

**GLADESVILLE R.S.L. & COMMUNITY CLUB LIMITED**  
**(A Company Limited by Guarantee)**

**A.B.N. 12 000 977 926**

**ANNUAL CONCISE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

<b>CONTENTS</b>	<b>PAGE</b>
Directors' Report	1-3
Lead Auditor's Independence Declaration	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Cash Flows	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9
Directors' Declaration	10
Independent Audit Report to the Members	11

This concise report has been derived from the full financial report of the year ended 31 December 2010. The full financial report and auditor's report is available to members on request, free of charge from the company's premises at 4-6 Linsley Street, Gladesville. The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Gladesville R.S.L. Community Club Limited as the full financial report.

**GLADESVILLE R.S.L. & COMMUNITY CLUB LIMITED**  
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**DIRECTORS' REPORT**

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The directors submit their report together with the annual financial report of Gladesville R.S.L. & Community Club Limited (“the Company”) for the year ended 31 December 2010.

**Directors**

The names of the directors in office at the date of this report are:

<b>Name</b>	<b>Qualification</b>	<b>Date of Appointment</b>
C P Coady – President	Retired – Public Servant	17 March 1993
J E Butt – Vice President	Retired – Public Servant	30 November 1993
J Robertson	Company Director, Mediator	19 March 2000
D Lochlin	Senior Technical Officer	5 May 2002
D. Bollard	Retired – Mechanic	25 May 2008
L Cornwall	Accounts Manager	22 April 2009
J Lumley	Public Servant	30 May 2010

S Winter resigned as a director on 30 May 2010.

**Company Secretary**

M P. Donovan has been the secretary of the Company since 25 May 2007.

**Objectives**

**Short Term**

The short term organisational objective is to ensure profitability while maintaining current debt reduction levels through the provisions of high quality facilities within a secure, friendly and professional environment for our members and guests. This will allow the Company to continue supporting the needs of our community.

**Long Term**

The long term organisational objective is to provide enhanced facilities to members and guests. The board and management will continue to review our progress and amend where necessary.

**Strategy for Achieving the Objectives**

The primary strategies for achieving these objectives is sound financial management through the use of relevant budgets and cash flows that are continually monitored and measured with key performance indicators (KPIs) and ratio analysis.

**Principal Activities**

The principal activity of the Company during the financial year remained unchanged and was that of a licensed club.

**How These Activities Assist in Achieving the Objectives**

The activities assist in generating revenue to fund first class facilities to members.

**Performance Measurement and Key Performance Indicators (“KPIs”)**

A number of KPIs are analysed in order to measure the performance of the business. These include EDITDA, gross profits percentages, expenses to sales percentages, current ratio, debt and ratios. These results are incorporated into a financial report that is reviewed by Management and the Board of Directors monthly.

**Results and Dividends**

The profit after income tax amounted to \$77,972 (2009 profit – \$928,655). The Company is limited by guarantee and is prohibited from paying dividends.

**GLADESVILLE R.S.L. & COMMUNITY CLUB LIMITED**  
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**DIRECTORS' REPORT (continued)**

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**Insurance of Officers**

During the financial year, the Company paid a premium to insure certain officers of the Company. The officers of the Company covered include the Directors, Secretary and Chief Executive. The liabilities covered include costs incurred in defending civil or criminal proceedings that may be brought against officers in their capacity as officers of the Company. Disclosure of the amount of the premium and nature of the cover is prohibited under the policy.

Except for the above, the Company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Company or of a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

**Matters Subsequent to Reporting Period**

No matters or circumstances have arisen since 31 December 2010 that have significantly affected or may significantly affect in subsequent financial years:

- (i) the operations of the Company;
- (ii) the results of those operations; or
- (iii) the state of affairs of the Company.

**Meetings of Directors**

<b>Director</b>	<b>Full meeting of Directors</b>		<b>Building</b>	<b>Marketing</b>	<b>Special</b>
<b>Number of Meetings held</b>	14		-	-	2
Name of Director	Meetings held whilst Director	Meetings Attended			
C P Coady, President	14	13	-	-	2
J E Butt, Vice President	14	13	-	-	2
J Robertson	14	12	-	-	2
D Lochlin	14	14	-	-	2
D Bollard	14	11	-	-	2
L Cornwall	14	14	-	-	2
J Lumley	8	8	-	-	1
S Winter	6	5	-	-	1

**GLADESVILLE R.S.L. & COMMUNITY CLUB LIMITED**  
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**DIRECTORS' REPORT (continued)**

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**Changes in State of Affairs**

During the financial year, there was no significant change in the state of affairs of the Company other than that referred to in the financial statements or notes thereto.

**Future Developments**

Disclosure of information in relation to likely developments in the operations of the Company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

**Capital Commitments**

There are no other capital commitments outstanding as at the 31 December 2010.

**Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

The Lead Auditor's Independence Declaration is set out on the following page and forms part of the Directors' Report for the financial year ended 31 December 2010.

Signed in accordance with a resolution of the directors:

**Director**

\_\_\_\_\_  
**C P Coady**

**Director**

\_\_\_\_\_  
**J Robertson**

**Dated at Gladesville:**

The Board of Directors  
Gladesville R.S.L. & Community Club Limited  
4 Linsley Street  
GLADESVILLE NSW 2111

Dear Board Members

**Lead Auditor's Independence Declaration to the Directors of  
Gladesville R.S.L. & Community Club Limited**

In relation to our audit of the financial report of Gladesville R.S.L. & Community Club Limited for the year ended 31 December 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

**V J RYAN & CO**  
**Chartered Accountants**

**Level 5**  
**255 George Street**  
**SYDNEY NSW 2000**

**Peter Denis Wyer**  
**Partner**

**Dated at Sydney:**

**GLADESVILLE R.S.L. & COMMUNITY CLUB LIMITED**  
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**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>		
Sale of Goods	848,866	861,844
Revenue from Services	3,983,423	4,014,750
Members Subscriptions	20,605	16,553
Rent Received	12,996	54,360
Interest Received	28,618	4,280
Other Income	-	337
Bingo, Raffles & Promotions	123,087	116,474
	<u>5,017,595</u>	<u>5,068,598</u>
<b>EXPENDITURE</b>		
Cost of Goods Sold	(334,060)	(353,709)
Direct Costs Attributable to Trading Revenue	(1,716,219)	(1,702,865)
Administrative, Member, Facility and Other Expenses	(2,319,659)	(2,187,873)
	<u>(4,369,938)</u>	<u>(4,244,447)</u>
<b>PROFIT BEFORE FINANCE COSTS, DEPRECIATION, PROFIT ON SALE OF NON CURRENT ASSETS AND INCOME TAX EXPENSE</b>	<b>647,657</b>	<b>824,151</b>
Finance Costs	(29,414)	(69,799)
Depreciation	(553,130)	(515,119)
Profit on Disposal of Non Current Assets	20,002	-
Profit on Sale of Investment Property	-	640,568
Proceeds on Sale of Gaming Machine Entitlements	-	203,000
	<u>85,115</u>	<u>1,082,801</u>
<b>PROFIT BEFORE INCOME TAX EXPENSE</b>	<b>85,115</b>	<b>1,082,801</b>
Income Tax Expense	(7,143)	(154,146)
	<u>77,972</u>	<u>928,655</u>
<b>PROFIT FOR THE PERIOD</b>	<b>77,972</b>	<b>928,655</b>
<b>Other Comprehensive Income / (Expense)</b>		
Net Movement in Members Mortality Fund	(7,179)	(7,176)
	<u>(7,179)</u>	<u>(7,176)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>70,793</b>	<b>921,479</b>

*Discussion and Analysis of Statement of Comprehensive Income*

**Key points to note are:**

- Total revenues decreased by \$874,569 mainly due to the sale of the Club's investment property and a number of poker machine entitlements last year, whilst poker machine trading revenue remained consistent with 2009.

The Statement of Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements set out on page 9.

**GLADESVILLE R.S.L. & COMMUNITY CLUB LIMITED**  
**(A Company Limited by Guarantee)**

**AS AT 31 DECEMBER 2010**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	1,059,821	1,223,994
Trade and Other Receivables	8,230	11,331
Current Tax Asset	8,697	-
Inventories	30,407	41,569
Other	99,196	77,026
<b>TOTAL CURRENT ASSETS</b>	<u>1,206,351</u>	<u>1,353,920</u>
<b>NON-CURRENT ASSETS</b>		
Property, Plant and Equipment	8,328,601	8,514,292
<b>TOTAL NON-CURRENT ASSETS</b>	<u>8,328,601</u>	<u>8,514,292</u>
<b>TOTAL ASSETS</b>	<u>9,534,952</u>	<u>9,868,212</u>
<b>CURRENT LIABILITIES</b>		
Trade and Other Payables	297,746	319,007
Current Tax Liabilities	-	154,099
Interest Bearing Loans and Borrowings	95,926	450,000
Provisions	184,537	174,811
<b>TOTAL CURRENT LIABILITIES</b>	<u>578,209</u>	<u>1,097,917</u>
<b>NON-CURRENT LIABILITIES</b>		
Interest Bearing Loans and Borrowings	113,725	-
Provisions	26,472	24,542
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>140,197</u>	<u>24,542</u>
<b>TOTAL LIABILITIES</b>	<u>718,406</u>	<u>1,122,459</u>
<b>NET ASSETS</b>	<u>8,816,546</u>	<u>8,745,753</u>
<b>EQUITY</b>		
Members' Funds	-	-
Reserves	58,191	65,370
Retained Earnings	8,758,355	8,680,383
<b>TOTAL EQUITY</b>	<u>8,816,546</u>	<u>8,745,753</u>

***Discussion and Analysis of Statement of Financial Position***

**Key points to note are:**

- Due to the sale of the investment property and poker machine entitlements last year, the Club was able to repay much of its debt.
- New loans introduced this year for the hire purchase of equipment and poker machines.

The Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements set out on page 9.

**GLADESVILLE R.S.L. & COMMUNITY CLUB LIMITED**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows from Operating Activities:</b>		
Receipts from Members & Visitors	4,979,082	5,014,779
Interest Received	28,618	4,280
Rent Received	12,996	54,360
Payment to Suppliers & Employees	(4,425,065)	(4,363,466)
Income Tax (Paid) / Refunded	(169,939)	5,907
Interest & Other Cost of Finance Paid	(29,414)	(69,800)
<b>Net Cash Provided by Operating Activities</b>	<b>396,278</b>	<b>646,060</b>
<b>Cash Flows from Investing Activities:</b>		
Proceeds from Sale of Property, Plant & Equipment	33,000	-
Proceeds from Sale of Investment Property	-	1,366,536
Proceeds from Sale of Gaming Machine Entitlements	-	203,000
Payment for Property, Plant & Equipment	(380,437)	(218,168)
<b>Net Cash (Used in) / Provided by Investing Activities</b>	<b>(347,437)</b>	<b>1,351,368</b>
<b>Cash Flows from Financing Activities:</b>		
(Repayment) of Borrowings	(213,014)	(1,211,604)
<b>Net Cash (Used in) Financing Activities</b>	<b>(213,014)</b>	<b>(1,211,604)</b>
Net (Decrease) / Increase in Cash Held	(164,173)	785,824
Cash and Cash Equivalents at Beginning of the Period	1,223,994	438,170
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>1,059,821</b>	<b>1,223,994</b>

*Discussion and Analysis of Statement of Cash Flows*

**Key points to note are:**

- Net cash flow from operating activities decreased by \$249,782 mainly due to an increase in tax paid during the year for the 2009 liability.

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on page 9.

**GLADESVILLE R.S.L. & COMMUNITY CLUB LIMITED**  
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**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

	<b>Retained Earnings</b>	<b>Reserves</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>At 1 January 2009</b>	7,751,728	72,546	7,824,274
<b>Total Comprehensive Income for the Period</b>			
Profit for the Period	928,655	-	928,655
<b>Other Comprehensive Income</b>			
Mortality Fund (Expense)	-	(7,176)	(7,176)
<b>At 31 December 2009</b>	8,680,383	65,370	8,745,753
<b>Total Comprehensive Income for the Period</b>			
Profit for the Period	77,972	-	77,972
<b>Other Comprehensive Income</b>			
Mortality Fund (Expense)	-	(7,179)	(7,179)
<b>At 31 December 2010</b>	<u>8,758,355</u>	<u>58,191</u>	<u>8,816,546</u>

The Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements set out on page 9.

**GLADESVILLE R.S.L. & COMMUNITY CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

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**1 BASIS OF PREPARATION**

The concise financial report for Gladesville R.S.L. & Community Club Limited (“the company”) for the year ended 31 December 2010 has been prepared in accordance with Australian Accounting Standard AASB 1039 *Concise Financial Reports* and the Corporations Act 2001. The financial statements and specific disclosures required by AASB 1039 have been derived from the company’s full financial report for the financial year. Other information included in the concise financial report is consistent with the company’s full financial report. The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the company as the full financial report.

It has been prepared on the basis of historical costs and, except for certain assets which are at valuation, does not take into account changing money values or current valuation of non-current assets.

The accounting policies have been consistently applied and except where there is a change in accounting policy, are consistent with those of the previous period. A full description of the company’s accounting policies is contained in the full financial report.

The financial report is presented in Australian dollars.

**2 FULL FINANCIAL REPORT**

Further financial information can be obtained from the full financial report which is available, free of charge, on request from the company premises at 4-6 Linsley Street, Gladesville.

**3 EVENTS SUBSEQUENT TO REPORTING DATE**

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

**GLADESVILLE R.S.L. & COMMUNITY CLUB LIMITED**  
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**DIRECTORS' DECLARATION**

The directors of Gladesville R.S.L. & Community Club Limited ("the company") declare that in their opinion, the concise financial report for the year ended 31 December 2010 as set out on pages 5 to 9:

- (a) has been derived from the full financial report for the year ended 31 December 2010.
- (b) complies with Australian Accounting Standard AASB 1039: *Concise Financial Reports*.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the company as the full financial report, which as indicated in Note 2 is available on request.

Signed in accordance with a resolution of the directors:

**Director** \_\_\_\_\_  
**C P Coady**

**Director** \_\_\_\_\_  
**J Robertson**

**Dated at Gladesville**

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
GLADESVILLE R.S.L. & COMMUNITY CLUB LIMITED  
(A Company Limited by Guarantee)**

**Report on the Concise Financial Report**

The concise financial report of Gladesville R.S.L. & Community Club Limited (“the company”) comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity, discussion and analysis, Accompanying Notes and the Directors' Declaration for the financial year ended 31 December 2010 as set out on pages 5 to 10 is derived from the audited financial report of the company for the year ended 31 December 2010. We expressed an unmodified opinion on the financial report.

The concise report does not contain all the disclosures required by Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001. Reading the concise report is not a substitute for reading the audited financial report of the company.

**Directors' responsibility for the concise financial report**

The directors are responsible for the preparation and presentation of the concise financial report in accordance with Australian Accounting Standard AASB 1039: *Concise Financial Reports*. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report, selecting and applying the 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 concise financial report based on our audit. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of the company for the year ended 31 December 2010. Our audit report on the financial report for the year was signed on 23 February 2011 and was not subject to any modification. The Australian 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 concise financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the concise 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 concise financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the concise financial report.

Our procedures in respect of the audit of the concise financial report included testing that the information included in it is consistent with the full financial report, and examination, on a test basis, of evidence supporting the amounts, discussion and analysis and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion as to whether the concise financial report complies with Australian Accounting Standard AASB 1039: *Concise Financial Reports* in that, in all material respects, it is presented fairly in accordance with that standard.

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

**Audit Opinion**

In our opinion, the concise financial report of the company for the year ended 31 December 2010 complies with Australian Accounting Standard AASB1039: *Concise Financial Reports*.

**V J RYAN & CO  
Chartered Accountants**

**Level 5  
255 George Street  
SYDNEY NSW 2000**

**Partner: Peter D Wyer  
Dated:**