

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31 December 2011.

The names of each person who has been a director during the year and to the date of this report are:

DIRECTORS

Richard Prior

Ross Jones

Maurice Hyde

David McMullen

David Schubert

Leigh Spence

Ken Williams (Ceased 17 April 2011)

Sam Romano

Noel Ready (Appointed 17 April 2011)

Dennis Lowe (Appointed 17 April 2011)

Information on Directors

The particulars of the qualifications, experience & special responsibilities of the directors of the company are as follows:

Name	Qualifications	Service on Board	Special Responsibilities
Richard Prior	Drainer/Company Director	20 years	President
Ross Jones	Manager	12 years	Vice President
Maurice Hyde	Glazier Self Employed	7 years	
David McMullen	Council Employee	5 years	
David Schubert	Bricklayer	5 years	
Leigh Spence	Telecommunications Worker	3 year	
Sam Romano	Telecommunications Worker	3 year	
Noel Ready	Retired Electrical Engineer	1 year	
Dennis Lowe	Project Manager	1 year	

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

PRINCIPLE ACTIVITIES, OBJECTIVES & COMPANY STRATEGY

The principal activities and objectives of the company are:

- . the conduct of a licensed social, sporting and recreation club at South Windsor and surrounding district
- . focus on providing benefits to members and their guests commensurate with a club of this size
- . to promote the game of rugby league in the Hawkesbury & surrounding districts
- . to provide financial and other support to junior rugby league and other sports clubs, cultural & community welfare groups.

The company's short term objectives are to complete clubhouse renovations for members and guests & to increase catering services at the oval on game days. Longer term objectives are , to build a grandstand with government financial support & to earn income from the installation of a telecommunication tower. An improvement in company profitability, cash flow and debt reduction are ongoing short and long term objectives.

To achieve these objectives, the company has adopted the following strategies:

The company measures of performance are based on financial and non-financial factors. The company measures and compares key performance indicators and expectations on a monthly basis to core business activities being gaming, beverage, community support and promotion. The pursuit of a successful rugby league team in the second tier competition. There is constant monitoring of cost control, debt levels, cash flows and capital expenditure. On a non-financial level, to continually monitor satisfaction levels of facilities, entertainment, services and support to members and their quests. To assist funding and provide facilities for sporting and community welfare groups where financially responsible.

WINDSOR LEAGUES CLUB LIMITED
ABN 76 001 263 663

DIRECTORS' REPORT continued

PERFORMANCE

The company earned a Net Profit before income tax of \$109,412 compared to \$12,169 last year. This represented an increase of \$97,243 or 799%. Earnings before Interest, taxes, depreciation and amortisation (EBITDA) was \$593,391 compared to \$475,828 last year, a rise on last year of 117,563 or 25%. The company's revenue decreased from \$5,156,160 to \$5,038,593, a reduction of \$117,567 or 2%. Expenses also decreased from \$5,143,991 to \$4,929,181, a fall of \$214,810 or 4%.

The company's financial performance is measured on an ongoing basis to key performance indicators in core business activities. Past performance, general economic conditions in the district and elsewhere and industry benchmarks are considered.

DIRECTORS' MEETINGS

During the financial year, 11 meetings of directors were held. The number of meetings attended by each director during the year is as follows:

Directors	Board Meetings Attended	Board Meetings Eligible to Attend
Richard Prior	10	11
Ross Jones	10	11
Maurice Hyde	11	11
David McMullen	11	11
David Schubert	7	11
Leigh Spence	10	11
Ken Williams	2	2
Sam Romano	7	11
Noel Ready	9	9
Dennis Lowe	6	9

MEMBERSHIP

The company has ordinary members & life members. The total number of members of the company including life members was 2,246. Should the company be wound up, the members of the company are liable to contribute no more than five dollars. The collective liability of members was \$11,230 (last year \$12,165).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration for the year ended 31 December 2011 was received and is attached. It forms part of the Directors' Report.

Richard Prior
Director

Signed at Windsor on 14 March 2012 in accordance with a resolution of directors'.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, being the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 31 December 2011 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Richard Prior
Director

Dated this 14 March 2012

DISCLAIMER

The Trading Statements are in accordance with the books and records of Windsor Leagues Club Limited which have been subject to the auditing procedures applied in our statutory audit of the company for the year ended 31 December 2010. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given. In accordance with our policy, we 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 company) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

DUNN KEAN & STAFF
Chartered Accountants

Partner: David Kean
97 Francis Street, Richmond
Dated: 15March 2012

WINDSOR LEAGUES CLUB LIMITED
ABN 76 001 263 663

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF WINDSOR LEAGUES CLUB LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2011 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

DUNN KEAN & STAFF
Chartered Accountants

Partner: David Kean
Registered Company Auditor
Signed at 97 Francis Street, Richmond, NSW
Dated this 15 March 2012

WINDSOR LEAGUES CLUB LIMITED

ABN 76 001 263 663

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011**

	NOTE	2011 \$	2010 \$
REVENUE & TRADING STATEMENTS			
Profit (Loss) from Rugby League Club Operations		(414,784.49)	(449,517.71)
Profit (Loss) from Gaming		1,906,987.54	1,949,648.00
Profit (Loss) from Beverage Trading		393,310.03	327,778.03
Profit (Loss) from TAB Trading		(51,516.83)	(70,550.71)
Profit (Loss) on Raffles and Bingo		(89,288.09)	(105,163.56)
Profit (Loss) from Keno Trading		28,537.26	27,078.25
Members' Subscriptions		16,147.48	18,035.22
Commissions & Telephone Receipts		47,987.34	44,644.81
Government GST Reimbursement Received		17,180.00	17,180.00
Interest Received		17,105.47	15,077.64
Profit(Loss) on Sale of Non-current Assets		1,773.00	-
TOTAL		<u>1,873,438.71</u>	<u>1,774,209.97</u>
EXPENDITURE			
General Operating Expenses		897,324.09	876,288.86
Finance Charges		182,482.62	181,347.69
Occupancy Costs		399,029.34	354,352.85
Entertainment, Promotion & Sponsorship		<u>285,190.49</u>	<u>350,051.30</u>
TOTAL		<u>1,764,026.54</u>	<u>1,762,040.70</u>
PROFIT (LOSS) BEFORE INCOME TAX		109,412.17	12,169.27
Income tax expense		<u>-</u>	<u>-</u>
NET PROFIT (LOSS) FOR THE YEAR		<u>109,412.17</u>	<u>12,169.27</u>
Net Gain (Loss) on Revaluation of Non-Current Assets		59,000.00	-
Net Gain (Loss) on Revaluation of Financial Assets		<u>-</u>	<u>-</u>
Other comprehensive income for the year net of tax		<u>59,000.00</u>	<u>-</u>
Total comprehensive income attributable to Members		<u>168,412.17</u>	<u>12,169.27</u>

The accompanying notes form part of these financial statements

WINDSOR LEAGUES CLUB LIMITED

ABN 76 001 263 663

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011**

	NOTE	2011 \$	2010 \$
REVENUE & TRADING STATEMENTS			
Profit (Loss) from Rugby League Club Operations		(414,784.49)	(449,517.71)
Profit (Loss) from Gaming		1,906,987.54	1,949,648.00
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General Operating Expenses		897,324.09	876,288.86
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PROFIT (LOSS) BEFORE INCOME TAX		109,412.17	12,169.27
Income tax expense		<u>-</u>	<u>-</u>
NET PROFIT (LOSS) FOR THE YEAR		<u>109,412.17</u>	<u>12,169.27</u>
Net Gain (Loss) on Revaluation of Non-Current Assets		59,000.00	-
Net Gain (Loss) on Revaluation of Financial Assets		<u>-</u>	<u>-</u>
Other comprehensive income for the year net of tax		<u>59,000.00</u>	<u>-</u>
Total comprehensive income attributable to Members		<u>168,412.17</u>	<u>12,169.27</u>

The accompanying notes form part of these financial statements

WINDSOR LEAGUES CLUB LIMITED
ABN 76 001 263 663

**TRADING STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 \$	2010 \$
RUGBY LEAGUE CLUB OPERATIONS		
Revenue		
Sponsorship, Grants & Advertising	233,895.44	271,506.51
Registration & Insurance Receipts	53,262.05	55,012.36
Canteen Sales	94,105.18	130,617.67
Gate Takings	5,366.78	10,213.85
Gear & Clothing Sales	26,727.34	43,397.22
Photography Receipts	3,089.01	2,044.47
Raffles Receipts	30,123.05	31,019.59
Sundry Income	383.81	109.09
	446,952.66	543,920.76
Less: Expenses		
Canteen Purchases	53,663.70	66,207.67
Council, Water Rates & Water	12,791.88	11,462.94
Depreciation - Capital Works	24,687.00	24,687.00
Electricity	5,914.32	8,691.78
Gear & Clothing Purchases	135,945.31	119,286.58
Less: Gear Closing Stock	(2,308.83)	(1,336.17)
Sponsorship of Rugby League	274,138.64	352,392.10
Raffle Prizes	4,841.71	8,999.31
Registration & Insurance Costs	12,727.28	14,985.46
Repairs & Ground Maintenance	48,517.73	59,055.47
Telephone & Facsimile	8,482.37	9,522.16
Trophies & Trophy Grants	5,975.55	6,104.78
Printing, Postage & Stationery	12,636.45	12,637.95
Sponsorship & Related Expenses	87,470.99	99,913.74
Medical Costs	42,558.36	53,661.92
Training Expenses	8,853.93	1,615.54
Wages	55,887.14	62,892.59
Superannuation	4,997.16	5,375.32
Rugby League Expenses	43,685.21	39,134.97
Presentation Night	11,292.28	15,773.48
Travel & Accommodation	-	4,600.00
Waste Removal	1,169.77	511.12
Other Rugby League Expenses	7,809.20	17,262.76
	861,737.15	993,438.47
LOSS FROM TRADING	(414,784.49)	(449,517.71)

WINDSOR LEAGUES CLUB LIMITED
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**TRADING STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 \$	2011 \$
GAMING		
Revenue		
Revenue including GST	2,960,714.48	3,021,078.36
Less: GST	<u>(288,192.82)</u>	<u>(273,990.38)</u>
Net Revenue	2,672,521.66	2,747,087.98
Less: Expenses		
Gaming Machine Tax	450,456.25	473,715.95
Repairs, Services & Analysis & Monitoring	75,006.45	78,465.04
Depreciation	148,203.39	136,242.00
Promotions	-	2,767.24
Wages	84,441.54	97,847.24
Superannuation	<u>7,426.49</u>	<u>8,402.51</u>
	<u>765,534.12</u>	<u>797,439.98</u>
PROFIT FROM TRADING	<u>1,906,987.54</u>	<u>1,949,648.00</u>
BEVERAGE TRADING		
Revenue		
Beverages	1,520,444.47	1,514,875.26
Cigarettes	<u>102,687.86</u>	<u>96,194.63</u>
	1,623,132.33	1,611,069.89
Less: Cost of Goods Sold		
Opening Stock	34,224.22	50,847.76
Purchases	<u>871,131.06</u>	<u>882,519.84</u>
	905,355.28	933,367.60
Closing Stock	<u>43,599.59</u>	<u>34,224.22</u>
Cost of Sales	861,755.69	899,143.38
Gross Profit	761,376.64	711,926.51
Less: Expenses		
Wages	311,425.73	325,371.97
Superannuation	27,890.45	28,577.55
Waste	6,000.00	6,000.00
Consumables, Replacements & Repairs	<u>22,750.43</u>	<u>24,198.96</u>
	<u>368,066.61</u>	<u>384,148.48</u>
PROFIT FROM TRADING	<u>393,310.03</u>	<u>327,778.03</u>

WINDSOR LEAGUES CLUB LIMITED
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**TRADING STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 \$	2010 \$
TAB TRADING		
Income	14,380.17	13,849.24
Less: Expenses		
Promotions	-	30.00
Skychannel	24,054.66	25,394.72
Wages	38,998.48	54,894.19
Superannuation	2,843.86	4,081.04
	65,897.00	84,399.95
LOSS FROM TRADING	(51,516.83)	(70,550.71)
GENERAL OPERATING EXPENSES		
Administration Expenses	14,837.03	13,670.00
Auditors' Remuneration	24,756.00	24,692.00
Depreciation - Equipment	101,595.33	101,812.41
Depreciation - Building & Improvements	47,485.00	41,116.00
Depreciation - Motor Vehicles	9,726.00	12,488.00
Directors Reimbursements	13,837.00	17,159.88
Consultancy Fees	2,500.00	-
Impairment Expense	20,000.00	-
Insurance - General	40,143.09	39,095.61
Insurance - Workers Compensation	19,546.17	25,396.32
Fringe Benefits Tax	1,088.66	2,759.74
Legal Fees	1,133.06	406.00
Motor Vehicle Expenses	58,015.23	53,479.77
Operating Leases & Rental Payments	34,603.24	14,306.87
Payroll Tax	17,991.05	10,725.86
Plant & Equipment Consumables	1,384.92	2,926.42
Printing, Postage & Stationery	28,463.55	31,919.18
Annual Leave	9,122.27	20,090.11
Long Service Leave	9,613.00	2,478.00
Rental of Equipment	12,542.85	24,753.68
Security Charges	116,675.99	120,808.60
Superannuation	17,113.99	19,204.30
Telephone & Facsimile	18,246.92	21,779.84
Uniforms	1,381.82	1,192.73
Banking, Float & Cash Shortages	11,495.12	6,565.01
Wages	195,434.93	187,791.18
Other General Operating Expenses	68,591.87	79,671.35
	897,324.09	876,288.86

WINDSOR LEAGUES CLUB LIMITED
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**TRADING STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 \$	2010 \$
FINANCE CHARGES		
Bank Charges	30,200.12	34,034.17
Interest Paid - Other persons	152,282.50	147,313.52
	<u>182,482.62</u>	<u>181,347.69</u>
OCCUPANCY COSTS		
Electricity & Gas	110,210.91	101,596.49
Repairs, Maintenance & Ground Expenses	86,025.29	51,125.02
Council & Water Rates	11,674.95	9,404.52
Cleaning & Waste	86,011.54	84,226.65
Wages	96,505.72	99,107.09
Superannuation	8,600.93	8,893.08
	<u>399,029.34</u>	<u>354,352.85</u>
ENTERTAINMENT, ADVERTISING & SPONSORSHIP		
Advertising & Marketing	14,190.32	19,442.66
Artists & Bands	2,418.18	-
Bistro Subsidies	52,000.00	52,000.00
Promotions	143,968.33	211,318.63
Sponsorship	8,824.56	3,340.93
Members' Draw Prizes	38,500.00	36,000.00
Foxtel Subscriptions	25,289.10	27,949.08
	<u>285,190.49</u>	<u>350,051.30</u>
RAFFLES & BINGO		
Income		
Raffles Sales	123,063.04	110,935.05
Bingo Sales	9,101.05	1,773.63
	<u>132,164.09</u>	<u>112,708.68</u>
Less: Raffles & Bingo Expenses		
Raffle Prizes and Stationery	150,368.89	145,281.97
Bingo Expenses	71,083.29	72,590.27
	<u>221,452.18</u>	<u>217,872.24</u>
LOSS FROM TRADING	<u>(89,288.09)</u>	<u>(105,163.56)</u>
KENO TRADING		
Income		
	34,224.12	32,586.18
Less: Expenses		
	5,686.86	5,507.93
PROFIT FROM TRADING	<u>28,537.26</u>	<u>27,078.25</u>

WINDSOR LEAGUES CLUB LIMITED
ABN 76 001 263 663

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	NOTE	2011 \$	2010 \$
CURRENT ASSETS			
Cash & Cash Equivalents	4	505,300.14	462,671.30
Trade & Other Receivables	5	9,276.63	22,472.64
Inventories	6	59,199.32	35,560.39
Other Assets	7	<u>25,650.41</u>	<u>37,925.07</u>
TOTAL CURRENT ASSETS		<u>599,426.50</u>	<u>558,629.40</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	3,657,681.37	3,461,848.05
TOTAL NON-CURRENT ASSETS		<u>3,657,681.37</u>	<u>3,461,848.05</u>
TOTAL ASSETS		<u>4,257,107.87</u>	<u>4,020,477.45</u>
CURRENT LIABILITIES			
Trade & Other Payables	9	460,668.39	466,670.92
Borrowings	10	607,965.56	581,891.70
Short Term Provisions	11	51,002.00	48,264.00
Other Liabilities	12	<u>116,410.28</u>	<u>72,190.16</u>
TOTAL CURRENT LIABILITIES		<u>1,236,046.23</u>	<u>1,169,016.78</u>
NON-CURRENT LIABILITIES			
Borrowings	10	1,091,956.31	1,097,642.51
Long Term Provisions	11	<u>39,040.00</u>	<u>32,165.00</u>
TOTAL NON-CURRENT LIABILITIES		<u>1,130,996.31</u>	<u>1,129,807.51</u>
TOTAL LIABILITIES		<u>2,367,042.54</u>	<u>2,298,824.29</u>
NET ASSETS (LIABILITIES)		<u>1,890,065.33</u>	<u>1,721,653.16</u>
EQUITY			
Reserves		542,892.37	483,892.37
Retained Profits		<u>1,347,172.96</u>	<u>1,237,760.79</u>
TOTAL EQUITY		<u>1,890,065.33</u>	<u>1,721,653.16</u>

The accompanying notes form part of these financial statements

WINDSOR LEAGUES CLUB LIMITED

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Retained Earnings \$	Revaluation Surplus \$	Capital Profits Reserve \$	Total \$
Economic Activity				
Balance at 1 January 2010	1,225,592	431,933	51,959	1,709,484
Profit attributable to members entity	12,169			12,169
Balance at 31 December 2010	<u>1,237,761</u>	<u>431,933</u>	<u>51,959</u>	<u>1,721,653</u>
Profit attributable to members entity	109,412			109,412
Net Gain on Revaluation of Asses		59,000		59,000
Balance at 31 December 2011	<u><u>1,347,173</u></u>	<u><u>490,933</u></u>	<u><u>51,959</u></u>	<u><u>1,890,065</u></u>

The accompanying notes form part of the financial statements

WINDSOR LEAGUES CLUB LIMITED

ABN 76 001 263 663

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 \$	2010 \$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from members, guests and rugby league patrons	5,017,103.82	5,152,411.85
Payments to suppliers & employees	(4,364,706.79)	(4,559,753.32)
Interest received	17,105.47	15,077.64
Interest & costs of finance paid	(147,390.79)	(147,454.04)
Net cash provided by (used in) operating activities	<u>522,111.71</u>	<u>460,282.13</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant & equipment	16,798.00	-
Payment for property, plant & equipment	(500,199.14)	(228,433.23)
Net cash provided by (used in) investing activities	<u>(483,401.14)</u>	<u>(228,433.23)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	527,159.08	231,492.96
Repayment of borrowings	(519,647.07)	(453,530.97)
Net Cash provided by (used in) financing activities	<u>7,512.01</u>	<u>(222,038.01)</u>
Net increase(decrease) in cash held	46,222.58	9,810.89
Cash at beginning of year	<u>333,954.04</u>	<u>324,143.15</u>
Cash at end of year	<u>380,176.62</u>	<u>333,954.04</u>

The accompanying notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011	2010
	\$	\$
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES		

BASIS OF PREPARATION

Windsor Leagues Club Limited has elected to early adopt the Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements 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 financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for cash flow information, have been prepared on an accrual 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.

The financial statements were authorised for issue on 14 March 2012 by the directors of the company.

ACCOUNTING POLICIES

(a) Property Plant & Equipment

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

Property

Freehold land and buildings are shown at fair value based on periodic, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in the statement of comprehensive income

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**
(Continued)

	2011	2010
1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (contd.)	\$	\$

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

Plant and Equipment that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land is depreciated on a straight line basis over the assets estimated useful life to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Buildings 2.5%

Plant, Equipment, Gaming Machines & Vehicles 10%-27%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Each asset classes carrying amount is written down immediately to its recoverable amount if the classes carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(b) Inventories

All inventories are measured at the lower of cost and current replacement cost.

(c) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year along with wages, salaries and annual leave which may be settled after one year have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at the net present value.

Contributions are made by the entity to employee's superannuation funds and are charged as expenses when incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**
(Continued)

	2011	2010
1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (contd.)	\$	\$

(d) Income Tax

No provision has been made for income tax as the company considers itself to be exempt from income tax in accordance with s 50-45 Income Tax Assessment Act 1997 & case law.

(e) Revenue

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

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

Members' Subscriptions and other income in advance is brought to account in the financial year in which it relates.

Rugby League sponsorship income is conservatively recognised when received. All revenue is stated net of the amount of goods and services tax (GST).

(f) Cash and Cash Equivalents

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

(g) Members & Company Limited By Guarantee

The company is a company limited by guarantee with the liability of members limited to \$5 as set out in the company's constitution.

The company has 2,246 members which includes 25 life members.

(h) Impairment of Assets

At the end of each reporting period the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the assets carrying amount. Any excess of the assets carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**
(Continued)

	2011	2010
1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (contd.)	\$	\$

(i) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at fair value or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Available For Sale Financial Assets

Available for sale financial assets are non-derivative financial assets that are either do not meet the criteria for classification as any other type of financial asset or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. All financial assets currently held are classified as available for sale financial assets and are measured at cost.

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the entity assesses whether there is any indication that a financial instrument has been impaired. In the case of available for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are immediately recognised in profit or loss. Also any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**
(Continued)

	2011	2010
	\$	\$
1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (contd.)		
(j) Goods & Services Tax (GST)		
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office.		
Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.		
Cash flows are presented in the Cash flow Statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.		
(k) Comparative Figures		
Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.		
(l) Critical Accounting Estimates & Judgements		
The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.		
(m) Trade and Other Payables		
Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability.		
(n) Change in Accounting Policies		
Due to the difficulty in recovering sponsorship debtors, the company records rugby league sponsorship income when received.		
2. REVENUE & PROFIT FROM ORDINARY ACTIVITIES		
REVENUE		
OPERATING ACTIVITIES		
Trading Revenue	5,004,689.85	5,141,082.76
Interest Received	17,105.47	15,077.64
	5,021,795.32	5,156,160.40
NON-OPERATING ACTIVITIES		
Proceeds on Disposal of Equipment	16,798.00	0.00
Refer to Income Statement & Trading Statements for detailed disclosures		

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**
(Continued)

	2011	2010
	\$	\$
3. PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax expense has been determined after:		
(a) Expenses:		
Cost of Sales	1,049,055.87	1,083,301.46
Interest Paid & Hire Purchase Charges	152,282.50	147,313.52
Depreciation	331,696.72	316,345.41
Impairment	20,000.00	10,000.00
Annual Leave	9,122.27	20,090.11
Long Service Leave	9,613.00	2,478.00
Auditors' Remuneration	24,756.00	24,692.00
(b) Revenue & Net Gains		
Profit (Loss) on disposal of Plant & Equipment	1,773.00	-
(c) Significant Revenues & Expenses Refer to Trading Statements		
4. CASH & CASH EQUIVALENTS		
CURRENT		
Cash Floats & Cash on Hand	112,989.50	89,399.80
Cash at Bank - Football Club	4,383.66	13,285.56
Cash at Bank - TAB Account	14,114.55	3,278.98
Cash at Bank - Investment Account	373,812.43	356,706.96
	<u>505,300.14</u>	<u>462,671.30</u>

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2011**
 (Continued)

	2011 \$	2010 \$
5. TRADE & OTHER RECEIVABLES		
CURRENT		
Trade Receivables	-	32,259.00
Provision for Impairment	-	(10,000.00)
Other Receivables	9,276.63	213.64
	<u>9,276.63</u>	<u>22,472.64</u>
6. INVENTORIES		
CURRENT		
At Cost		
Beverages	52,470.80	30,437.60
Cigarettes	4,419.69	3,786.62
Rugby League inventory	2,308.83	1,336.17
	<u>59,199.32</u>	<u>35,560.39</u>
7. OTHER ASSETS		
CURRENT		
Prepayments	<u>25,650.41</u>	<u>37,925.07</u>
8. PROPERTY, PLANT & EQUIPMENT		
Land - at cost	211,375.65	211,375.65
Revaluation Increment	212,024.35	153,024.35
	<u>423,400.00</u>	<u>364,400.00</u>
Clubhouse, Buildings & Improvements - at cost	2,104,050.11	2,100,394.21
Less Accumulated Depreciation	(467,071.00)	(419,586.00)
Less Accumulated Impairment	(20,000.00)	-
	<u>1,616,979.11</u>	<u>1,680,808.21</u>
Oval Improvements & Buildings - at cost	948,827.96	948,827.96
Less Accumulated Depreciation	(244,079.89)	(219,392.89)
Less Accumulated Impairment	(12,113.00)	(12,113.00)
	<u>692,635.07</u>	<u>717,322.07</u>
Plant & Equipment - at cost	920,826.47	1,153,505.52
Less Accumulated Depreciation	(529,484.88)	(803,219.19)
	<u>391,341.59</u>	<u>350,286.33</u>
Gaming Machines - at cost	1,512,933.71	1,357,346.50
Less Accumulated Depreciation	(1,047,333.29)	(1,048,832.69)
	<u>465,600.42</u>	<u>308,513.81</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

(Continued)

	2011 \$	2010 \$
8. PROPERTY, PLANT & EQUIPMENT continued		
Motor Vehicles - at cost	219,796.52	189,130.97
Less: Accumulated Depreciation	<u>(152,071.34)</u>	<u>(148,613.34)</u>
	<u>67,725.18</u>	<u>40,517.63</u>
 Total Property, Plant & Equipment	 <u><u>3,657,681.37</u></u>	 <u><u>3,461,848.05</u></u>
 Movements in Carrying Amounts		
LAND		
Balance at the beginning of the year	364,400.00	364,400.00
Additions	-	-
Disposals/Transfers	-	-
Revaluation	59,000.00	-
Depreciation	-	-
Carrying amount at the end of the year	<u>423,400.00</u>	<u>364,400.00</u>
 CLUBHOUSE BUILDINGS & IMPROVEMENTS		
Balance at the beginning of the year	1,680,808.21	1,714,376.03
Additions	-	7,548.18
Disposals/Transfers	-	-
Depreciation	(47,485.00)	(41,116.00)
Impairment	-	-
Carrying amount at the end of the year	<u>1,633,323.21</u>	<u>1,680,808.21</u>
 OVAL IMPROVEMENTS & BUILDINGS		
Balance at the beginning of the year	717,322.07	742,009.07
Additions	-	-
Disposals/Transfers	-	-
Depreciation	(24,687.00)	(24,687.00)
Impairment	-	-
Carrying amount at the end of the year	<u>692,635.07</u>	<u>717,322.07</u>
 PLANT & EQUIPMENT		
Balance at the beginning of the year	350,286.33	406,113.29
Additions	144,852.68	45,985.45
Disposals/Transfers	(2,202.09)	-
Depreciation	<u>(101,595.33)</u>	<u>(101,812.41)</u>
Carrying amount at the end of the year	<u>391,341.59</u>	<u>350,286.33</u>
 GAMING MACHINES		
Balance at the beginning of the year	308,513.81	313,624.21
Additions	305,290.00	131,131.60
Disposals/Transfers	-	-
Depreciation	<u>(148,203.39)</u>	<u>(136,242.00)</u>
Carrying amount at the end of the year	<u>465,600.42</u>	<u>308,513.81</u>

WINDSOR LEAGUES CLUB LIMITED
(A Company Limited by Guarantee)
ABN 76 001 263 663

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

(Continued)

	2011 \$	2010 \$
8. PROPERTY, PLANT & EQUIPMENT continued		
MOTOR VEHICLES		
Balance at the beginning of the year	40,517.63	53,005.63
Additions	49,756.46	-
Disposals/Transfers	(12,822.91)	-
Depreciation	(9,726.00)	(12,488.00)
Carrying amount at the end of the year	67,725.18	40,517.63
 Total Carrying amount at the end of the year	 3,674,025.47	 3,461,848.05
 Asset Revaluations		
Freehold land was revalued at 31 December 2011 according to land values obtained from the NSW Valuer General dated 1 July 2011.		
9. TRADE & OTHER PAYABLES		
CURRENT		
Trade Payables	167,078.87	190,520.96
Other Payables	203,372.13	195,054.84
Annual Leave Payable	90,217.39	81,095.12
	460,668.39	466,670.92
10. BORROWINGS		
CURRENT		
Bank Overdraft	125,123.52	128,717.26
Credit Card Liabilities	1,010.00	3,607.27
Bank Bills - secured	114,000.00	114,000.00
Bank Loan - Market Rate Facility	48,000.00	48,000.00
Loan - Penrith & Districts Junior Rugby League Club Ltd	-	10,000.00
Insurance Premium Funding Loan	18,820.80	9,925.62
Hire Purchase Agreements	301,011.24	267,641.55
	607,965.56	581,891.70
NON-CURRENT		
Bank Bills - secured	628,500.00	742,500.00
Bank Loan - Market Rate Facility	200,000.00	232,000.00
Hire Purchase Agreements	263,456.31	123,142.51
	1,091,956.31	1,097,642.51
11. PROVISIONS		
Employee Benefits - Long Service Leave		
Balance at beginning of the year	80,429.00	77,951.00
Additional provisions less amount used	9,613.00	2,478.00
Balance at the end of the year	90,042.00	80,429.00

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2011**
 (Continued)

	2011 \$	2010 \$
11. PROVISIONS continued		
Analysis of total provisions		
Current	51,002.00	48,264.00
Non Current	<u>39,040.00</u>	<u>32,165.00</u>
	<u>90,042.00</u>	<u>80,429.00</u>

Provision for Long Term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data and judgement. The measurement and recognition criteria for employee benefits has been included at Note 1 to this report.

12. OTHER LIABILITIES

CURRENT

Accrued Expenses	103,519.90	58,517.74
Income Received in Advance	12,890.38	13,672.42
	<u>116,410.28</u>	<u>72,190.16</u>

13. CAPITAL & LEASING COMMITMENTS

Finance Lease Commitments

Hire Purchase Liabilities

Not later than one year	301,011.24	267,641.55
Later than one year and not later than five years	263,456.31	123,142.51
Later than five years	-	-
	<u>564,467.55</u>	<u>390,784.06</u>

14. CONTINGENT LIABILITIES

The company is in dispute with Sydney Water. There was a water leakage which was unknown at the time. Should the matter be unresolved, there may be an additional amount payable of \$8,358 plus any disputation costs.

Contingent liabilities also exist with the ongoing decision to self-assess payroll tax and income tax

15. EVENTS AFTER THE REPORTING PERIOD

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

1. The company has received written approval from the federal government to receive funding of \$2.5million to build a grandstand on the oval. It is estimated the project will commence early in the 2012 calendar year and be completed before the commencement of the 2014 rugby league season

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**
(Continued)

	2011	2010
	\$	\$
15. EVENTS AFTER THE REPORTING PERIOD continued		
2. The company will earn income with the future installation of a telecommunication tower on land owned by the company.		
3. In line with patron expectations, the company's contract caterer has been engaged to operate the oval canteen on match days.		
16. KEY MANAGEMENT PERSONNEL COMPENSATION		
The totals of remuneration paid to key management personnel of the company during the year are as follows:		
Key Management Personnel Compensation	106,822	106,822
17. RELATED PARTY TRANSACTIONS		
No related party transactions were made, other than reimbursement of expenses paid to Directors during the year.		
18. FINANCIAL RISK MANAGEMENT		
a. Financial Risk Management Policies		
The company's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable. The total for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:		
Financial Assets		
Cash & Cash Equivalents	505,300	462,671
Trade and Other Receivables	9,277	22,473
	514,577	485,144
Financial Liabilities		
Financial Liabilities at amortised cost		
- Trade & Other Payables	460,668	466,671
- Borrowings	1,699,922	1,679,534
	2,160,590	2,146,205
19. RESERVES		
Revaluation Surplus		
The revaluation surplus records revaluations of non current assets		
Capital Profits Reserve		
The capital profits reserve consists of the profit on the sale of an investment property		

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**
(Continued)

2011	2010
\$	\$

20. CORE & NON-CORE PROPERTY

The details of the core and non-core property at the end of the year are as follows:

Core Property

698 George St, South Windsor, NSW 2756

1A Rifle Range Rd, South Windsor, NSW 2756

Non-Core Property

The company does not hold any non-core property

WINDSOR LEAGUES CLUB LIMITED
ABN 76 001 263 663

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WINDSOR LEAGUES CLUB LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Windsor Leagues Club Limited (the company), which comprises the Statement of Financial Position as at 31 December 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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 that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those 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 judgment, 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 of the financial report that gives a true and fair view 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. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Windsor Leagues Club Limited, would be in the same terms if given to the directors as at the date of this auditor's report.

Qualification

Due to the size and nature of football and other activities and the use of volunteers, it is not practical to maintain an effective system of internal control over selective revenue and expenses of football operations, raffles and other fund raising activities. Accordingly, our audit was limited to the amounts recorded.

Opinion

In our opinion, the financial report of Windsor Leagues Club Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 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.

DUNN KEAN & STAFF
Chartered Accountants

Partner: David Kean
Registered Company Auditor
Signed at 97 Francis Street, Richmond, NSW
Dated this 15 March 2012