

# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

## Financial Statements

For the Year Ended 30 June 2010

# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

For the Year Ended 30 June 2010

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# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

## Directors' Report

30 June 2010

Your directors present their report on the company for the financial year ended 30 June 2010.

### General information

#### a Directors

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

<b>Names</b>	<b>Appointed/Resigned</b>
Trevor A. Brownlea	30 November 1991
Stephen Vidot	15 August 2000
Darrel Williams	25 June 1996
Peter Budden	24 November 1996
Kevin Roser	31 May 2005
John D. Tattersall	22 July 1997
Darrell Thompson	18 November 2000
Albert J. Mihell	22 July 1997
Wayne Munro	25 October 2006

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

#### b Principal Activities

The principal activities of Central Charlestown Leagues Club Ltd during the financial year were:

Running of the Club for the benefit of the members and the community and the promoting of the game of Rugby League.

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

### Business review

#### c Operating Results

The profit from ordinary activities after providing for income tax amounted to \$ 167,617.

# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

Directors' Report

30 June 2010

## 2. Director Information

### a Meetings of Directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Trevor A. Brownlea	12	9
Stephen Vidot	12	10
Darrel Williams	12	10
Peter Budden	12	10
Kevin Roser	12	10
John D. Tattersall	12	12
Darrell Thompson	12	10
Albert J. Mihell	12	11
Wayne Munro	12	11

## 3. Significant Changes in State of Affairs

No significant changes in Central Charlestown Leagues Club Ltd's state of affairs occurred during the financial year.

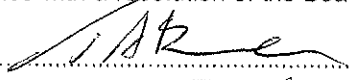
## 4. After balance day events - consolidated

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

## 5. Auditors Independence Declaration

The lead auditors independence declaration for the year ended 30 June 2010 has been received and can be found on page 3 of the financial report.

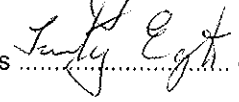
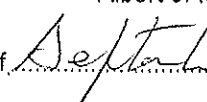
Signed in accordance with a resolution of the Board of Directors:

Director:  .....

Trevor A. Brownlea

Directors:  .....

Albert J. Mihell

Dated this  day of  2010

# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

## Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 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.

*Bentleys Newcastle Pk*

Bentleys Newcastle Pty Limited  
Certified Public Accountants

*J Barlas*

James Barlas

*7 October 2010.*

Broadmeadow NSW

# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

## Statement of Comprehensive Income

For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Revenue		5,174,511	5,610,396
Other income		44,815	22,510
Changes in inventories		(2,713)	(1,304)
Bar/Bistro Purchases		(1,298,235)	(1,386,291)
Employee benefits expense		(1,616,584)	(1,665,420)
Depreciation, amortisation and impairments		(179,520)	(186,962)
Other expenses		(1,896,892)	(1,957,942)
Finance costs		(54,379)	(74,716)
<b>Income (loss) before income tax</b>		<b>171,003</b>	<b>360,271</b>
Income tax expense		(3,386)	(24,470)
<b>Profit for the year</b>		<b>167,617</b>	<b>335,801</b>
Propagation to Rugby League		(97,016)	(175,599)
<b>Profit attributable to members</b>		<b>70,601</b>	<b>160,202</b>

# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

## Statement of Financial Position

30 June 2010

	Note	2010 \$	2009 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	372,238	286,160
Trade and other receivables		7,053	-
Inventories	3	60,924	66,811
Current tax receivable	13	16,848	-
Other current assets	5	7,279	10,261
<b>Total current assets</b>		<b>464,342</b>	<b>363,232</b>
<b>Non-current assets</b>			
Property, plant and equipment	4	4,391,102	4,554,302
Other non-current assets	5	730	730
<b>Total non-current assets</b>		<b>4,391,832</b>	<b>4,555,032</b>
<b>TOTAL ASSETS</b>		<b>4,856,174</b>	<b>4,918,264</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	6	137,866	105,005
Borrowings	7	-	39
Current tax liabilities	13	-	7,170
Short-term provisions	8	88,723	84,709
Other current liabilities	11	75,601	74,095
<b>Total current liabilities</b>		<b>302,190</b>	<b>271,018</b>
<b>Non-current liabilities</b>			
Borrowings	7	591,580	762,078
Other long-term provisions	8	108,555	101,920
<b>Total non-current liabilities</b>		<b>700,135</b>	<b>863,998</b>
<b>TOTAL LIABILITIES</b>		<b>1,002,325</b>	<b>1,135,016</b>
<b>NET ASSETS</b>		<b>3,853,849</b>	<b>3,783,248</b>
<b>EQUITY</b>			
Reserves		40,731	40,731
Retained earnings	9	3,813,118	3,742,517
<b>TOTAL EQUITY</b>		<b>3,853,849</b>	<b>3,783,248</b>

# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

## Statement of Cash Flows

For the Year Ended 30 June 2010

Net profit from ordinary activities	-	160,203
Adjustments for:		
Depreciation	-	186,962
<b>Cash generated from operations</b>	-	347,165
Gain on sale of property, plant and equipment	-	(22,510)
Increase in trade and other receivables	-	1,913
Increase in inventories	8,869	(1,524)
Decrease in trade and other payables	10,306	48,811
Increase in provisions and employee benefits	-	49,069
Propagation of Rugby League	-	170,909
<b>Net cash flows from (used in) operating activities</b>	<b>19,175</b>	<b>593,833</b>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of plant and equipment	-	37,628
Acquisition of property, plant and equipment	-	(119,398)
<b>Net cash flows from (used in) investing activities</b>	<b>-</b>	<b>(81,770)</b>
<b>Cash flows from financing activities:</b>		
Repayment of borrowings	-	(252,625)
Propagation of Rugby League	(97,016)	(175,599)
<b>Net cash flows from (used in) financing activities</b>	<b>(97,016)</b>	<b>(428,224)</b>
<b>Other activities:</b>		
<b>Net cash increase (decreases) in cash and cash equivalents</b>	<b>(77,841)</b>	<b>83,839</b>
Cash and cash equivalents at beginning of year	286,160	197,631
<b>Cash and cash equivalents at end of year</b>	<b>197,632</b>	<b>197,632</b>

# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

## Statement of Changes in Equity

For the Year Ended 30 June 2010

2010

	Note	Retained Earnings \$	Capital Profits Reserve \$	General Reserves \$	Total \$
Balance at 1 July 2009		3,742,517	30,007	10,724	3,783,248
Profit attributable to members		167,617	-	-	167,617
Transfers to and from reserves					
<b>Sub-total</b>		167,617	-	-	167,617
Propagation of Rugby League		(97,016)	-	-	(97,016)
<b>Balance at 30 June 2010</b>		<b>3,813,118</b>	<b>30,007</b>	<b>10,724</b>	<b>3,853,849</b>

2009

	Note	Retained Earnings \$	Capital Profits Reserve \$	General Reserves \$	Total \$
Balance at 1 July 2009		3,582,315	30,007	10,724	3,623,046
Profit attributable to members		335,801	-	-	335,801
Transfers to and from reserves					
<b>Sub-total</b>		335,801	-	-	335,801
Propagation of Rugby League		(175,599)	-	-	(175,599)
<b>Balance at 30 June 2009</b>		<b>3,742,517</b>	<b>30,007</b>	<b>10,724</b>	<b>3,783,248</b>

# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

Notes to the Financial Statements

For the Year Ended 30 June 2010

## 1 Statement of Significant Accounting Policies

### (a) General information

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

The financial report covers Central Charlestown Leagues Club Ltd as an individual entity. Central Charlestown Leagues Club Ltd is a company limited by guarantee which does not have a share capital, incorporated and domiciled in Australia. The guarantee is an amount up to \$2.20 per member. At 30 June 2010 the number of members was 12,500 (2009: 12,00).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

### (b) Basis of Preparation

#### Reporting Basis and Conventions - reporting entity

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

### (c) Comparative Figures

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

### (d) Property, Plant and Equipment

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

#### Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

Notes to the Financial Statements

For the Year Ended 30 June 2010

## 1 Statement of Significant Accounting Policies continued

### (d) Property, Plant and Equipment continued

#### Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

#### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

#### Class of Fixed Asset

Buildings	2 - 5% P
Plant and Equipment	5 - 40% DV
Poker Machines at Cost	20 - 40% DV
Kitchen Equipment	20 - 40% DV

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

### (e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

### (f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

### (g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are 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 present value of the estimated future cash outflows to be made for those benefits.

# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

Notes to the Financial Statements

For the Year Ended 30 June 2010

## 1 Statement of Significant Accounting Policies continued

### (h) Provisions

Provisions are recognised when the company 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.

### (i) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

### (j) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

### (k) Revenue

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

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

Revenue from investment properties is recognised on an accruals basis or straight-line basis in accordance with lease agreements.

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

### (l) 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 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.

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.

# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

Notes to the Financial Statements

For the Year Ended 30 June 2010

## 2 Cash and Cash Equivalents

	2010	2009
	\$	\$
Cash on hand	43,162	46,284
Cash at bank	329,076	239,876
	<u>372,238</u>	<u>286,160</u>

# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

Notes to the Financial Statements

For the Year Ended 30 June 2010

## 3 Inventories

	2010	2009
	\$	\$
CURRENT		
At Cost		
Inventories	60,924	66,811
	<u>60,924</u>	<u>66,811</u>
At net realisable value		
	<u>60,924</u>	<u>66,811</u>

## 4 Property Plant and Equipment

	2010	2009
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	375,200	375,200
Total freehold land	<u>375,200</u>	<u>375,200</u>
Buildings & Improvements		
At cost	4,600,640	4,600,640
Less accumulated depreciation	(1,032,025)	(922,210)
Total buildings & Improvements	<u>3,568,615</u>	<u>3,678,430</u>
<b>Total land and buildings</b>	<b><u>3,943,815</u></b>	<b><u>4,053,630</u></b>
Plant and Equipment		
At cost	1,109,366	1,094,762
Less accumulated depreciation	(785,027)	(731,172)
Total plant and equipment	<u>324,339</u>	<u>363,590</u>
Poker Machines		
At cost	285,236	291,779
Less accumulated depreciation	(167,725)	(160,731)
Total poker machines	<u>117,511</u>	<u>131,048</u>
Kitchen Equipment		
At cost	47,404	46,614
Less accumulated depreciation	(41,967)	(40,580)
Total kitchen equipment	<u>5,437</u>	<u>6,034</u>
<b>Total plant and equipment</b>	<b><u>447,287</u></b>	<b><u>500,672</u></b>
<b>Total property, plant and equipment</b>	<b><u>4,391,102</u></b>	<b><u>4,554,302</u></b>

# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

Notes to the Financial Statements

For the Year Ended 30 June 2010

## 4 Property Plant and Equipment continued

### (a) Movements in Carrying Amounts

	Land	Improvements	Plant and Equipment	Poker Machines at Cost	Kitchen Equipment	Total
	\$	\$	\$	\$	\$	\$
<b>Current Year</b>						
Balance at the beginning of Year	375,200	3,678,431	363,590	131,048	6,033	4,554,302
Additions	-	-	14,604	8,674	790	24,068
Disposals	-	-	-	(15,217)	-	(15,217)
Depreciation expense	-	(109,815)	(53,855)	(6,994)	(1,387)	(172,051)
Carrying amount at the end of year	375,200	3,568,616	324,339	117,511	5,436	4,391,102
<b>Prior Year</b>						
Balance at the beginning of year	375,200	3,788,075	373,126	127,814	7,695	4,671,910
Additions	-	-	49,870	28,692	-	78,562
Disposals	-	-	(1,350)	(1,774)	-	(3,124)
Depreciation expense	-	(109,644)	(58,056)	(23,684)	(1,662)	(193,046)
Carrying amount at the end of year	375,200	3,678,431	363,590	131,048	6,033	4,554,302

# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 5 Other Assets

	2010	2009
	\$	\$
CURRENT		
Prepayments	7,279	10,261
	<u>7,279</u>	<u>10,261</u>
NON-CURRENT		
Security Deposit	730	730
	<u>730</u>	<u>730</u>
	<u>730</u>	<u>730</u>

### 6 Trade and Other Payables

	2010	2009
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	108,020	64,582
Sundry payables and accrued expenses	29,846	40,423
	<u>137,866</u>	<u>105,005</u>
	<u>137,866</u>	<u>105,005</u>

### 7 Financial Liabilities

A revolving Line of Credit facility exists with the Greater Building Society. There is no expiry date and the current interest rate is 9.00%. The loan facilities are secured by registered by a first mortgage over part of the freehold properties of the company.

	2010	2009
	\$	\$
CURRENT		
Secured liabilities		
Bank overdraft	-	39
	<u>-</u>	<u>39</u>
	<u>-</u>	<u>39</u>

# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

Notes to the Financial Statements

For the Year Ended 30 June 2010

## 7 Financial Liabilities continued

### NON-CURRENT

Secured liabilities		
Bank loans	591,580	762,078
	591,580	762,078
	591,580	762,078

#### (a) Total current and non-current secured liabilities

	2010	2009
	\$	\$
Bank overdraft	-	39
Bank Loans	591,580	762,078
	591,580	762,117

#### (b) Bank loan facility

Greater Building Society	591,580	762,078
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The bank and mortgage loans are secured by registered first mortgages over part of the freehold properties of the Club except for 4 Wales Street, Charlestown NSW 2290.

## 8 Provisions

	Employee entitlements	Total
	\$	\$
Opening balance at 1 July 2009	186,629	186,629
Additional provisions	10,649	10,649
Balance at 30 June 2010	197,278	197,278

### Analysis of Total Provisions

	2010	2009
	\$	\$
Current	88,723	84,709
Non-current	108,555	101,920
	197,278	186,629

# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 9 Retained Earnings

	2010	2009
	\$	\$
Retained earnings (accumulated losses) at the beginning of the financial year	3,742,517	3,582,315
Net profit attributable to members of the company	70,601	160,202
Retained earnings at end of the financial year	3,813,118	3,742,517

### 10 Revenue

Interest revenue from:		
Other persons	3,671	4,390
Total interest revenue	3,671	4,390

### 11 Other Current Liabilities

	2010	2009
	\$	\$
<b>GST Payable</b>		
Other liabilities	75,601	74,095
<b>Total</b>	<b>75,601</b>	<b>74,095</b>

### 12 Income Tax Expense

The income tax reflected in the accounts is the amount calculated to be payable based on a formula determined by the Australian Taxation Office and after allowing for the fact that many items of income and expenditure relate to members' trading and are according neither assessable nor deductible.

(a) The components of tax expense comprise:

	2010	2009
	\$	\$
Current tax	3,386	24,469
	3,386	24,469

(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:12

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2009: 30%)	51,301	108,081
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# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

Notes to the Financial Statements

For the Year Ended 30 June 2010

## 12 Income Tax Expense continued

- (b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows: continued

Add:

Tax effect of:

- other non-allowable items	57,691	48,127
-----------------------------	--------	--------

-

108,992	156,208
---------	---------

Less:

Tax effect of:

- Member proportion of  
Operating Profit and Other  
Concessional Amounts

105,606	131,739
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Income tax attributable to entity

3,386	24,469
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# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

Notes to the Financial Statements

For the Year Ended 30 June 2010

## 13 Tax

### (a) Assets/(Liabilities)

	2010	2009
	\$	\$
CURRENT		
Income Tax		
Refundable/(Payable)	-	(7,170)
	<u>-</u>	<u>(7,170)</u>

## 14 Auditors' Remuneration

Remuneration of the auditor of the company for:

- Auditing or reviewing the financial report	16,475	13,350
- Other services	13,175	13,350
-	<u>29,650</u>	<u>26,700</u>

## 15 Capital Expenditure Commitment

At 30 June 2010 contracts totalling \$88,000 had been entered into for the enclosure of the outside poker machine area.

## 16 Company Details

### (a) Registered office

The registered office of the company is:  
Central Charlestown Leagues Club Ltd  
PO Box 2176  
Gateshead NSW 2290

# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

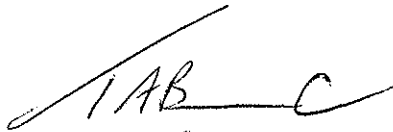
## Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 18, present fairly the company's financial position as at 30 June 2010 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements;
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

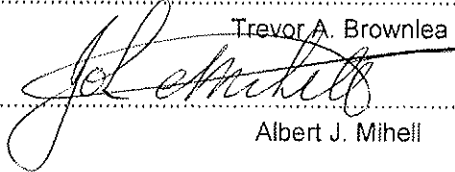
This declaration is made in accordance with a resolution of the Board of Directors.

Director .....



Trevor A. Brownlea

Director.....



Albert J. Mihell

Dated

28/09/10..

**Newcastle**  
Bentleys Newcastle Pty Ltd  
ABN 16 116 184 617

Level 1  
241 Denison Street  
Broadmeadow NSW 2292  
Australia

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Hamilton NSW 2303

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F +61 2 4961 6810

[www.bentleys.com.au](http://www.bentleys.com.au)

# Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

## Independent Audit Report to the members of Central Charlestown Leagues Club Ltd

### Report on the Financial Report

We have audited the accompanying financial report of Central Charlestown Leagues Club Ltd, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 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 (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 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 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 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 review, 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 Central Charlestown Leagues Club Ltd on 27 August 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.



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## Central Charlestown Leagues Club Ltd

ABN 75 000 964 849

Independent Audit Report to the members of Central Charlestown Leagues Club Ltd

### Basis for Qualified Auditor's Opinion

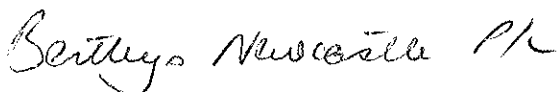
Payments made to Central Charlestown Rugby League Football Club and certain sporting activities in the previous financial year were in breach of the sum allowed by Section 51 of the company's constitution. The constitution provides for expenditure of an amount of up to 30% of the prior year's after tax profit on senior rugby league and no more than \$5,000 per financial year per activity on other sports.

The payment to senior rugby league for 2009 was \$175,599 which exceeded the amount allowed under the constitution by \$78,583. Payments to junior rugby league and cricket were \$15,282 and \$8,545 which exceeded the allowable amount by \$10,282 and \$3,545 respectively.

### Qualified Auditor's Opinion

In our opinion, apart from the effect of the matters noted above, the financial report of Central Charlestown Leagues Club Ltd is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.



Bentleys Newcastle Pty Ltd  
Certified Public Accountants



James Barlas

7 October 2010.

Broadmeadow NSW

**Central Charlestown Leagues Club**  
**ABN 75 000 964 849**  
**Bar Trading Statement**  
**For the Year ended 30 June 2010**

	2010	2009
	\$	\$
<b>Income</b>		
Bar Trading	<u>1,333,606</u>	<u>1,433,115</u>
	1,333,606	1,433,115
<b>Less Cost of Sales</b>		
Opening Stock	45,291	48,533
Purchases	<u>602,148</u>	<u>643,737</u>
	647,439	692,270
Closing Stock	<u>42,289</u>	<u>45,291</u>
	605,150	646,979
	728,456	786,136
<b>Less Direct Expenses</b>		
Salaries & Wages	347,266	353,177
Stock Control Fees	9,045	9,750
Bar Sundries	8,898	9,285
Freight & Cartage	<u>11,125</u>	<u>11,219</u>
	376,334	383,431
<b>Gross Profit</b>	<u><u>352,122</u></u>	<u><u>402,705</u></u>

*The detailed profit and loss accounts are not covered by the auditors report, they are for the information of the members only.*

**Central Charlestown Leagues Club**  
**ABN 75 000 964 849**  
**Poker Machine Trading Statement**  
**For the Year ended 30 June 2010**

	2010	2009
	\$	\$
<b>Income</b>		
Poker Machine Trading	1,965,506	2,202,606
Gaming Tax Rebate	15,618	17,180
Max Gaming Income	<u>9,273</u>	<u>-</u>
	1,990,397	2,219,786
<b>Less: Direct Expenses</b>		
Depreciation	21,298	23,445
Repairs & Maintenance	48,728	46,504
Tax & Licences	301,799	351,877
Promotions	56,920	50,268
MaxGaming Charges	217,839	196,213
Salaries & Wages	140,177	150,691
Rental Expenses	80,164	78,206
Vasa Fees	<u>-</u>	<u>34,200</u>
	866,925	931,404
<b>Gross Profit</b>	<u><u>1,123,472</u></u>	<u><u>1,288,382</u></u>

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**Central Charlestown Leagues Club**  
**ABN 75 000 964 849**  
**Rental Income Statement**  
**For the Year ended 30 June 2010**

	2010 \$	2009 \$
<b>Rental Income</b>		
Rent Received	32,742	32,636
<b>Less Expenses</b>		
Agent's Fees	2,738	2,627
Bank Charges	115	88
Depreciation	6,861	6,491
Rates	5,739	6,125
Repairs & Maintenance	5,367	5,069
	<u>20,820</u>	<u>20,400</u>
<b>Total Rental Profit</b>	<u>11,922</u>	<u>12,236</u>

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**Central Charlestown Leagues Club**  
**ABN 75 000 964 849**  
**Bistro Trading Statement**  
**For the Year ended 30 June 2010**

	2010 \$	2009 \$
<b>Income</b>		
Sales	<u>1,627,629</u>	<u>1,676,621</u>
	1,627,629	1,676,621
<b>Less Cost of Sales</b>		
Opening Stock	18,346	16,409
Purchases	<u>683,101</u>	<u>726,558</u>
	701,447	742,967
Closing Stock	<u>18,635</u>	<u>18,346</u>
	682,812	724,621
	944,817	952,000
<b>Gross Profit from Trading</b>	58.0%	56.8%
<b>Less Direct Expenses</b>		
Bistro Sundries	4,089	6,711
Wages	593,805	615,677
Depreciation	40,200	37,410
Electricity & Gas	51,308	42,751
Insurance	46,773	53,926
Payroll Tax	24,030	26,760
Repairs & Maintenance	41,179	29,180
Cleaning, Supplies, Waste Disposal	51,644	43,294
Superannuation	<u>62,145</u>	<u>58,876</u>
	915,173	914,585
<b>Gross Profit</b>	<u><u>29,644</u></u>	<u><u>37,415</u></u>

*The detailed profit and loss accounts are not covered by the auditors report, they are for the information of the members only.*

**Central Charlestown Leagues Club**  
**ABN 75 000 964 849**  
**Profit and Loss Statement**  
**For the Year ended 30 June 2010**

	2010 \$	2009 \$
<b>Income</b>		
Commission - Vending Machines	8,557	10,792
Interest Received	3,671	4,390
Raffles & Bingo	107,168	102,605
Recoveries	-	12,721
Members' Subscriptions	27,374	27,393
Sundry Income	8,402	12,996
Commission - TAB	7,045	8,431
Keno Commission	71,979	67,235
Merchandise for Sale	755	1,677
Profit on Sale of Non-current Assets	-	22,510
Profit on Rental Operations	11,922	12,236
Gross Profit from Trading	1,505,238	1,728,502
	<u>1,752,111</u>	<u>2,011,488</u>
<b>Expenditure</b>		
Advertising	11,692	28,191
Auditor's Remuneration	29,650	26,700
Bank Charges	2,098	3,215
Bands, Artists & Entertainment	4,076	3,215
CDSE	9,531	10,370
Cleaning Contractor	58,991	64,970
Cleaning Supplies	19,240	16,654
Computer Expenses	5,093	4,922
Conferences & Seminars	22,858	20,535
Depreciation	118,022	126,107
Donations	6,118	5,598
Electricity & Gas	70,172	63,708
Filing Fees	282	170
Fringe Benefits Tax	3,813	7,082
Garbage Removal	12,834	12,968
Garden & Car Park Maintenance	3,064	4,830
Grants	27,500	28,600
Insurance	69,861	79,808
Interest Paid	54,379	74,716
Legal Costs	3,300	-
Loss on Disposal of Fixed Assets	913	8,983
Members Giveaway	49,033	41,681
Merchandise Purchased	4,865	3,652
Payroll Tax	32,238	31,384
Pest Control	2,166	2,344
Postage	12,559	10,043
Printing & Stationery	40,304	46,086
Provision for Annual and Sick Leave	18,577	14,432
Provision for Long Service Leave	17,880	34,638
Raffles & Bingo	133,839	134,466
Rates & Taxes	23,012	19,786
Rental of Equipment	58,720	56,371
Replacements	3,386	6,013
Repairs & Maintenance Plant & Equipment	37,743	49,066
Repairs & Maintenance Buildings	5,800	-
Salaries & Wages	285,251	280,334
Security - Cash Collection	11,756	25,661
Security - General	79,581	66,533

*These financial statements have not been subject to audit or review and should be read in conjunction with the attached Compilation Report.*

**Central Charlestown Leagues Club**  
**ABN 75 000 964 849**  
**Profit and Loss Statement**  
**For the Year ended 30 June 2010**

	2010	2009
	\$	\$
SKY & Fox Sports	58,299	55,422
Social & Refreshments	20,477	28,414
Staff Training	41	-
Subscriptions	14,862	8,828
Sundry Expenses	17,241	21,166
Superannuation Contributions	84,096	88,894
Telephone	13,628	15,135
Training Seminars	7,307	3,477
Travelling Expenses	9,573	6,698
Uniforms	5,387	9,351
	1,581,108	1,651,217
<b>Profit before Income Tax</b>	171,003	360,271
Income Tax Expense	3,386	24,470
<b>Profit after Income Tax</b>	167,617	335,801

*These financial statements have not been subject to audit or review and should be read in conjunction with the attached  
 Compilation Report.*

**Central Charlestown Leagues Club**  
**ABN 75 000 964 849**  
**Compilation Report To Central Charlestown Leagues Club**

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We have compiled the accompanying general purpose financial statements of Central Charlestown Leagues Club, which comprise the balance sheet as at 30 June 2010, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes. These have been prepared in accordance with the financial reporting framework described in Note 1 to the financial statements.

The Responsibility of the Directors

The directors are solely responsible for the information contained in the general purpose financial statements and have determined that the financial reporting framework used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the directors we have compiled the accompanying general purpose financial statements in accordance with the financial reporting framework and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The general purpose financial statements were compiled exclusively for the benefit of the directors. We do not accept responsibility to any other person for the contents of the general purpose financial statements.

**Bentleys Newcastle**

Certified Public Accountants  
Level 1 ,241 Denison Street Broadmeadow NSW 2292



Chris Dumas  
7 October 2010