

CHATSWOOD CLUB LTD
[A Company Limited by Guarantee]
ABN 92 000 148 354

ANNUAL REPORT 2009



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CHATSWOOD CLUB LTD

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ANNUAL REPORT

for the year ended 30 June 2009

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MINUTES OF 54th ANNUAL GENERAL MEETING

Minutes of the 54th Annual General Meeting of members of the Chatswood Club Ltd held at the Chatswood Club premises on Monday, 20th October 2008 at 6.00pm.

1. The meeting was opened by President John Gercken at 6.22 p.m.
2. President John welcomed the large number of members to the meeting, and introduced the candidates for election to the Board.
3. Apologies were received from Peter Dodds, Laurie Tang, Brian Eggleton, and
4. President John delivered his report. He stated that the Club had an operating loss of \$192,000 for the year ended June 30th 2008, which was due largely to unusually high capital expenditure and poor poker machine returns. A number of steps had been taken and it was hoped that there would be a turnaround in the coming year. A COPY OF THE FULL REPORT IS AVAILABLE ON REQUEST.
5. It was moved and seconded that the minutes of the Annual General Meeting of 2007 be accepted as a true and correct record. CARRIED.
6. It was moved and seconded that the financial report for the year ended June 30th 2008 be received. CARRIED.
7. As there were 10 candidates for the five positions on the General Committee, a ballot was held among the members present.
8. It was moved and seconded that the honorarium of \$5,000 for the General Committee as a whole be approved. CARRIED.
9. It was moved and seconded that the Club Auditors, Harley Russell and Day, be reappointed. CARRIED
10. It was moved and seconded that Peter Benjafield and Richard Whiley be elected to Life Membership of the Club. CARRIED. These two gentlemen expressed their thanks to the members for the honour thus accorded them.
11. A number of points were raised from the floor:
 - A request for details of total expenditure for the year;
 - Could members register to receive a full report by email;
 - What plans are afoot for the coming financial year;
 - What forms of advertising have been tried in order to attract membership
 - Have we asked why 20% of members have left the Club;
 - Should we not seek ideas from the wider membership.
12. The members were informed that the full club accounts are available on the Club Website; that various forms of advertising and publicity have been attempted with limited success, but that the Board is open to ideas. A suggestion box would be a good idea, and so would the emailing of members present at the AGM, to canvass their ideas for the Club.
13. The ballot papers for the election of the Board for 2008-9 having been duly counted and checked, the following were declared elected as Directors:

Robert Modesto, Gavin Durbin, John Kay, Hamish Green, Roger Seale.

Re-elected unopposed as President: John Gercken.
Re-elected unopposed as Vice-President: Richard Whiley.
14. President John Gercken welcomed the new Board, and thanked the outgoing Board for their work during the past year.
15. The meeting was declared closed at 6.55 p.m.

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PRESIDENT'S REPORT

Another financial year has come to a close and I report to you a loss of about \$23,000 and yet I do so with some degree of satisfaction and confidence. If I was a half-empty glass person I could look and say "well, there goes another loss making year". But there are so many things in that seemingly poor figure that give me a great deal of optimism for the future of our club.

There is little doubt that the direction of the club has changed a little over the past few years. With so many major corporates moving out of the CBDs and into the business parks we have looked towards a younger age group both for general membership and for functions and party bookings. That, along with a fresh new branding that promotes our location on Help St, has brought the Chatswood Club a level of awareness in the community better than ever achieved previously.

Of course, both the Board and the clubs management know that the most important part of any club is its existing loyal membership and any steps we have taken have been done with the intent of not changing the open, friendly atmosphere that brought us all to the Chatswood Club in the first place.

We've had dance parties, band nights, karaoke championships, birthday parties, poker tournaments, and so on. Our new and innovative General Manager, Jason Parle has brought a youthful appeal to the club and I know members appreciate both his ready laugh and his availability to discuss club matters whenever asked. The Board appreciates his fine efforts, along with those of James, Michael, John and Cat, in providing smiling service to our members.

I look around the club and see so many new faces. Our loss has been reduced from \$192,000 to \$23,000 in the toughest of trading years. Our sales are up and growing and costs are down. And whilst so many of our competitors are struggling I believe we have turned the corner and the worst is behind us. Yes, my glass is definitely half full. I have great faith in the ability of my fellow Directors, and in our management and staff, and in particular in the loyalty and commitment of our members. Keep supporting your club, keeping spreading the good word to friends and colleagues, and look forward to a strong and healthy club into the future.

John Gercken
Club President

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GENERAL MANAGER'S REPORT

What a year!

My first full year as General Manager has been extremely challenging. It has seen long standing staff members Glenn Fitzgerald and Trish Otes leave the club to pursue fresh careers elsewhere and I know that the directors, members and myself wish them all the very best. A wealth of experience left with them.

As a result we now have a new team consisting of Michael Higgins (Duty Manager) and Antoinette McClelland (Office Supervisor). Both settled into their new roles very quickly and have become vital in assisting the club to move forward. We, of course, still have the familiar face of James Youakim, who has now passed the 10 year milestone of service and he is to be congratulated on that achievement. Jon Baker completes the regular team along with Catherine Williams and I thank everyone for their hard work over this last year.

No loss is a good loss and I am disappointed that this last financial year we have posted a **loss** of \$23,212. There have, of course, been some exceptional circumstances that have contributed to this loss. Not least, the global economic downturn which has seen all of us tighten our financial belts and the club industry as a whole is still in recovery mode due to the ongoing impact of the indoor smoking ban. In saying this I have to look for positives and there are a few:

Bar Sales are **up** by 24% on 2008

Total operating expenses are **down** 11% on 2008

Cash flow from operations is now positive and up considerably on 2008

All of the above points to the fact that more people are coming into the club and enjoying the facilities on offer. The function/conference centre on level 1 is again a thriving part of our business and I encourage anyone wishing to hold training seminars or conferences to come along and see what we have to offer. We are also beginning to make a name for ourselves when it comes to parties and have many bookings for 18th & 21st Birthday parties as well as making a move into School formals. Please keep us in mind if you are currently looking for a venue.

Looking to the future the club as a whole is in need of a bit of general maintenance with lighting and paintwork our biggest challenges. The carpet could also do with being replaced. Rest assured that the board of directors, management and staff are working extremely hard to generate the revenue needed to make the plans for this maintenance work come to fruition.

Finally, I want to thank the Board of Directors for their support over the past year and also Denis Cheetham (club accountant) who is always available with helpful advice.

Jason Parle
General Manager

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DIRECTORS' REPORT

Your Directors present their report of the Chatswood Club Ltd for the financial year ended 30 June 2009.

Directors

The following directors held office during the year or to the date of this report are:

John Gercken	Club President 2006-09, Director since 30-Sep-2002 Mng. Director, Northside Business Travel and The Travel Cellar; Diploma of Travel; Member Forestville Chamber of Commerce; Australian Federation of Travel Agents Eligible Directors' meetings 12 – Attended 12
Richard Kingscote Whiley	Vice President 2008-09. Director since 31-May-1997 Master of Arts [Oxford] and Diploma of Education [New England] Director, Curbridge Holdings Pty Limited Member of the Australian College of Education Retired schoolmaster Eligible Directors' meetings 12 – Attended 11
Hamish Green	Director since 18-Oct-2004 Dockmaster, Royal Yacht Squadron since 1997 Coxswain and Engineer – Class 3 Master Class 5 – Captains Certificate Yacht Master – Class 1; Plumber, Drainer & Gasfitter Eligible Directors' meetings 12 – Attended 9
John Kay	Director since 15-May-2006 Customer Service Representative, IBM Large Systems Committee member, Local Residents Association [20 yrs] Member, Chatswood RSL Sub-Branch Team Leader, Local Mobile Unit, Community Fire Unit Eligible Directors' meetings 12 – Attended 12
Richard Baker [a]	Director since 23-Oct-06 Sales and Marketing Director, Eurofield Information Solutions Pty Limited Eligible Directors' meetings 4 – Attended 2
Roger Seale	Director since 18-Feb-2008 Production Manager, Snap Printing St Leonards Chatswood resident 26 years Eligible Directors' meetings 12 – Attended 12
Mark Gallego [a]	Director since 18-Feb-2008 Solicitor and Accountant; Bachelor of Commerce LLB Former Hon. Solicitor, Chatswood Chamber of Commerce Eligible Directors' meetings 4 – Attended 3
Robert Modesto [b]	Director since 20-Oct-2008 Sales Manager, Sharp Direct Chatswood Eligible Directors' meetings 8 – Attended 8
Gavin Durbin [b]	Director since 20-Oct-2008 Manager, Domestic Relations – Regulated Entities, Austrac Eligible Directors' meetings 8 – Attended 5

Note: [a] Not re-elected at the AGM on 20-Oct-2008 [b] Elected to the Board at the AGM on 20-Oct-2008

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

Company secretary

The following person held the position of company secretary at the end of the financial year:

Jason Parle was appointed on 21 July 2008, and has worked in the hotel and club industry for 12 years.

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DIRECTORS' REPORT [CONTINUED]

Principal activities

The principal activity of Chatswood Club Ltd in the course of the period was to provide the services and amenities of a registered club to members and their guests. There were no significant changes in the nature of these activities during the period.

Result of operations

The operations of Chatswood Club Ltd during the financial year to 30 June 2009 resulted in a **loss** of \$23,212 [2008 **loss** \$192,581] after charging depreciation of \$74,188 [2008 \$85,696]. There was no provision for income tax.

Dividends

Chatswood Club Ltd being a public company limited by guarantee, does not have a capital divided into shares, and is prevented by the *Corporations Act 2001* and by the Club's Constitution from paying a dividend to members.

Review of operations

The operations of Chatswood Club Ltd during the financial year were:

- [a] The provision of facilities to members and guests of the registered Club, located at 11 Help Street Chatswood NSW 2067. The Club is incorporated as a public company limited by guarantee and not having a share capital in Australia.

The Club is managed by a General Manager, together with six [6] other full-time, part-time and casual personnel.

Facilities at the Club include a bistro, two bars, gaming, and function rooms, together with underground parking for full members whilst utilising Club facilities.

- [b] The highlights from the conduct of these operations were:

- Bar sales [main & function] of \$397,101 are **up** by 24% [2008 \$320,883].
- Bar ratio of 62% is **up** by 1% [2008 61%].
- Poker machine net revenue of \$337,403 is **up** by 1% [2008 \$333,748]
- Total operating expenses of \$800,411 are **down** 11% [2008 \$903,351].

- [c] Major acquisitions during the year included:

- New poker machines/conversions at a cost of \$14,100
- Multi-screen Channel TV [in-house advertising] at a cost of \$7,500

Significant changes in state of affairs

There were no other significant changes in the state of affairs of Chatswood Club Ltd during the financial year.

After balance date events

No matter or circumstance have arisen since the end of the financial year to the date of this report that has, or may significantly affected the operation of Chatswood Club Ltd, the results of those operations, or the state of affairs of the Club in the ensuing or any subsequent financial year, except for matters disclosed in the report of the President.

Future developments

Chatswood Club Ltd expects to maintain the present status and level of operations, and there are no likely developments in the operation which will affect the results in future periods, except matters disclosed in the report of the President.

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DIRECTORS' REPORT [CONTINUED]

Environmental issues

Chatswood Club Ltd operations are not regulated by any significant environmental regulation under the law of the Commonwealth or of a State or Territory.

Directors' and officers' indemnity

Chatswood Club Ltd has paid an insurance premium to insure Directors and Officers against liability for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director/Officer of Chatswood Club Ltd, other than the conduct involving a wilful breach of duty in relation to the Club. Chatswood Club Ltd has not indemnified, or agreed to indemnify an auditor against liability incurred by that auditor.

Litigation

No person has applied for leave of court to bring proceedings on behalf of Chatswood Club Ltd, or intervene in any proceedings to which the Chatswood Club Ltd is a party for the purpose of taking responsibility on behalf of the Club for all or any part of those proceedings. Chatswood Club Ltd was not a party to any such proceedings during the year.

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2009 has been received and is located on page 8 of the report.

Signed in accordance with a resolution of Directors made pursuant to section 298(2) of the *Corporations Act 2001*, on behalf of Directors by:

John Gercken
President

Richard Whiley
Vice President

Signed at Chatswood on this 21st day of September 2009

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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF CHATSWOOD CLUB LTD**

I declare, to the best of my knowledge and belief that during the year ended 30 June 2009 there have been no contraventions of:

- [i] the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- [ii] any applicable code of professional conduct in relation to the audit.

Harley Russell & Day
Chartered Accountants

Garry William Day
Registered Company Auditor

Dated at Chatswood this 18th day of September 2009

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STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2009

	2009	2008
Note	\$	\$
Revenue from sale of goods	397,101	320,883
Revenue from rendering services	433,687	433,732
Other revenue	96,743	80,153
Total revenue	927,531	834,768
Cost of sales	(150,332)	(123,998)
Direct bar expenses	(130,545)	(133,624)
Direct poker machine expenses	(81,568)	(72,739)
Direct function expenses	(52,283)	(57,699)
Other employee expenses	(116,155)	(126,465)
Other equipment and occupancy expenses	(177,194)	(249,385)
Other expenses	(162,253)	(171,387)
Depreciation expense	(74,188)	(85,696)
Finance costs	(6,225)	(6,356)
Profit (loss) before income tax expense	(23,212)	(192,581)
Income tax expense	1[e] 0	0
Profit (loss) from continuing operations	(23,212)	(192,581)
Profit (loss) for the period	(23,212)	(192,581)

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2009

Retained earnings

Opening balance at the start of the period	7,031,130	7,223,711
Profit (loss) for the period	(23,212)	(192,581)
Closing balance at the end of the period	7,007,918	7,031,130

The Statement of Comprehensive Income and Statement of Changes in Equity are to be read in conjunction with the Notes to the Financial Statements

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STATEMENT OF FINANCIAL POSITION

as at 30 June 2009

	Note	2009 \$	2008 \$
Assets			
Current assets			
Cash and cash equivalents	2	61,962	79,365
Trade and other receivables	3	13,720	11,561
Inventories	4	21,035	20,566
Other	5	20,078	10,349
Total current assets		116,795	121,841
Non-current assets			
Property, plant and equipment	6	6,944,385	6,984,238
Intangible assets	7	89,143	89,143
Total non-current assets		7,033,528	7,073,381
Total assets		7,150,323	7,195,222
Liabilities			
Current liabilities			
Trade and other payables	8	80,720	70,628
Financial liabilities	9, 16	15,336	38,264
Short term provisions	10	20,542	7,130
Other	11	16,750	15,714
Total current liabilities		133,348	131,736
Non-current liabilities			
Financial liabilities	9, 16	9,057	10,198
Other long term provisions	10	0	22,158
Total non-current liabilities		9,057	32,356
Total liabilities		142,405	164,092
Net assets		7,007,918	7,031,130
Members' funds			
Retained earnings		7,007,918	7,031,130
Total of members' funds		7,007,918	7,031,130

The Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements

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STATEMENT OF CASH FLOWS

for the year ended 30 June 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Receipts from customers and members		930,340	834,413
Payments to suppliers and employees		(883,225)	(950,727)
Cash generated from operations		47,115	(116,314)
Interest paid		(6,225)	(6,356)
Net cash used in operating activities	15[a]	40,890	(122,670)
Cash flows from investing activities			
Purchase of property, plant and equipment		(35,804)	(54,147)
Proceeds from sale of property, plant and equipment		127	0
Interest received		1,453	11,245
Net cash used in investing activities		(34,224)	(42,902)
Cash flows from financing activities			
Proceeds from borrowings		37,678	34,120
Repayment of borrowings		(61,747)	(64,946)
Net cash used in financing activities		(24,069)	(30,826)
Net increase (decrease) in cash and cash equivalents		(17,403)	(196,398)
Cash and cash equivalents at the beginning of the period		79,365	275,763
Cash and cash equivalents at the end of the period	15[b]	61,962	79,365

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are general purpose financial statements, that have been prepared in accordance with Australian Accounting Standards, Australian Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. 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 these financial statements are presented below. They have been consistently applied unless otherwise stated.

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

Accounting policies

[a] Property, plant and equipment

Acquisition and depreciation

Property, plant and equipment are included at cost of acquisition or deemed cost, less any impairment. These assets are depreciated, other than the strata title, which is reported at deemed cost, over their useful lives commencing from the time the asset is held ready for use. The prime cost method [a straight-line basis] is used to depreciate non-current assets. The following depreciation rates are applied:

Furniture, plant & equipment	10.0% - 20.0%
Computer equipment	33.3%
Poker machines	20.0% - 50.0%
Renovations	5.0% - 10.0%

Profits and losses on disposal of property, plant and equipment are taken into account in determining the operating result for the year. Additionally, impairment of property, plant and equipment is reviewed at least annually.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such an indication exists and where carrying values exceed the recoverable amount, the asset is written down to the recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

[b] Intangible assets

On approval to purchase poker machines by the NSW State Government [Liquor Administration Board], the Club is currently required by law, to purchase a "block" of poker machine **entitlements** [blocks are for the purchase of three poker machines, with one poker machine being added to a government "pool", and the remaining two entitlements used to obtain poker machine assets].

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

[b] Intangible assets [continued]

Poker machine entitlements are therefore merely a right to purchase poker machine assets, and do not have a cessation or termination date, and are therefore classified as an “acquired” intangible asset, having an indefinite useful life. Poker machine entitlements are currently not traded in an “active” market, but are purchased via brokers who negotiate between parties.

The initial cost of purchasing poker machine entitlements are debited to an asset account reported under intangible assets [non-current assets]. The intangible asset is not amortised, as it does not have a finite useful life, nor is the intangible asset revalued periodically, as there is no “active” market. Intangible assets are reviewed at least every twelve months for impairment in accordance with AASB 136.

Gains and losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset, and are recognised in the statement of comprehensive income when the intangible asset is derecognised.

[c] Employee entitlements

Provision is made for the Club's liability for employee entitlements arising from services rendered by employees to balance date. The provision for annual leave, sick leave and long service leave, have been calculated at nominal amounts based on current wage and salary rates, and include related costs in accordance with the various award requirements. The provision for long service leave is made on a pro-rata basis for all employees who have an excess of five years service.

Superannuation contributions are made by the Club to approved superannuation funds for all employees. The costs are charged as employee expenses as they are incurred. The Club has no legal obligation to cover any shortfall in the superannuation funds' obligations to provide benefits to employees on retirement.

[d] Inventories

Inventories are carried at the lower of cost and net realisable value. The cost of inventories comprises all costs directly related to acquisition, such as freight and delivery charges, and liquor taxes where applicable. Cost is based on first-in, first-out principal. Net realisable value is determined on an item by item basis.

[e] Taxation

Income tax

In assessing income tax liability, the Club applies the principle of mutuality to the revenue and expenses of the Club. The principle of mutuality is a common law principle arising from the premise that a person cannot profit from himself. Accordingly, receipts from members are deemed to be mutual and not subject to income tax, and expenses in connection with mutual activities are also mutual and not deductible for taxation purposes.

All other receipts and payments are classified, for taxation purposes, in accordance with taxation legislation.

The Club currently has the benefit of accumulated income tax losses, resulting in current income tax expense being reduced to \$Nil [2008 \$Nil].

Future income tax benefits relating to tax losses are not carried forward in the financial statements unless the benefits are virtually certain of being realised.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

[e] Taxation [continued]

Goods and services tax [GST]

Revenues, expenses and assets are recognised net of the amount of GST in the financial statements with the exception:

- where the GST incurred on purchases of goods and services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as a part of the cost of acquisition of the asset or as part of the expense item as applicable.
- receivables and payables are stated inclusive of GST.
- Cash flows are presented in the statement of cash flows on a GST inclusive basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.
- Net poker machine revenue, which is presented on a GST inclusive basis, with the GST component treated in the financial accounts as an expense. This method provides Directors and members with information on the additional impost of GST on gaming revenue.

Effective 1 July 2004, the New South Wales State Government [Office of State Revenue] agreed to reimburse all Clubs in NSW the GST impost, less an OSR "management" fee, on the first \$200,000 of net gaming revenue. This arrangement has been confirmed by government out to the 2011/12 year.

The net amount of GST recoverable from, or payable to the Australian Taxation Office is included as part of receivables or payables in the statement of financial position.

Other taxation

Where assets have been revalued, no provision for potential capital gains tax has been made.

[f] Investments

Investments are carried at the lower of cost and net recoverable amount. Interest income is brought to account on an accruals basis, and recognised as income as it becomes due.

[g] Payables [trade and other creditors]

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

[h] Receivables [trade and other debtors]

The terms of trade are usually 30 days from the date of invoice. Collectability of debtors is reviewed on an ongoing basis. Debts known to be uncollectible are written off as impaired.

[i] Finance costs

Finance costs are recognised as an operating expense in the period in which they are incurred. Finance costs may include:

- Interest on bank overdrafts;
- Interest on leases [hire purchase agreements];
- Interest on overdue payables;
- Interest on insurance funding.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

[j] Revenue recognition

General

In general, revenue is recognised, where it can be reliably measured, in the period to which it relates. However, where there is not an established pattern of income flow, revenue is recognised on a cash receipts basis.

Membership subscriptions

The Clubs subscription year is 1 January to 31 December. Subscriptions are payable annually in advance. Only those membership subscription receipts, which are attributable to the current financial year, are recognised as revenue. Subscription receipts relating to periods beyond the current financial year are shown on the statement of financial position under the heading of Other Liabilities [refer to Note 11].

[k] Cash and cash equivalents

Cash includes cash on hand, cash at bank, deposits at call and highly liquid investments which are readily convertible to cash on hand.

[l] Accounting for leases/hire purchase agreements

Lease or hire purchase of plant and equipment, under which the Club assumes substantially all of the risks and benefits of ownership, are classified as **finance leases** [this includes hire purchase contracts].

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments [hiring instalments], including any guaranteed residual values. Leased assets are depreciated on a prime cost basis [straight line] over their estimated useful lives where it is likely the Club will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense [hire purchase charges] for the period.

Other leases are classified as **operating leases**. Minimum lease payments made under operating leases are charged as an expense in equal instalments over the accounting periods covered by the lease term.

[m] Comparative figures

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

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

	2009 \$	2008 \$
2. CASH AND CASH EQUIVALENTS		
Current		
Cash on hand	31,740	27,660
Cash at bank	30,222	51,705
	61,962	79,365
3. TRADE AND OTHER RECEIVABLES		
Current		
Trade debtors	13,569	11,010
Other debtors	151	551
	13,720	11,561
4. INVENTORIES		
Current		
Stock on hand - at cost	21,035	20,566
	21,035	20,566
5. OTHER ASSETS		
Current		
Investments - at cost	750	750
Prepayments	19,328	9,599
	20,078	10,349
6. PROPERTY, PLANT AND EQUIPMENT		
[a] Strata title - at valuation	6,775,000	6,775,000
The value carried was the previous insurance value dated 13 July 2004. The current insurance replacement value is \$35,140,000 for the whole building, of which the Club owns 25.1% share is \$8,468,740. Your Directors have not had a recent valuation undertaken due to the costs involved.		
[b] Renovations - at cost	19,629	19,629
Less: Accumulated depreciation	(1,902)	(434)
	17,727	19,195
[c] Plant, furniture and fittings - at cost	639,275	620,915
Less: Accumulated depreciation	(533,754)	(498,827)
	105,521	122,088
[d] Poker machines - at cost	313,739	323,889
Less: Accumulated depreciation	(267,602)	(255,934)
	46,137	67,955
Total property, plant and equipment	6,944,385	6,984,238

The Club currently owns sixteen [16] poker machine entitlements. Four [4] of these entitlements were **purchased**, and are recorded as intangible assets in the statement of financial position [see Note 7: Intangible Assets]. The remaining twelve [12] poker machine entitlements are **not** recorded in the statement of financial position, in accordance with accounting standards. The current market value for each entitlement is estimated by your Directors to be in the vicinity of \$15,000. This would make the estimated value of the sixteen [16] poker machine entitlements held by the Club to be \$240,000.

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

6. PROPERTY, PLANT AND EQUIPMENT [CONTINUED]

Reconciliation of the carrying amounts for each class of property, plant and equipment

	Strata Title	Renovations \$	Plant and Equipment \$	Poker Machines \$	Total \$
Opening balance	6,775,000	19,195	122,088	67,955	6,984,238
Additions	0	0	21,704	14,100	35,804
Disposals	0	0	(641)	(828)	(1,469)
Depreciation	0	(1,468)	(37,630)	(35,090)	(74,188)
Impairment	0	0	0	0	0
Closing balance	6,775,000	17,727	105,521	46,137	6,944,385

2009
\$

2008
\$

7. INTANGIBLE ASSETS

Poker machine entitlements - at cost

89,143

89,143

Cost basis

Directors of Chatswood Club Ltd review poker machine entitlements in accordance with the accounting policy set out in Note 1[b]. This asset is tested for impairment where an indicator of impairment arises, or reviewed at least every twelve months. These poker machine entitlements have been tested using the calculation of the higher of fair value, less costs to realise, and value in use. The Directors believe the carrying amount of these poker machine entitlements are not impaired as at 30 June 2009.

Reconciliation of the carrying amount of intangible assets - poker machine entitlements

Carrying amount at the beginning of the period	89,143	89,143
Additions	0	0
Disposals	0	0
Impairment	0	0
Carrying amount at the end of the period	89,143	89,143

8. TRADE AND OTHER PAYABLES**Current**

Trade creditors	47,152	43,309
Other creditors	3,570	80
Tax liabilities	15,985	9,592
Accruals	14,013	17,647
	80,720	70,628

9. FINANCIAL LIABILITIES**Current****Secured**

Hire purchase liability	15,336	38,264
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Non-current**Secured**

Hire purchase liability	9,057	10,198
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Total financial liabilities	24,393	48,462
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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

	2009	2008
	\$	\$
10. PROVISIONS		
Current		
Short term provisions		
Employee benefits	20,542	7,130
Non-current		
Long term provisions		
Employee benefits	0	22,158
Total provisions	20,542	29,288
Provision movements:		
Employee benefits		
Total provisions for employee benefits at the start of the period	29,288	49,450
Funds set aside from revenues to fund provisions	25,170	9,776
Payment on employee benefits taken	(33,916)	(29,938)
Total provisions for employee benefits at the end of period	20,542	29,288
11. OTHER LIABILITIES		
Current		
Subscriptions in advance	13,945	14,105
Deposits in advance - functions	2,805	1,609
	16,750	15,714
12. TAXATION		
Future income tax benefit		
At balance date, a potential future income tax benefit exists in the form of estimated [2009] and confirmed [2008] accumulated tax losses of:	285,941	281,636
These tax losses are available to offset any income tax liability, as a result of applying the principle of mutuality to Chatswood Club Ltd revenue and expenses. Refer to Note 1[e].		
The potential future income tax benefit attributable to tax losses, has not been recognised in the financial statements as an asset, as the recovery of this tax asset is regarded as uncertain.		
13. DIRECTORS' BENEFITS		
Directors of Chatswood Club Ltd have been duly appointed on an honorary basis. The Board does not receive any benefits or fees for their efforts and time. Out of pocket expenses have been reimbursed in accordance with guidelines set out by Clubs New South Wales and the <i>Registered Clubs Act 1976 [as amended]</i> . Reimbursement is currently limited to an aggregate of \$5,000 per annum.		
Directors expenses	2,392	2,886
14. AUDITORS' REMUNERATION		
Auditors' remuneration in respect of:		
Auditing and reviewing the financial report	7,000	7,000
Other	0	0
Total auditors' remuneration	7,000	7,000

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

	2009 \$	2008 \$
15. CASH FLOWS		
[a] Reconciliation of net cash provided by operating activities to profit for the period		
Profit (loss) for the period	(23,212)	(192,581)
Plus (minus) non-cash items:		
Depreciation of non-current assets	74,188	85,696
Net revenues set aside to fund employee benefits	25,170	9,776
	<u>99,358</u>	<u>95,472</u>
Adjusted for investing activities - interest received	(1,453)	(11,245)
Net loss on disposal of property, plant & equipment	1,342	1,515
Changes in assets and liabilities:		
(Increase) decrease in receivables	(2,159)	4,024
(Increase) decrease in inventories	(469)	2,029
(Increase) decrease in other current assets	(9,729)	(1,090)
Increase (decrease) in payables	13,736	6,657
Increase (decrease) in current provisions	(11,758)	(21,707)
Increase (decrease) in other current liabilities	(2,608)	2,487
Increase (decrease) in non-current liabilities	(22,158)	(8,231)
	<u>(35,145)</u>	<u>(15,831)</u>
Net cash from operating activities	<u>40,890</u>	<u>(122,670)</u>
[b] Reconciliation of cash		
For the purposes of the statement of cash flows, cash includes cash on hand, cash at banks and investments in short term money market instruments, less bank overdrafts. Cash at the end of the reporting period, as shown in the cash flow statement, is reconciled to the items in the statement of financial position as follows:		
Cash and cash equivalents	<u>61,962</u>	<u>79,365</u>
[c] Cash restrictions		
All cash referred to in Note 15[b], is available for use without restriction or encumbrance.		
16. COMMITMENTS		
[a] Finance lease/hire purchases		
Payable:		
Not later than one year	41,620	49,326
Later than one year but not later than five years	(13,201)	3,077
	<u>28,419</u>	<u>52,403</u>
Minimum lease payments	28,419	52,403
Less: Future finance charges	(4,026)	(3,941)
	<u>24,393</u>	<u>48,462</u>
Represented by:		
Current liabilities	15,336	38,264
Non-current liabilities	9,057	10,198
	<u>24,393</u>	<u>48,462</u>

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

2009

\$

2008

\$

16. COMMITMENTS [CONTINUED]

[b] Capital Expenditure

Chatswood Club Ltd has no capital expenditure commitments contracted for at balance date, but not yet recognised as liabilities, and payable.

[c] Superannuation

Chatswood Club Ltd has a commitment to pay superannuation guarantee contributions for all employees based on a percentage of their ordinary wages. This percentage is determined by the Federal Government from time to time. The current percentage rate is 9% pa for 2008/09, and will remain at 9% pa for the Club's next financial year. No contributions are required by members [employees] to the superannuation scheme.

17. RELATED PARTY TRANSACTIONS

Transactions between related parties are based on normal commercial terms and conditions. These transactions are no more favourable than those available to other parties, unless otherwise stated. During this financial year there were no transactions with Directors', Officers' or Director/Officer related entities.

18. KEY MANAGEMENT PERSONNEL COMPENSATION

[a] Key Management personnel

John Gercken	President
Richard Whiley	Vice-President
Hamish Green	Director
John Kay	Director
Roger Searle	Director
Gavin Durbin	Director
Robert Modesto	Director
Richard Baker	Former Director
Mark Gallego	Former Director

Other key management personnel

Jason Parle	General Manager
Shaun McPhee	Former General Manager

[b] Key management personnel compensation

The following benefits and payments were made to **other key management personnel**. Refer to Note 13: Directors Benefits.

Short term benefits	76,000	99,910
Post employment benefits	6,840	8,723
Termination benefits	0	0
	<u>82,840</u>	<u>108,633</u>

19. LIMITATION OF MEMBERS' LIABILITY

Chatswood Club Ltd is a public company limited by guarantee, and in accordance with the Club's constitution, the liability of members in the event of the Club being wound up would not exceed \$10.00 per member.

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

20. FINANCIAL INSTRUMENTS**[a] Off-Balance Sheet derivative instruments**

Chatswood Club Ltd is not a party to financial instruments with off-balance sheet risk.

[b] Credit risk exposures

The credit risk on financial assets of Chatswood Club Ltd, such as receivables, which have been recognised on the balance sheet, is generally the carrying amount, net of any impairment.

[c] Interest rate risk exposures

Chatswood Club Ltd exposure to interest rate risk, and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the financial assets and liabilities table below. Exposures arise predominantly from assets and liabilities bearing variable interest rates, as the Club would normally hold fixed rate assets and liabilities to maturity.

Financial assets and liabilities table

	Floating Interest Rate \$	Fixed Interest Maturing in:			Non- Interest Bearing \$	Total \$
		1 Year or less \$	Over 1 Yr and less than 5 Yrs \$	More than 5 Years \$		
2009						
Financial assets						
Cash and cash equivalents	1,476				60,486	61,962
Trade and other receivables					13,720	13,720
	1,476	0	0	0	74,206	75,682
Weighted average interest rate	2.10%	0.00%	0.00%	0.00%		
Financial liabilities						
Trade and other payables					80,720	80,720
Hire purchase liabilities		15,336	9,057			24,393
Receipts in advance					16,750	16,750
	0	15,336	9,057	0	97,470	121,863
Weighted average interest rate	0.00%	16.17%	16.17%	0.00%		
Net financial assets (liabilities)	1,476	(15,336)	(9,057)	0	(23,264)	(46,181)
2008						
Financial assets						
Cash and cash equivalents	0				79,365	79,365
Trade and other receivables					11,561	11,561
	0	0	0	0	90,926	90,926
Weighted average interest rate	0.00%	0.00%	0.00%	0.00%		
Financial liabilities						
Trade and other payables					70,628	70,628
Hire purchase liabilities		38,264	10,198			48,462
Receipts in advance					15,714	15,714
	0	38,264	10,198	0	86,342	134,804
Weighted average interest rate	0.00%	10.26%	10.26%	0.00%		
Net financial assets (liabilities)	0	(38,264)	(10,198)	0	4,584	(43,878)

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

	2009	2008
	\$	\$
20. FINANCIAL INSTRUMENTS		
[c] Interest rate risk exposures [continued]		
Reconciliation of net financial assets to net assets		
Net financial assets (liabilities) from the table on page 21.	(46,181)	(43,878)
Non financial assets and liabilities:		
Inventories	21,035	20,566
Other assets	20,078	10,349
Property, plant and equipment	6,944,385	6,984,238
Intangible assets	89,143	89,143
Provisions	(20,542)	(29,288)
Net assets per statement of financial position	7,007,918	7,031,130

[d] Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents, and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value.

21. REGISTERED CLUBS ACT REPORTING REQUIREMENTS

The disclosure requirements under section 41 of the Registered Clubs Act 1976 [as amended] are kept by Chatswood Club Ltd and may be viewed by application in writing to the General Manager.



CHATSWOOD CLUB LTD

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DIRECTORS' DECLARATION

The Directors of Chatswood Club Ltd declare that:

- [a] In the Directors' opinion, there are reasonable grounds to believe that Chatswood Club Ltd will be able to pay its debts as and when they become due and payable; and
- [b] In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standards, and giving a true and fair view of the financial position and performance of Chatswood Club Ltd for the year ended 30 June 2009.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*, on behalf of the Directors by:

John Gercken
President

Richard Whiley
Vice President

Dated at Chatswood this 21st day of September 2009

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CHATSWOOD CLUB LTD

We have audited the accompanying financial statements of Chatswood Club Ltd ("the company") which comprises the statement of financial position as at 30 June 2009, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended on that date, a statement of significant accounting policies, other explanatory notes and the directors' declaration of the company at the year's end or from time to time during the financial year, as set out on pages 9 to 22, and the directors' declaration on this page.

Directors' responsibility for the financial report

The Directors of the company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements 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. In Note 1 the directors also state, in accordance with Australian Accounting Standard AASB 101: "Presentation of Financial Statements", that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial statements, comprising the financial statements and notes, complies with IFRS.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the accounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

CHATSWOOD CLUB LTD

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**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
CHATSWOOD CLUB LTD [CONTINUED]**

Auditor's responsibility [continued]

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

Auditor's 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 Chatswood Club Ltd 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:

- [a] the financial statements of Chatswood Club Ltd are in accordance with the *Corporations Act 2001*, including:
 - [i] giving a true and fair view of the company and its financial position as at 30 June 2009 and of their performance for the year ended on that date; and
 - [ii] complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
- [b] The financial statements and notes also comply with International Financial Reporting Standards, as disclosed in Note 1.

Harley Russell & Day
Chartered Accountants

Garry William Day
Registered Company Auditor

Dated at Chatswood this 22nd day of September 2009

AUDITOR'S DISCLAIMER

The **supplementary** financial data presented on the attached pages is in accordance with the books and records of Chatswood Club Ltd, which have been subjected to the auditing procedures applied in my statutory audit of the Club for the year ended 30 June 2009. It will be appreciated that my statutory audit did not cover all details of the supplementary financial data. Accordingly, I do not express an opinion on such supplementary financial data and no warranty of accuracy or reliability is given.

In accordance with my firm's policy, I advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person [other than the Chatswood Club Ltd], in respect of such data, including any errors or omissions therein, arising through negligence or otherwise however caused.

Harley Russell & Day
Chartered Accountants

Garry William Day
Registered Company Auditor

Dated at Chatswood this 22nd day of September 2009

CHATSWOOD CLUB LTD

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SUPPLEMENTARY INFORMATION**EXTRACT FROM THE STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 30 June 2009

	2009	2008
	\$	\$
Bar [main] trading -		
Sales revenue	340,848	280,078
Less: Cost of sales	(132,948)	(109,230)
	<hr/>	<hr/>
Gross profit from bar	207,900	170,848
Direct expenses	(136,650)	(140,590)
	<hr/>	<hr/>
Net profit from bar	71,250	30,258
	<hr/>	<hr/>
Poker machines -		
Revenue [net]	337,403	333,748
Direct expenses	(120,738)	(125,223)
	<hr/>	<hr/>
Net profit from poker machines	216,665	208,525
	<hr/>	<hr/>
Functions -		
Sales revenue [bar]	56,253	40,805
Less: Cost of sales	(17,384)	(14,768)
	<hr/>	<hr/>
Gross profit from function rooms	38,869	26,037
Other function revenues	96,709	99,668
Direct expenses	(62,765)	(69,372)
	<hr/>	<hr/>
Net profit from functions	72,813	56,333
	<hr/>	<hr/>
Other revenues	94,865	69,224
Interest received	1,453	11,245
	<hr/>	<hr/>
Total other revenues	96,318	80,469
	<hr/>	<hr/>
Total revenues	457,046	375,585
	<hr/>	<hr/>
Other employee expenses	(116,155)	(126,465)
Other equipment and occupancy expenses	(199,705)	(269,332)
Other expenses	(162,253)	(171,387)
Other finance costs	(2,145)	(982)
	<hr/>	<hr/>
Total other expenses	(480,258)	(568,166)
	<hr/>	<hr/>
Profit (loss) for the period	(23,212)	(192,581)
	<hr/>	<hr/>

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SUPPLEMENTARY INFORMATION [CONTINUED]**PROFIT & LOSS ACCOUNT**

for the year ended 30 June 2009

	2009	2008
	\$	\$
REVENUE		
[a] Sales revenue		
Bar sales		
- main bar	340,848	280,078
- function bar	56,253	40,805
Total sales revenue	397,101	320,883
[b] Other revenue		
[ii] Trading revenue		
Poker machine revenue [net]	337,403	333,748
Catering license fees	25,190	13,000
Catering Commission	3,455	15,485
Function room hire fees	65,640	68,672
Function room other income	2,424	2,511
Keno commission [net]	(425)	316
Total trading revenue	433,687	433,732
[ii] Other		
ATM income	3,537	3,739
Car parking reservation fees	71,552	46,116
Subscriptions - members	13,703	14,727
Sundry income	1,065	1,310
Telephone income	5	71
Vending machine & pool table commission	5,428	2,945
Total other	95,290	68,908
Total other revenue	528,977	502,640
[c] Interest received		
Interest received		
- cheque	1,453	2,069
- term deposits	0	9,176
Total interest received	1,453	11,245
Total revenue	927,531	834,768
EXPENSES		
[a] Bar expenses		
Employee expenses	119,215	123,753
Repairs and maintenance	4,705	2,896
Supplies	5,253	3,865
Wastage	1,372	3,110
	130,545	133,624
Depreciation	6,105	6,966
Total bar expenses	136,650	140,590

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SUPPLEMENTARY INFORMATION [CONTINUED]**PROFIT & LOSS ACCOUNT**

for the year ended 30 June 2009

	2009	2008
	\$	\$
EXPENSES [CONTINUED]		
[b] Poker machine expenses		
Data monitoring system charges	6,999	6,802
Employee expenses	53,998	45,703
GST expense	12,491	12,159
Loss on disposal of equipment	828	914
Repairs and maintenance	6,250	4,962
State government duty and charges	1,002	2,199
	<u>81,568</u>	<u>72,739</u>
Hire purchase charges	4,080	5,374
Depreciation	35,090	47,110
	<u>120,738</u>	<u>125,223</u>
[c] Function expenses		
Employee expenses	36,799	47,282
Gas supply	3,198	3,042
Laundry	1,337	5,105
Repairs and maintenance	6,942	1,615
Supplies and equipment hire	4,007	655
	<u>52,283</u>	<u>57,699</u>
Depreciation	10,482	11,673
	<u>62,765</u>	<u>69,372</u>
[d] Other employee expenses		
Holiday pay - provisioning	21,782	17,310
Long service leave - provisioning	(4,332)	(8,231)
Sick leave - provisioning	600	696
Salaries and wages - administration	81,414	101,014
Staff drinks and meals	4,022	3,725
Staff training	695	245
Superannuation - administration	7,294	8,420
Uniforms	168	0
Workers' compensation - administration	4,512	3,286
	<u>116,155</u>	<u>126,465</u>
[e] Other equipment and occupancy expenses		
Cleaning	25,376	26,342
Electricity	52,877	49,953
Insurance - general	18,682	17,812
Loss on disposal of property, plant and equipment	514	601
Rates - council	10,373	9,088
Rates - water	1,661	1,514
Repairs and maintenance	24,857	22,297
Security	2,922	1,298
Strata levy	39,932	120,480
	<u>177,194</u>	<u>249,385</u>
Depreciation	22,511	19,947
	<u>199,705</u>	<u>269,332</u>

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SUPPLEMENTARY INFORMATION [CONTINUED]**PROFIT & LOSS ACCOUNT**

for the year ended 30 June 2009

	2009	2008
	\$	\$
EXPENSES [CONTINUED]		
[f] Other expenses		
Accountancy fees	10,240	11,325
Advertising and promotion	7,909	14,058
Auditors' remuneration	7,090	7,350
ATM - rentals	0	3,273
Bad debts written-off	0	171
Bank charges	3,374	3,266
Cash shortages	50	452
Car parking reservation expenses	6,110	4,600
Club entertainment	9,445	10,851
Computer software, support & training	2,079	1,339
Community support	10,136	16,123
Directors expenses	2,392	2,886
Donations	113	340
Entertainment - National Poker	14,630	0
Filing fees	645	40
Fire protection	607	0
Fox sport subscription	15,905	14,994
General expenses	761	257
Legal expenses	1,500	0
Licence fees and association subscriptions	5,857	4,858
Members promotions	49,679	55,774
Pest control	1,455	1,091
Postage, printing & stationery	5,446	9,061
Sponsorship	0	1,117
Taxi and courier expenses	37	162
Telephone	6,793	7,999
Total other expenses	162,253	171,387
[g] Cost of sales		
Main bar	132,948	109,230
Function bar	17,384	14,768
Total cost of sales	150,332	123,998
[h] Other finance costs		
Interest expense - insurance funding and other	2,145	982
Total expenses	950,743	1,027,349
Total revenues	927,531	834,768
Less: Total expenses	(950,743)	(1,027,349)
Profit (loss) for the period	(23,212)	(192,581)

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SUPPLEMENTARY INFORMATION [CONTINUED]

	2009	2008	2007	2006	2005	
	\$	\$	\$	\$	\$	
	[AIFRS's]	[AIFRS's]	[AIFRS's]	[AIFRS's]	[GAAP]	
FIVE YEAR SUMMARY						
Financial Reports are prepared under >>						
STATEMENT OF COMPREHENSIVE INCOME						
Bar trading	71,250	30,258	45,605	52,929	30,742	
Poker machine revenue	216,665	208,525	322,483	323,262	315,308	
Function/restaurant trading	72,813	56,333	72,149	78,701	81,512	
Other revenue	96,318	80,469	67,429	60,643	51,311	
Revenue	457,046	375,585	507,666	515,535	478,873	
Other employee expenses	(116,155)	(126,465)	(171,008)	(176,221)	(157,251)	
Other equipment and occupancy expenses	(199,705)	(269,332)	(183,433)	(182,001)	(187,760)	
Other expenses	(162,253)	(171,387)	(174,180)	(130,482)	(119,489)	
Other finance costs	(2,145)	(982)	0	0	0	
Expenses	(480,258)	(568,166)	(528,621)	(488,704)	(464,500)	
Profit (loss) for the period	(23,212)	(192,581)	(20,955)	26,831	14,373	
STATEMENT OF FINANCIAL POSITION						
Cash and cash equivalents	61,962	79,365	275,763	274,098	279,027	
Trade and other receivables	13,720	11,561	15,585	10,546	8,864	
Inventories	21,035	20,566	22,595	24,043	24,672	
Other assets	20,078	10,349	9,259	22,582	11,477	
Total current assets	116,795	121,841	323,202	331,269	324,040	
Non-current assets	7,033,528	7,073,381	7,106,445	7,117,729	7,051,628	
Total assets	7,150,323	7,195,222	7,429,647	7,448,998	7,375,668	
Trade and other payables	80,720	70,628	43,922	75,967	56,614	
Short term provisions	20,542	7,130	19,061	15,045	20,339	
Financial liabilities	15,336	38,264	43,952	23,871	11,962	
Other liabilities	16,750	15,714	33,276	37,820	35,821	
Total current liabilities	133,348	131,736	140,211	152,703	124,736	
Non-current liabilities	9,057	32,356	65,725	52,629	33,097	
Total liabilities	142,405	164,092	205,936	205,332	157,833	
Equity	7,007,918	7,031,130	7,223,711	7,243,666	7,217,835	
RATIOS						
Bar [all] trading:	Sales to Gross Profit	62%	61%	61%	61%	58%
Poker machines:	Revenue to Gross Profit	32%	31%	31%	32%	35%
OTHER INFORMATION						
Membership:	Life	10	8	8	9	9
	Full	425	376	471	570	549
	Associate	999	755	994	793	494
	Country	8	8	11	12	12
	Special	0	1	1	1	1
	Total	1,442	1,148	1,485	1,385	1,065

Note: All figures have been extracted from prior year Annual Reports, and restated where necessary to comply with the current reporting format, unless otherwise stated. Each year has been labelled to indicate if the information is prepared under the previous Australian GAAP [Generally Accepted Accounting Principles] or under the new Australian IFRS's [International Financial Reporting Standards]

CHATSWOOD CLUB LTD

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SUPPLEMENTARY INFORMATION [CONTINUED]

GOLF GROUP REPORT

2009 is the "30th" year of the Golf Group.

It was formed as the Chatswood Businessmen's Club Sporting Committee, which included Tennis, Snooker, Golf and Deep Sea Fishing activities. Although, golf has always been played by the club members as early as 1937, when it was also known as the Chatswood Golf Group and later combined with the Chatswood-Willoughby Businessmen's Club.

In late 1979-1980 an Annual Trophy was donated by the Committee to start us off as an official golf entity. We played at Chatswood and Gordon Golf Clubs from then on. Golf was played on a monthly basis, as well as annual competitions with the Liquor Licensing Board and the Chatswood Police. We joined other businessmen's clubs e.g. in inter club matches with the Lane Cove Club, Ryde and Marrickville. I was the only committee member at this stage (Ern Healy now left to organise the Snooker Comp). Most of the serious golfers were disinterested in our small group, as they belonged to their own clubs, although some like Peter Caldwell-Smith, David Condie, John Gercken and David Kent were some of the members who played with us occasionally. Unfortunately, the numbers were down to about a dozen.

As our numbers were getting low, we encouraged other groups like the Apex Club and Jaycees, as well as local church associations. To build up our numbers, we joined with St Ives Uniting Church SGC and membership started to grow. Hence the name Chatswood/St Ives SGC. Membership is open to all members (both men and women).

Current membership is only \$30.00 per year, and at each game we give out prizes for 1st, 2nd, 3rd and nearest the pin. The Chatswood Club Trophy goes to the overall winner and the St Ives Trophy, to the player with the highest score.

Membership numbers is now approximately 28, and there are 32 fixtures annually at various local venues, including Mona Vale, Long Reef, Gordon, Chatswood, Warringah, Massey Park and Muirfield. We average 16 players at the fixtures. We are self supporting and carry our own insurance through the NSW Government Sporting Injuries Committee.

We trust that we will continue for a few more years.

V Seaglove