivial or domestic in nature.

A director, Graham Bonwick, is also a director of Ashby Enterprises Sydney Pty Ltd. During the year, Guildford Rugby League Football & Recreation Club Limited engaged Ashby Enterprises and Graham Bonwick for Business Development Services – Sports Management. All dealings were based on normal commercial terms and conditions.

The aggregate amounts of each of the above types of transactions with directors and their related entities were as follows:

	2010	2009
	\$	\$
Business Development Services – Sports Management		
→ Ashby Enterprises Sydney Pty Ltd	49,000	51,365
	<u>49,000</u>	<u>51,365</u>

Guildford Rugby League Football & Recreation Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2010 (continued)

22 Company Details

The Club is incorporated and domiciled in Australia as a company limited by guarantee. At 31 December 2010 there were 10,683 members.

The registered office of the company is McCredie Park, 25 Tamplin Road, Guildford NSW 2161.

23 Events Subsequent to Reporting Date

There are no matters or circumstances that have arisen since the end of the financial year that have 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 future financial years.