
Western Suburbs League Club
(Campbelltown) Limited
ABN 43 000 841 958

Annual Financial Report
31 October 2011

Western Suburbs League Club (Campbelltown) Limited

Directors' Report

Your directors present their report together with the financial report of Western Suburbs League Club (Campbelltown) Limited (the company) for the year ended 31 October 2011 and the auditor's report thereon.

Directors

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

Name	Qualifications, Experience, Special Responsibilities and Period of Directorship
Roy Warby – Chairman	Accountant Director since 1995
Raymond Corkery – Deputy Chairman	Retired Real Estate Property Consultant Director since 1986
Alan Buxton	Bank Manager Director since 23 February 2003
Paul Lake	Business Manager Director since 30 April 2003
Warren Thomson	Retired Builder Director since 30 June 2003
Martin Bullock	CEO, Western Sydney Academy of Sport Director since 4 May 2007
Stephen Stewart	Manager Director since 1 December 2009

Directors' meetings

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

Director	Number of Meetings Attended	Number of Meetings Held *
Mr A Buxton	13	13
Mr R Corkery	13	13
Mr P Lake	12	13
Mr W Thomson	13	13
Mr R Warby	13	13
Mr M Bullock	13	13
Mr S Stewart	13	13

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

Western Suburbs League Club (Campbelltown) Limited

Directors' Report (continued)

Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 31 October 2011 and the comparison with last year is as follows:

	2011	2010
Full Members	35,408	34,733
Social Member	294	386
Pensioner Members	6,481	6,690
Permanent Members	222	224
Life Member	6	6
Honorary	2	2
	<hr/>	<hr/>
	42,413	42,041
	<hr/>	<hr/>

Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that he is a member or within one year thereafter. At 31 October 2011 there were 42,413 members.

Operating result

The net profit from ordinary activities before tax for the year amounted to \$2,786,240 compared with \$4,000,397 for the prior year. This resulted after charging \$4,191,132 (2010: \$3,568,598) for depreciation, after charging \$670,000 for impairment loss on investment properties (2010: \$Nil) and before charging \$2,653 (2010: \$159,230) for income tax.

Objectives

Short term

Providing for members and guests a social club with all first class facilities of a club and to assist generally in the promotion and propagation of sports.

Long term

To sustain our position as a leading facility in Western Sydney to ensure our long term support of junior sports and the wider community in that region and beyond.

Strategy for achieving the objectives

Principal strategies include:

1. Maximising advantage from our investment holdings,
2. Maximising advantage from marketing opportunities,
3. Providing a broad range of offerings, and
4. Maintaining high customer service standards.

Western Suburbs League Club (Campbelltown) Limited

Directors' Report (continued)

Principal Activities

The principal activities of the company during the year consisted of the encouragement of games and sport. This has been the Club's focus since inception.

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

How these activities assist in achieving the objectives

The activities assist in generating revenue to fund for the sporting activities and the promotion and propagation of junior sports, and to provide first class facilities for members.

Performance measurement and key performance indicator

Performance is assessed regularly against relevant internal and industry benchmarks enabling assessment as to whether strategic initiatives have been effective in achieving company short and long term objectives.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 5.

Signed in accordance with a resolution of the directors.

Dated at Campbelltown this 19th day of December 2011.

R Warby
Director

Western Suburbs League Club (Campbelltown) Limited Auditor's Independence Declaration

As lead auditor for the audit of Western Suburbs League Club (Campbelltown) Limited for the year ended 31 October 2011, I declare that to the best of my knowledge and belief there have been:

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

This declaration is in respect to Western Suburbs League Club (Campbelltown) Limited during the year.

PKF

Paul Cheeseaman
Partner

19 December 2011

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Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia

The PKF East Coast Practice is a member of the PKF International Limited network of legally independent member firms. The PKF East Coast Practice is also a member of the PKF Australia Limited national network of legally independent firms each trading as PKF. PKF East Coast Practice has offices in NSW, Victoria and Brisbane. PKF East Coast Practice does not accept responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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Western Suburbs League Club (Campbelltown) Limited

Independent Audit Report

To the members of Western Suburbs League Club (Campbelltown) Limited

Report on the Financial Report

We have audited the accompanying financial report of Western Suburbs League Club (Campbelltown) Limited, which comprises the Statement of Financial Position as at 31 October 2011, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' Declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

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Western Suburbs League Club (Campbelltown) Limited
Independent Audit Report (continued)



Auditor's Opinion

In our opinion the financial report of Western Suburbs League Club (Campbelltown) Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the entity's financial position as at 31 October 2011 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and

PKF

Paul Cheeseman
Partner

19 December 2011

Western Suburbs League Club (Campbelltown) Limited

Directors' Declaration

The directors of Western Suburbs League Club (Campbelltown) Limited declare that:

- (a) In the Directors' opinion the financial statements and notes set out on pages 9 to 35, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 31 October 2011 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Corporations Regulations 2001.
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

Dated at Campbelltown this 19th day of December 2011.

R Warby
Director

Western Suburbs League Club (Campbelltown) Limited

**Statement of Comprehensive Income
For the Year Ended 31 October 2011**

	Note	2011 \$	2010 \$
Revenue from continuing operations			
Sale of goods		9,360,961	9,801,060
Rendering of services		30,348,333	28,919,643
Other revenue		307,670	224,148
		<hr/>	<hr/>
Total revenue from continuing operations	2	40,016,964	38,944,851
		<hr/>	<hr/>
Expenses			
Cost of goods sold		(3,723,916)	(3,881,412)
Poker machine duties		(8,063,311)	(7,684,805)
Employment and staffing expenses		(10,079,198)	(9,967,894)
Entertainment, marketing and promotional costs		(4,757,581)	(4,398,117)
Property expenses		(3,359,514)	(3,036,864)
Community levy donations		(635,190)	(561,589)
Other expenses from ordinary activities		(800,698)	(824,887)
		<hr/>	<hr/>
		(31,419,408)	(30,355,568)
		<hr/>	<hr/>
Earnings before depreciation expense, finance costs, impairment loss propagation of football and loss from Narellan Properties		8,597,556	8,589,283
Depreciation expense	3(a)	(4,191,132)	(3,568,598)
Finance costs	3(a)	(795,512)	(865,359)
Propagation of NRL football		(117,000)	(75,000)
Impairment loss from Investment Properties	3(a)	(670,000)	-
Loss from Narellan Properties Partnership		(37,672)	(79,929)
		<hr/>	<hr/>
Profit before income tax		2,786,240	4,000,397
Income tax expense	4(a)	(2,653)	(159,230)
		<hr/>	<hr/>
Net profit from continuing operations after income tax expense	18	2,783,587	3,841,167
		<hr/>	<hr/>
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		2,783,587	3,841,167
		<hr/> <hr/>	<hr/> <hr/>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 13 to 35.

Western Suburbs League Club (Campbelltown) Limited

Statement of Financial Position
As at 31 October 2011

	Note	2011 \$	2010 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,937,414	6,236,047
Trade and other receivables	6	25,056	64,816
Inventories	8	234,615	255,855
Current tax asset	4(b)	28,578	18,516
Other current assets	9	827,160	954,734
		<hr/>	<hr/>
Total Current Assets		3,052,823	7,529,968
Non-Current Assets			
Property, plant and equipment	10	53,542,064	51,985,318
Investment property	11	1,850,000	2,520,000
Other financial assets	7	2,390,772	2,279,354
Deferred tax assets	4(c)	25,271	19,728
Intangible assets	12	3,519,680	2,756,110
Other non-current assets	9	2,829,423	2,862,641
		<hr/>	<hr/>
Total Non-Current Assets		64,157,210	62,423,151
		<hr/>	<hr/>
Total Assets		67,210,033	69,953,119
LIABILITIES			
Current Liabilities			
Trade and other payables	13	2,955,830	3,939,808
Financial liabilities	14	-	4,838,141
Employee benefits	15	757,573	570,432
Other current liabilities	17	72,810	93,310
		<hr/>	<hr/>
Total Current Liabilities		3,786,213	9,441,691
Non-Current Liabilities			
Financial liabilities	14	5,889,157	5,742,122
Employee benefits	15	192,572	241,866
Provisions	16	16,730	16,730
Other non-current liabilities	17	109,118	78,054
		<hr/>	<hr/>
Total Non-Current Liabilities		6,207,577	6,078,772
		<hr/>	<hr/>
Total Liabilities		9,993,790	15,520,463
		<hr/>	<hr/>
Net Assets		57,216,243	54,432,656
Members' Funds			
Retained profits	18	54,268,719	51,485,132
Asset revaluation reserve	19	2,947,524	2,947,524
		<hr/>	<hr/>
Total Members' Funds		57,216,243	54,432,656
		<hr/>	<hr/>

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 13 to 35.

Western Suburbs League Club (Campbelltown) Limited

Statement of Changes in Equity
For the Year Ended 31 October 2011

	Revaluation Reserve \$	Retained Earnings \$	Total Equity \$
Balance at 1 November 2009	2,947,524	47,643,965	50,591,489
Net profit for the year	-	3,841,167	3,841,167
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	3,841,167	3,841,167
Balance at 31 October 2010	2,947,524	51,485,132	54,432,656
Net profit for the year	-	2,783,587	2,783,587
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	2,783,587	2,783,587
Balance at 31 October 2011	2,947,524	54,268,719	57,216,243

The Statement of Changes in Equity should be read in conjunction with the accompanying notes set out on pages 13 to 35.

Western Suburbs League Club (Campbelltown) Limited

Statement of Cash Flows

For the Year Ended 31 October 2011

	Note	2011 \$	2010 \$
Cash Flows From Operating Activities			
Cash receipts in the course of operations		43,680,223	42,592,773
Cash payments in the course of operations		(36,121,112)	(33,374,657)
Income taxes paid		(18,258)	(177,202)
Interest paid		(795,512)	(865,359)
Interest received		174,861	117,183
Rent received		132,809	106,965
		<hr/>	<hr/>
Net cash inflow from operating activities		7,053,011	8,399,703
		<hr/>	<hr/>
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(5,747,878)	(3,617,697)
Payments for intangibles		(763,570)	(827,902)
Payments for investments		(149,090)	-
		<hr/>	<hr/>
Net cash outflow from investing activities		(6,660,538)	(4,445,599)
		<hr/>	<hr/>
Cash Flows From Financing Activities			
Repayment of borrowings – bills		(4,652,965)	(800,000)
Repayment of hire purchase creditors		(38,141)	(595,048)
		<hr/>	<hr/>
Net cash outflow from financing activities		(4,691,106)	(1,395,048)
		<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents		(4,298,633)	2,559,056
Cash and cash equivalents at the beginning of the financial year		6,236,047	3,676,991
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	5	1,937,414	6,236,047
		<hr/>	<hr/>

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 13 to 35.

Notes to the Financial Statements For the Year Ended 31 October 2011

1 Summary of Significant Accounting Policies

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. These financial statements do not comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The financial statements are presented in Australian dollars, which is the company's functional and presentation currency.

(a) New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The company has early adopted AASB 1053 'Application of Tiers of Australian Accounting Standards' and AASB 2010-02 'Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements'. No other new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have been early adopted.

Any significant impact on the accounting policies of the company from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy.

The adoption of these Accounting Standards and Interpretations did not have any impact on the financial performance or position of the company. The following Accounting Standards and Interpretations are most relevant to the company:

AASB 1053 Application of Tiers of Australian Accounting Standards

The company has early adopted AASB 1053 from the financial year ended 31 October 2010. This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements, being Tier 1 Australian Accounting Standards and Tier 2 Australian Accounting Standards - Reduced Disclosure Requirements. The company being classed as Tier 2 continues to apply the full recognition and measurements requirements of Australian Accounting Standards with substantially reduced disclosure in accordance with AASB 2010-2.

AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements

The company has early adopted AASB 2010-2 from the financial year ended 31 October 2010. These amendments make numerous modifications to a range of Australian Accounting Standards and Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities in preparing general purpose financial statements. The adoption of these amendments has significantly reduced the company's disclosure requirements.

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2011 (continued)

1 Summary of Significant Accounting Policies (continued)

(a) New, revised or amending Accounting Standards and Interpretations adopted (continued)

AASB 2009-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project

The company has applied AASB 2009-5 amendments from 1 July 2010. The amendments result in some accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes had no or minimal effect on accounting. The main changes were:

AASB 101 'Presentation of Financial Statements' - classification is not affected by the terms of a liability that could be settled by the issuance of equity instruments at the option of the counterparty;

AASB 107 'Statement of Cash Flows' - only expenditure that results in a recognised asset can be classified as a cash flow from investing activities;

AASB 117 'Leases' - removal of specific guidance on classifying land as a lease;

AASB 118 'Revenue' - provides additional guidance to determine whether an entity is acting as a principal or agent; and

AASB 136 'Impairment of Assets' - clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in AASB 8 'Operating Segments' before aggregation for reporting purposes.

(b) Revenue Recognition – Note 2

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

Sale of Goods

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

Rendering of Services

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

Interest Revenue

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

Sale of Property, Plant and Equipment

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

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2011 (continued)

1 Summary of Significant Accounting Policies (continued)

(c) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

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

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

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

(d) Finance Costs

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

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

(e) Income Tax – Note 4

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 Statement of Financial Position date.

Deferred tax is accounted for using the comprehensive Statement of Financial Position liability method whereby:

- The tax consequences of recovering (settling) all assets (liabilities) are reflected in the financial statements;
- Current and deferred tax is recognised as income or expense except to the extent that the tax relates to equity items or to a business combination;
- A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available to realise the asset;
- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2011 (continued)

1 Summary of Significant Accounting Policies (continued)

(f) Impairment of Assets

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

(g) Cash and Cash Equivalents – Note 5

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

(h) Trade and Other Receivables – Note 6

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

(i) Inventories – Note 8

Inventories are measured at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at balance date using the weighted average basis.

(j) Leased Assets

Leases under which the company assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Operating Leases

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

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2011 (continued)

1 Summary of Significant Accounting Policies (continued)

(k) Financial Assets – Note 7

The company classifies in the following categories: loans and receivables and held-to-maturity investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(i) **Loans and receivables**

Trade receivables, loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. They arise when the company provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the Statement of Financial Position date which are classified as non-current assets. Loans and receivables are included in receivables in the Statement of Financial Position (Note 6).

(ii) **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the company/ group has the positive intent and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

(iii) **Equity Method of accounting for investments**

The company accounts for its interest in partnership using equity method of accounting where in the share of profits or losses is accounted with a corresponding adjustments to investments. (Note 7).

(l) **Fair Value Estimation**

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

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

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2011 (continued)

1 Summary of Significant Accounting Policies (continued)

(m) Property, Plant and Equipment – Note 10

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

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

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

	2011	2010
Buildings and improvements	40 years	40 years
Plant and equipment	3 – 15 years	3 – 15 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income.

(n) Investment Property – Note 11

Investment property, principally comprising freehold buildings, is held for long-term rental yields and is not occupied by the company. Investment property is carried at fair value, representing open-market value determined annually by external valuers. Changes in fair values are recorded in the Statement of Comprehensive Income as part of other income.

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2011 (continued)

1 Summary of Significant Accounting Policies (continued)

(o) Intangible Assets – Note 12

Poker Machine Entitlements

Poker machine entitlements are not amortised. Instead, poker machine entitlements are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and are carried at cost less accumulated impairment losses.

(p) Trade and Other Payables – Note 13

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

(q) Financial Liabilities – Note 14

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

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

(r) Employee Benefits – Note 15

Wages, Salaries, Annual Leave Sick Leave and Non-Monetary Benefits

Liabilities for employee benefits for wages, salaries and annual leave expected to be settled within 12 months of the year-end represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the company expects to pay as at reporting date including related on-costs.

Long Service Leave

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

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

Superannuation Plan

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

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2011 (continued)

1 Summary of Significant Accounting Policies (continued)

(s) Comparatives

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

(t) Customer Loyalty Program

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

	2011 \$	2010 \$
2 Revenue from Continuing Operations		
Sale of Goods Revenue		
Bar sales	4,740,054	5,382,499
Catering sales	4,616,789	4,418,388
Merchandise sales	4,118	173
	9,360,961	9,801,060
Rendering of Services Revenue		
Poker machines – net clearances	29,124,264	27,788,138
Members' subscriptions	248,356	271,067
Entertainment and promotions	209,956	209,624
Commission received	430,563	358,590
Sundry income	335,194	292,224
	30,348,333	28,919,643
Other Revenues		
Interest received	174,861	117,183
Rent received and investment property income	132,809	106,965
	307,670	224,148
Total revenue from continuing operations	40,016,964	38,944,851

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2011 (continued)

	2011	2010
	\$	\$
3 Expenses		
(a) Profit before income tax includes the following specific expenses:		
Finance costs:		
Banks loans and overdraft	795,512	865,359
	<hr/>	<hr/>
Depreciation		
Building and improvements	752,962	506,355
Plant and equipment	1,065,904	1,158,277
Poker machines	2,372,266	1,903,966
	<hr/>	<hr/>
Total depreciation	4,191,132	3,568,598
	<hr/>	<hr/>
Net expense from movements in provision for Employee benefits	137,063	54,048
	<hr/>	<hr/>
Loss on disposal of non-current assets	-	1,395
	<hr/>	<hr/>
Impairment loss on investment properties	670,000	-
	<hr/>	<hr/>
Defined contribution superannuation expense	665,207	688,720
	<hr/>	<hr/>
(b) Key Performance Indicators		
Bar (Main Club only)		
Gross profit	2,496,543	2,880,653
Gross profit percentage	60.56%	61.15%
Wages to sales percentage	34.74%	31.99%
Catering (Main Club only)		
Gross profit	2,751,530	2,622,600
Gross profit percentage	60.48%	60.03%
Wages to sales percentage	40.36%	39.35%
Wages and salaries – percentage of total revenue	18.55%	18.76%
EBITDAG percentage	21.48%	22.05%

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2011 (continued)

4 Income Tax

(a) Income Tax Expense

The Income Tax Assessment Act, 1997 (amended) provides that under the concept of mutuality clubs are only liable for income tax on income derived from non-members and from outside entities.

	2011	2010
	\$	\$
The amount set aside for income tax in the Statement of Comprehensive Income has been calculated as follows:		
Net taxable income attributable to non-members	611,982	567,560
	<hr/>	<hr/>
	611,982	567,560
Add: Other taxable income	809,440	662,530
	<hr/>	<hr/>
	1,421,422	1,230,090
Less: Other deductible expenses	(1,012,146)	(1,233,615)
Less: Carried forward tax losses adjusted	(381,956)	-
	<hr/>	<hr/>
Net income subject to tax	27,320	(3,525)
	<hr/>	<hr/>
Income tax applicable to above at tax rate of 30%	8,196	-
Under provision in prior year	-	51,077
Movement in deferred tax asset	(5,543)	108,153
	<hr/>	<hr/>
Income tax expense attributable to operating profit	2,653	159,230
	<hr/> <hr/>	<hr/> <hr/>

(b) Current Tax Liabilities / (Assets)

Movements during the year:

Balance at beginning of year	(18,516)	107,609
Income tax paid	(18,258)	(177,202)
Current year's income tax expense on profit	8,196	-
Under/(over) provision in prior year	-	51,077
	<hr/>	<hr/>
	(28,578)	(18,516)
	<hr/> <hr/>	<hr/> <hr/>

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2011 (continued)

	2011 \$	2010 \$
4 Income Tax (continued)		
(c) Deferred Tax Assets		
The balance comprises temporary differences attributable to:		
<i>Amounts recognised in profit or loss</i>		
Employee benefits	25,271	18,670
Tax losses	-	1,058
	25,271	19,728
Movements		
Opening balance	19,728	127,881
Credited /(charged) to the Statement of Comprehensive Income	5,543	(108,153)
	25,271	19,728
Closing balance	25,271	19,728

The deferred tax asset amounting to \$201,000 (30% of \$670,000) relating to the potential capital loss on the investment property has not been brought into account as the realisation is not virtually certain.

5 Cash and Cash Equivalents

Reconciliation of Cash

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

Cash and cash equivalents	1,937,414	6,236,047
	1,937,414	6,236,047

6 Trade and Other Receivables

Current

Trade Debtors	25,056	64,816
	25,056	64,816

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2011 (continued)

	2011	2010
	\$	\$
10 Property, Plant and Equipment		
Freehold Land, Building and Improvements		
<i>At cost</i>	42,494,901	41,290,310
<i>Accumulated depreciation</i>	(3,478,687)	(2,723,483)
	<hr/>	<hr/>
	39,016,214	38,566,827
	<hr/>	<hr/>
Plant and Equipment		
<i>At cost</i>	16,498,274	15,838,325
<i>Accumulated depreciation</i>	(9,800,840)	(8,737,178)
	<hr/>	<hr/>
	6,697,434	7,101,147
	<hr/>	<hr/>
Poker Machines		
<i>At cost</i>	22,936,595	18,937,158
<i>Accumulated depreciation</i>	(15,108,179)	(12,735,914)
	<hr/>	<hr/>
	7,828,416	6,201,244
	<hr/>	<hr/>
Capital works in progress		
<i>At cost</i>	-	116,100
	<hr/>	<hr/>
Total property, plant and equipment net book value	<hr/> 53,542,064 <hr/>	<hr/> 51,985,318 <hr/>

Refer to Note 14 for details of security over property, plant and equipment.

Valuation

The independent valuation of the company's land and buildings and refurbishment carried out as at 22 August 2008 by registered valuers, Global Valuation Services Pty Limited on the basis of market value for existing use resulting in a valuation of Land and Building at \$41,500,000. As land and buildings are recorded at cost the valuation has not been brought to account.

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2011 (continued)

10 Property, Plant and Equipment (continued)

	2011 \$	2010 \$
Reconciliations		
Movements in Carrying Amounts		
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:		
Freehold Land, Buildings and Improvements		
Carrying amount at beginning of year	38,566,827	38,733,852
Additions	1,202,349	357,718
Transfer to plant and equipment	-	(18,388)
Depreciation	(752,962)	(506,355)
	<hr/>	<hr/>
Carrying amount at end of year	39,016,214	38,566,827
	<hr/>	<hr/>
Plant and Equipment		
Carrying amount at beginning of year	7,101,147	7,083,103
Additions	546,091	634,928
Disposals	-	(1,395)
Transfer from freehold land and building	-	18,388
Transfer from poker machine	-	34,569
Transfer from capital work in progress	116,100	489,831
Depreciation expense	(1,065,904)	(1,158,277)
	<hr/>	<hr/>
Carrying amount at end of year	6,697,434	7,101,147
	<hr/>	<hr/>
Poker Machines		
Carrying amount at beginning of year	6,201,244	5,630,827
Additions	3,999,438	2,508,952
Transfer to plant and equipment	-	(34,569)
Depreciation expense	(2,372,266)	(1,903,966)
	<hr/>	<hr/>
Carrying amount at end of year	7,828,416	6,201,244
	<hr/>	<hr/>
Capital Works in Progress		
Carrying amount at beginning of year	116,100	489,831
Additions	-	116,100
Transfers to plant and equipment	(116,100)	(489,831)
	<hr/>	<hr/>
Carrying amount at end of year	-	116,100
	<hr/>	<hr/>

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2011 (continued)

10 Property, Plant and Equipment (continued)

The following are core properties:

→ 10 Old Leumeah Road, Leumeah NSW.

The following are non-core properties:

- 1/8, 2/8, 3/8, 4/8, 5/8, 6/8, 7/8, 8/8, 9/8 and 10/8 Old Leumeah Road, Leumeah NSW.
- 512 and 516 Pembroke Road, Leumeah NSW.
- 16 Old Leumeah Road, NSW.

11 Investment Property at Cost

	2011	2010
	\$	\$
Freeland land and buildings		
<i>At fair value</i>	2,627,340	2,627,340
<i>Accumulated Impairment loss</i>	(777,340)	(107,340)
	<hr/>	<hr/>
	1,850,000	2,520,000
	<hr/> <hr/>	<hr/> <hr/>

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:

Freehold Land and Buildings

Carrying amount at beginning of year (at fair value)	2,520,000	2,520,000
Impairment loss during the year	(670,000)	-
	<hr/>	<hr/>
Carrying amount at end of year	1,850,000	2,520,000
	<hr/> <hr/>	<hr/> <hr/>

(a) Valuation Basis

The basis of the valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. An independent valuation performed by Global Valuation Services Pty Ltd as at October 2011 resulted in a valuation of land and buildings at \$1,850,000. Based on the valuation done during the year an impairment loss of \$670,000 has been recognised.

(b) Leasing Arrangements

The investment property is leased to tenants under short term operating leases with rentals payable monthly.

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2011 (continued)

	2011 \$	2010 \$
12 Intangible Assets		
Poker machine entitlements		
At cost	3,756,189	2,992,619
Accumulated impaired losses	(236,509)	(236,509)
	<hr/>	<hr/>
Net carrying value	3,519,680	2,756,110
	<hr/> <hr/>	<hr/> <hr/>
Balance at the beginning of the year	2,756,110	1,928,208
Additions during the year	763,570	827,902
	<hr/>	<hr/>
	3,519,680	2,756,110
	<hr/> <hr/>	<hr/> <hr/>
13 Trade and Other Payables		
Trade creditors	955,437	984,004
Goods and Services Tax (GST) payable	153,979	797,816
Other creditors and accruals	1,846,414	2,157,988
	<hr/>	<hr/>
	2,955,830	3,939,808
	<hr/> <hr/>	<hr/> <hr/>

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2011 (continued)

	2011 \$	2010 \$
14 Financial Liabilities		
Current		
Secured		
Finance lease liabilities	-	38,141
Bank bill acceptance facility	-	4,800,000
	<hr/>	<hr/>
	-	4,838,141
	<hr/> <hr/>	<hr/> <hr/>
Non-Current		
Secured		
Bank bill acceptance facility	5,889,157	5,324,157
Commercial loan variable	-	417,965
	<hr/>	<hr/>
	5,889,157	5,742,122
	<hr/> <hr/>	<hr/> <hr/>
Financing Arrangements		
The company has access to the following lines of credit:		
Total facilities available:		
Corporate Master Card and Credit Card facility	50,000	50,000
Master Card Visa facility	12,500	12,500
Bill facility	6,215,000	11,125,000
Commercial line of credit	4,000,000	-
Master Asset financing facility	1,500,000	1,500,000
Bank guarantee facility	5,000	5,000
Commercial loan facility	-	415,000
	<hr/>	<hr/>
	11,782,500	13,107,500
	<hr/> <hr/>	<hr/> <hr/>

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2011 (continued)

14 Financial Liabilities (continued)

Financing Arrangements (continued)

	2011 \$	2010 \$
Facilities utilised at reporting date:		
Payroll and credit card facility	8,295	-
Commercial loan facility	-	415,000
Bill facility	5,889,157	10,124,157
Bank guarantee	5,000	5,000
	5,902,452	10,544,157
	5,902,452	10,544,157

Bill Acceptance Facility

The bill acceptance facility is available for the next three years. The facility bears interest at 5.50% plus an acceptance fee of \$1.4% at the end of each month roll over (2010: 6.48%).

Security

The bank bill facility is secured by the following:

- First registered mortgage over properties situated at 1/8, 2/8, 3/8, 4/8, 5/8, 6/8, 7/8, 8/8, 9/8, 10/8, Old Leumeah Road, 512 and 516 Pembroke Road, Leumeah NSW and 10 Old Leumeah Road, Leumeah NSW.
- First registered fixed and floating charge over the assets and undertaking of Western Suburbs League Club (Campbelltown) Limited.

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2011 (continued)

	2011	2010
	\$	\$
15 Employee Benefits		
Current	757,573	570,432
	<hr/>	<hr/>
Non-Current	192,572	241,866
	<hr/>	<hr/>

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

Assumed rate of increase in wage and salary rates	3.5%	3%
Discount rate	4.51%	6%
Settlement term	10 years	10 years

Superannuation Plans

Contributions

The company is under a legal obligation to contribute 9% of each employee's base salary to a superannuation fund. The expense recognised in relation to the defined superannuation plan is disclosed in Note 3.

16 Provisions

Non-Current

Mortality Fund	16,730	16,730
	<hr/>	<hr/>

17 Other Liabilities

Current

Income received in advance	72,810	93,310
	<hr/>	<hr/>

Non-Current

Income received in advance	109,118	78,054
	<hr/>	<hr/>

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2011 (continued)

	2011	2010
	\$	\$
18 Retained Profits		
Retained profits at the beginning of the year	51,485,132	47,643,965
Net profit attributable to members of the company	2,783,587	3,841,167
	<hr/>	<hr/>
Retained profits at the end of the year	54,268,719	51,485,132
	<hr/> <hr/>	<hr/> <hr/>
19 Asset Revaluation Reserve		
Balance at the beginning of the year	2,947,524	2,947,524
Movements during the year	-	-
	<hr/>	<hr/>
	2,947,524	2,947,524
	<hr/> <hr/>	<hr/> <hr/>
20 Commitments		
Capital Expenditure Commitments		
Property Plant and Equipment	-	830,000
	<hr/> <hr/>	<hr/> <hr/>
Non Cancellable Operating Lease		
Expense Commitments		
Future operating lease commitments for plant and equipment not provided for in the financial statements and payable:		
Within one year	33,218	33,218
Later than five years	2,829,423	2,862,641
	<hr/>	<hr/>
	2,859,641	2,895,859
	<hr/> <hr/>	<hr/> <hr/>

West's Tigers

Under the terms of the West's Group Partnership Agreement, the company is committed to contribute a maximum of \$500,000 to West's Tigers Rugby League Football Pty Limited for 2012.

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2011 (continued)

	2011 \$	2010 \$
20 Commitments (continued)		
Finance Lease Commitments		
Finance lease rental commitments are payable:		
Within one year	-	44,747
Less: Future lease finance charges	-	(6,606)
	<hr/>	<hr/>
Carrying amount of lease liabilities	-	38,141
	<hr/> <hr/>	<hr/> <hr/>
Lease liabilities provided for in the financial statements:		
Current	-	38,141
Non-current	-	-
	<hr/>	<hr/>
	-	38,141
	<hr/> <hr/>	<hr/> <hr/>

21 Contingent Liabilities

Bank Guarantees

The company has given the following bank guarantees:

TAB Limited	5,000	5,000
	<hr/>	<hr/>

22 Mutuality Principle

The company calculates its income in accordance with the mutuality principle which excludes from income, any amounts of subscriptions and contributions from members, and payments received from members for particular services provided by the club or association (eg poker machines, bar and dining room service in the case of social clubs). The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised clubs and associations.

Following the Full Federal Court decision in *Coleambally Irrigation Mutual Co-operative Limited v FCT* [2004] FCAFC 250, *Tax Laws Amendment (2005 Measures No.6) Bill 2005* was tabled in Parliament on 7 December 2005 to amend the *Income Tax Assessment Act 1997* to restore the long standing benefits of the mutuality principle to those non-profit organisations affected by the *Coleambally* decision.

These amendments will ensure social clubs continue not to be taxed on receipts from contributions and payments received from members.

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2011 (continued)

23 Key Management Personnel Details

(a) Directors

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

M Bullock
A Buxton
R Corkery
P Lake
S Stewart
W Thomson
R Warby

(b) Other Key Management Personnel

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

Name	Position
Tony Mathew	General Manager
Daniel Grady	Operations and Gaming Manager
Andrew Patterson	Financial Controller

(c) Key Management Personnel Compensation

	2011	2010
	\$	\$
Benefits and payments made to the Directors and Other Key Management Personnel named in (a) and (b) above	896,991	853,647
	<hr/>	<hr/>

24 Related Parties

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 23.

Directors' Transactions with the Company

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

Investments in Associates

The associate entities of the company are:

Western Suburbs Rugby League Football Group Pty Limited
Wests Tigers Rugby League Football Pty Limited
Narellan Properties Holdings.

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2011 (continued)

24 Related Parties (Continued)

Western Suburbs League Club (Campbelltown) has a 33% interest in the Western Suburbs Rugby League Football Group Pty Limited. The equity method of accounting is used to account for the investment.

The Western Suburbs Rugby League Football Group Pty Limited has a 50% interest in Wests Tigers Rugby League Football Pty Limited. Therefore the Company has a 17% interest in the associate. The joint venture agreement between the Wests Football Group Pty Limited and Balmain Tigers Rugby League Football club involves expenditure commitments to Wests Tigers Rugby League Football Pty Limited as detailed in Note 20. The principal activity of Wests Tigers Rugby League Football Pty Limited is football propagation.

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at year end.

25 Company Details

The Club is incorporated and domiciled in Australia as a company limited by guarantee. In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that he is a member or within one year thereafter. At 31 October 2011 there were 42,413 members. The registered office of the company is 10 Old Leumeah Road, Leumeah NSW 2560.

26 Events Subsequent to Reporting Date

On 23 November 2011, the members of the company approved an amalgamation with Camden Valley Golf Resort and Camden Lakeside Country Club. The financial impact of the amalgamation would be accounted for during the year ending 31 October 2012 wherein a consolidated financial report would be drawn up.

As a part of the amalgamation with Camden Valley Golf Resort and Camden Lakeside Country Club, the company has signed a Deed of Loan thus providing funds up to \$1,000,000 to assist Camden Valley with short term liabilities.

Apart from the above 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.