
St George Leagues Club Limited
ABN 77 000 151 020
and its Controlled Entity

Annual Financial Report
31 October 2009

St George Leagues Club Limited and its Controlled Entity

Directors' Report

Your directors present their report together with the financial report of St George Leagues Club Limited and its controlled entity (the consolidated entity) for the year ended 31 October 2009 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:

Harvey Warren Lockwood
Ralph Gordon Piggott
Peter Lawrence Doust
Brian Stuart Johnston
Bruce William Spaul
Peter Ernest Black
James Alexander Farmer
Craig Stephen Young
Martin Newman

Information on Directors

The information on directors is as follows:

Harvey Warren Lockwood	→	Chairman
	→	Consultant
	→	Director, St George District Rugby League Football Club Limited
Ralph Gordon Piggott	→	Deputy Chairman
	→	Company Director
	→	Director, St George District Rugby League Football Club Limited
Peter Lawrence Doust	→	Executive Director and Chief Executive Officer, St George Illawarra Rugby League Football Club Pty Limited
	→	Director, St George District Rugby League Football Club Limited
Brian Stuart Johnston	→	Company Director
	→	Director, St George District Rugby League Football Club Limited
Bruce William Spaul	→	Chartered Accountant
	→	Director, St George District Rugby League Football Club Limited
Peter Ernest Black	→	Sales Manager
	→	Director, St George District Rugby League Football Club Limited
	→	Director, St George Illawarra Rugby League Football Club Pty Limited
James Alexander Farmer	→	Retired Security Officer
	→	St George Leagues Club Sports Council
Craig Stephen Young	→	Coaching and Development Officer
	→	Director, St George District Rugby League Football Club Limited
Martin Newman	→	Company Director
	→	Director, St George District Rugby League Football Club Limited

St George Leagues Club Limited and its Controlled Entity

Directors' Report (continued)

Directors' Meetings

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

Director	BOARD MEETINGS	
	Number of meetings attended	Number of meetings held *
Harvey Warren Lockwood	12	12
Ralph Gordon Piggott	12	12
Peter Lawrence Doust	12	12
Brian Stuart Johnston	12	12
Bruce William Spaul	11	12
Peter Ernest Black	12	12
James Alexander Farmer	11	12
Craig Stephen Young	8	12
Martin Newman	10	12

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

Company Secretary

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

Mr Danny Robinson

Mr Robinson was appointed company secretary on 2 October 1977 and has been the General Manager of St George Leagues Club Limited since 1977.

Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 31 October 2009 was 28,020 (2008: 28,010).

Operating Result

The net loss before tax of the consolidated entity for the year amounted to \$1,098,212 compared with a loss of \$1,374,243 for the previous year. This resulted after charging \$2,198,965 (2008: \$2,307,730) for depreciation and amortisation and before crediting \$69,944 (2008: \$43,564 charged) for income tax.

The net loss before tax of the company for the year amounted to \$1,048,404 compared with a loss of \$975,216 for the previous year. This resulted after charging \$2,171,595 (2008: \$2,284,191) for depreciation and amortisation and before crediting \$69,944 (2008: \$43,564 charged) for income tax.

St George Leagues Club Limited and its Controlled Entity

Directors' Report (continued)

Review of Operations

A review of the operations of the consolidated entity during the financial year and the results of these operations are as follows:

→ Poker machine net receipts increased by \$3,136,692

Partly offset by:

→ Poker machine duty and CMS expenses increased \$1,073,148

→ Share of loss from Narellan properties of \$823,966 compared with \$121,454 profit in the previous year

→ Occupancy expenses increased \$384,955

→ Football clubs and community development and support expenditure increased by \$319,951

Significant Changes in the State of Affairs

There were no significant changes in the economic entity's state of affairs that occurred during the financial year.

Principal Activities

The principal activities of the economic entity during the financial year were that of a licensed social club and controlling the operations of the St George District Rugby League Football Club Limited.

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

Events Subsequent to Reporting Date

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

Likely and Future Developments and Expected Results

Likely developments in the operations of the economic entity in future financial years and the expected results of those operations are as follows:

→ Government regulations with respect to smoking and poker machine duty will continue to impact upon future revenues.

Environmental Regulation

The economic entity's operations are not subject to any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

The Board believes that the company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

St George Leagues Club Limited and its Controlled Entity

Directors' Report (continued)

Dividends

In accordance with the Constitution, no dividends can be paid and accordingly no dividends were paid or declared since the start of the financial year (2008: \$Nil).

Indemnification of Officers

The economic entity has provided for and paid premiums during the year for directors' and officers' liability and legal expenses' insurance contracts.

The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome;
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid with respect to the directors' and officers' liability and legal expenses' insurance contract, as such disclosure is prohibited under the terms of the contract.

Proceedings on Behalf of the Economic Entity

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is party for the purposes of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The Directors have received the Independence Declaration from the Auditors. The Declaration is attached as page 5.

Signed in accordance with a resolution of the directors.

Dated at Kogarah this 2nd day of February 2010.

Harvey Warren Lockwood
Director

St George Leagues Club Limited and its Controlled Entity Auditor's Independence Declaration

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

To the Directors of St George Leagues Club Limited and its Controlled Entity:

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 31 October 2009, 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.

Paul Cheeseman
Partner

Sydney
2 February 2010

St George Leagues Club Limited and its Controlled Entity

Independent Audit Report

To the members of St George Leagues Club Limited:

We have audited the accompanying financial report of St George Leagues Club Limited (the company), which comprises the balance sheet as at 31 October 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration set out on pages 8 to 48.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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*.

St George Leagues Club Limited and its Controlled Entity Independent Audit Report (continued)

Auditor's Opinion

In our opinion the financial report of St George Leagues Club Limited and its controlled entity is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's and controlled entity's financial position as at 31 October 2009 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

The financial report also complies with IFRS as disclosed as Note 1.

PKF

Paul Cheeseman
Partner

1 Margaret Street
SYDNEY NSW 2000

2 February 2010

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St George Leagues Club Limited and its Controlled Entity

Directors' Declaration

In the opinion of the directors of St George Leagues Club Limited and its controlled entity:

- (a) the financial statements and notes, set out on pages 9 to 48 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the financial position of the economic entity as at 31 October 2009 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and
- (b) at the date of this declaration there are reasonable grounds to believe that the economic entity 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 Kogarah this 2nd day of February 2010.

Harvey Warren Lockwood
Director

St George Leagues Club Limited and its Controlled Entity
Income Statements
For the Year Ended 31 October 2009

	Note	<u>Consolidated</u>		<u>The Company</u>	
		2009	2008	2009	2008
		\$	\$	\$	\$
Revenue from continuing operations					
Sale of goods		5,748,917	5,495,370	5,710,093	5,364,302
Rendering of services		35,203,972	31,719,579	34,845,939	31,601,346
Other revenue		240,197	444,500	164,746	408,595
		<hr/>	<hr/>	<hr/>	<hr/>
Total revenue from continuing operations	2	41,193,086	37,659,449	40,720,778	37,374,243
		<hr/>	<hr/>	<hr/>	<hr/>
Expenses					
Cost of goods sold		(2,534,264)	(2,230,024)	(2,510,454)	(2,175,020)
Write down of inventory to net realisable value	3	(10,925)	-	-	-
Employee benefits expense		(10,912,580)	(10,638,937)	(10,734,110)	(10,455,055)
Poker machine duty and CMS expense		(10,130,366)	(9,057,218)	(10,130,366)	(9,057,218)
Occupancy expenses		(4,319,701)	(3,934,706)	(4,319,701)	(3,934,706)
Promotion and games expenses		(5,209,253)	(5,142,529)	(5,054,198)	(4,892,302)
Depreciation and amortisation expense	3	(2,198,965)	(2,307,730)	(2,171,595)	(2,284,191)
Other expenses from ordinary activities		(1,646,821)	(1,654,035)	(1,288,965)	(1,250,001)
		<hr/>	<hr/>	<hr/>	<hr/>
		(36,962,875)	(34,965,179)	(36,209,389)	(34,048,493)
		<hr/>	<hr/>	<hr/>	<hr/>
Earnings before finance costs, share in loss from Narellan Properties, gain on revaluation and football clubs and community development and support expenditure		4,230,211	2,694,270	4,511,389	3,325,750
Share in loss from Narellan Properties	3	(823,966)	-	(823,966)	-
Finance costs	3	(2,625)	(1,542)	-	-
Gain on revaluation of investment properties	3	-	114,910	-	114,910
Football clubs and community development and support expenditure	5	(4,501,832)	(4,181,881)	(4,735,827)	(4,415,876)
		<hr/>	<hr/>	<hr/>	<hr/>
Loss before income tax expense		(1,098,212)	(1,374,243)	(1,048,404)	(975,216)
Income tax benefit/(expense)	6(a)	69,944	(43,564)	69,944	(43,564)
		<hr/>	<hr/>	<hr/>	<hr/>
Net loss from continuing operations after income tax expense attributable to members	19	(1,028,268)	(1,417,807)	(978,460)	(1,018,780)
		<hr/>	<hr/>	<hr/>	<hr/>

The Income Statements should be read in conjunction with the accompanying notes set out on pages 13 to 48.

St George Leagues Club Limited and its Controlled Entity
Statements of Changes in Equity
For the Year Ended 31 October 2009

Consolidated

	<u>Retained Earnings</u>		<u>Reserves</u>		<u>Total Equity</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	\$	\$	\$	\$	\$	\$
Opening balance	40,292,170	41,709,977	-	-	40,292,170	41,709,977
Revaluation increment	-	-	1,473,762	-	1,473,762	-
Loss for the year	(1,028,268)	(1,417,807)	-	-	(1,028,268)	(1,417,807)
Closing balance	39,263,902	40,292,170	1,473,762	-	40,737,664	40,292,170

The Company

	<u>Retained Earnings</u>		<u>Reserves</u>		<u>Total Equity</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	\$	\$	\$	\$	\$	\$
Opening balance	40,235,795	41,254,575	-	-	40,235,795	41,254,575
Revaluation increment	-	-	1,473,762	-	1,473,762	-
Loss for the year	(978,460)	(1,018,780)	-	-	(978,460)	(1,018,780)
Closing balance	39,257,335	40,235,795	1,473,762	-	40,731,097	40,235,795

St George Leagues Club Limited and its Controlled Entity
Balance Sheets
As at 31 October 2009

	Note	Consolidated		The Company	
		2009	2008	2009	2008
		\$	\$	\$	\$
Current Assets					
Cash and cash equivalents		3,535,580	4,496,513	3,506,604	4,367,982
Trade and other receivables	7	384,650	3,517,531	390,267	3,505,832
Inventories	8	422,230	404,634	364,741	341,861
Financial assets	9	-	41,883	-	41,883
Other	10	338,550	666,810	330,417	657,668
Current tax asset	6(b)	104,436	98,836	104,436	98,836
TOTAL CURRENT ASSETS		4,785,446	9,226,207	4,696,465	9,014,062
Non-Current Assets					
Trade and other receivables	7	7,429	7,429	7,429	7,429
Financial assets	9	133,446	225,100	133,346	225,000
Property, plant and equipment	11	40,474,639	35,618,582	40,323,624	35,455,747
Investment property	12	2,050,000	2,050,000	2,050,000	2,050,000
Intangible assets	13	44,000	44,000	44,000	44,000
Deferred tax assets	6(c)	186,343	139,060	186,343	139,060
TOTAL NON-CURRENT ASSETS		42,895,857	38,084,171	42,744,742	37,921,236
TOTAL ASSETS		47,681,303	47,310,378	47,441,207	46,935,298
Current Liabilities					
Trade and other payables	14	3,443,634	3,012,509	3,349,833	2,854,703
Employee benefits	16	2,392,597	2,284,499	2,343,565	2,236,750
Financial liabilities	15	89,506	12,553	83,280	-
Other current liabilities	17	109,386	312,030	92,113	286,121
TOTAL CURRENT LIABILITIES		6,035,123	5,621,591	5,868,791	5,377,574
Non-Current Liabilities					
Trade and other payables	14	100,349	57,415	57,288	-
Employee benefits	16	161,166	168,509	161,166	168,509
Financial liabilities	15	169,876	-	145,740	-
Deferred tax liabilities	6(d)	334,676	307,201	334,676	307,201
Other non-current liabilities	17	142,449	863,492	142,449	846,219
TOTAL NON-CURRENT LIABILITIES		908,516	1,396,617	841,319	1,321,929
TOTAL LIABILITIES		6,943,639	7,018,208	6,710,110	6,699,503
NET ASSETS		40,737,664	40,292,170	40,731,097	40,235,795
Members' Funds					
Reserves	18	1,473,762	-	1,473,762	-
Retained profits	19	39,263,902	40,292,170	39,257,335	40,235,795
TOTAL MEMBERS' FUNDS		40,737,664	40,292,170	40,731,097	40,235,795

The Balance Sheets should be read in conjunction with the accompanying notes set out on pages 13 to 48.

St George Leagues Club Limited and its Controlled Entity
Cash Flow Statements
For the Year Ended 31 October 2009

	Note	Consolidated		The Company	
		2009	2008	2009	2008
		\$	\$	\$	\$
Cash Flow From Operating Activities					
Cash receipts in the ordinary course of operations		47,125,824	41,449,222	46,648,192	40,844,830
Cash payments in the course of operations		(37,892,428)	(35,284,118)	(37,077,152)	(34,194,453)
Grants to football clubs		(2,500,000)	(3,500,000)	(2,750,000)	(3,750,000)
Community development and support expenditure		(581,211)	(461,260)	(581,211)	(461,260)
Interest received	2	53,414	253,031	48,954	232,858
Income taxes paid	6(b)	(80,420)	(240,889)	(80,420)	(240,889)
Income taxes refunded	6(b)	124,956	443,396	124,956	443,396
Net cash inflow from operating activities	23(b)	6,250,135	2,659,382	6,333,319	2,874,482
Cash Flow from Investing Activities					
Proceeds from sale of property, plant and equipment		25,911	-	25,911	-
Payment for property, plant and equipment		(7,131,343)	(5,430,767)	(7,099,788)	(5,425,324)
Capital contribution – Narellan Properties		(100,000)	-	(100,000)	-
Net cash outflow from investing activities		(7,205,432)	(5,430,767)	(7,173,877)	(5,425,324)
Cash Flow from Financing Activities					
Finance lease payments		(20,820)	-	(20,820)	-
Proceeds from hire purchase agreements		34,710	-	-	-
Hire purchase payments		(19,526)	(14,248)	-	-
Net cash outflow from financing activities		(5,636)	(14,248)	(20,820)	-
Net decrease in cash and cash equivalents		(960,933)	(2,785,633)	(861,378)	(2,550,842)
Cash and cash equivalents at the beginning of the financial year		4,496,513	7,282,146	4,367,982	6,918,824
Cash and cash equivalents at the end of the financial year	23(a)	3,535,580	4,496,513	3,506,604	4,367,982

The Cash Flow Statements should be read in conjunction with the accompanying notes set out on pages 13 to 48.

St George Leagues Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 31 October 2009

1 Summary of Significant Accounting Policies

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

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers St George Leagues Club Limited as an individual entity and St George Leagues Club Limited and its controlled entity as an economic entity.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIRFS ensures that the company financial statements and notes comply with International Financial Reporting Standards (IFRS).

In preparing the financial report the company has taken the exemptions available to non profit entities.

Historical Cost Convention

These financial statements have been prepared on an accruals basis and are based on historical costs.

Principles of Consolidations

A controlled entity is any entity controlled by St George Leagues Club Limited. Control exists where St George Leagues Club Limited has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with St George Leagues Club Limited to achieve the objectives of St George Leagues Club Limited. Details of the controlled entity are contained in Note 28.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

(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) when control of the goods passes to the customer.

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.

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

1 Summary of Significant Accounting Policies (continued)

(b) Revenue Recognition – Note 2 (continued)

Interest Revenue

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

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).

Contribution of Assets

Contributions of assets and contributions to assist in the acquisition of assets, being non-reciprocal transfers, are recognised as revenue at the fair value of the asset received when the company gains control of the contribution, except when the contributions are by owners.

(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 Balance Sheet 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 Balance Sheet.

Cash flows are included 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.

(d) Income Tax – Note 6

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

Deferred tax is accounted for using the comprehensive balance sheet 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.

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

1 Summary of Significant Accounting Policies (continued)

(d) Income Tax – Note 6 (continued)

The parent entity adopts the principle of mutuality and is liable for income tax only on income derived from non-members and from investments.

The controlled entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(e) 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).

(f) Cash and Cash Equivalents

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

(g) Trade and Other Receivables – Note 7

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.

(h) 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.

(i) Leased Assets

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

Finance Leases – Note 15

A lease asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease.

Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed. Contingent rentals are expensed as incurred.

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.

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

1 Summary of Significant Accounting Policies (continued)

(j) Financial Assets – Note 9

The economic entity classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. 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.

(k) 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 balance sheet date. The quoted market price used for financial assets held by the economic entity is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

(l) Property, Plant and Equipment – Note 11

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 assets' 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 and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line / diminishing value methods to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings	40 years
Leasehold improvements	10 years
Plant and equipment	10 years
Poker machines	5 years
Motor vehicles	6 years

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

(m) Investment Property – Note 12

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. Refer to Note 1(t).

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

1 Summary of Significant Accounting Policies (continued)

(n) Intangible Assets – Note 13

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.

(o) Trade and Other Payables – Note 14

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.

(p) Employee Benefits – Note 16

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables with respect to employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long Service Leave

The provision for employee benefits 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 rates attaching to national government bonds at reporting date which most closely match the terms of maturity of the related liabilities. The unwinding of the discount is treated as long service leave expense.

Superannuation Plans

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.

(q) Comparatives

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

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 30 June 2009 (continued)

1 Summary of Significant Accounting Policies (continued)

(r) New Accounting Standards and Interpretations

The following Australian Accounting Standards have been issued or amended and are applicable to the company but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

The following standards will be adopted by the entity during the first annual reporting period after the effective date of each pronouncement.

Accounting Standards

AASB No.	Title	Issue Date	Operative Date
8	Operating Segments	February 2007	1 January 2009
101	Presentation of Financial Statements (Amended)	September 2007	1 January 2009
123	Borrowing Costs	June 2007	1 January 2009
3	Business Combinations	March 2008	1 July 2009

(s) Interest in Joint Ventures

The joint venture is jointly controlled by the consolidated entity and other entity. The economic entity's interest is accounted for by using the equity accounting principles in the consolidated financial statements. Details of the economic entity's interests are shown in Note 26.

(t) Changes in Accounting Policies

The company has adopted the fair value method for valuing the investment properties held in accordance with AASB 140 Investment Properties. As a result the standard has been applied retrospectively and the 2008 comparative has been restated accordingly.

In the opinion of the directors the fair value method provides a better reflection of the value of the properties held.

Refer to Note 31 for effect of the change in accounting policy.

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

2 Revenue from Continuing Operations

	<u>Consolidated</u>		<u>The Company</u>	
	2009	2008	2009	2008
	\$	\$	\$	\$
Operating Activities				
Sale of Goods Revenue				
Bar sales	1,846,418	1,520,750	1,846,418	1,520,750
Catering sales	3,863,675	3,843,552	3,863,675	3,843,552
Merchandise sales	38,824	131,068	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	5,748,917	5,495,370	5,710,093	5,364,302
	<hr/>	<hr/>	<hr/>	<hr/>
Rendering of Services Revenue				
Poker machine net clearances	33,883,456	30,746,764	33,883,456	30,746,764
Members' subscriptions	287,967	253,465	287,967	253,465
Commission received	351,605	322,564	351,605	322,564
Other revenue	680,944	396,786	322,911	278,553
	<hr/>	<hr/>	<hr/>	<hr/>
	35,203,972	31,719,579	34,845,939	31,601,346
	<hr/>	<hr/>	<hr/>	<hr/>
Other Revenues				
Grant received	47,195	-	-	-
Interest received	53,414	253,031	48,954	232,858
Rent received	115,792	54,283	115,792	54,283
Share of Partnership income	-	121,454	-	121,454
Sundry income	23,796	15,732	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other revenue	240,197	444,500	164,746	408,595
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue from continuing operations	41,193,086	37,659,449	40,720,778	37,374,243
	<hr/>	<hr/>	<hr/>	<hr/>

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

3 Expenses

	<u>Consolidated</u>		<u>The Company</u>	
	2009	2008	2009	2008
	\$	\$	\$	\$
Loss before income tax expense includes the following specific items:				
Hire purchase charges	2,625	1,542	-	-
Depreciation and amortisation				
Buildings depreciation	89,940	68,857	89,940	68,857
Plant and equipment depreciation	2,091,536	2,238,873	2,064,166	2,215,334
Leased assets amortisation	17,489	-	17,489	-
	2,198,965	2,307,730	2,171,595	2,284,191
Leasehold improvements	220,621	220,621	204,616	204,616
Write down of inventories to net realisable value	10,925	-	-	-
Net expense from movements in provision for				
Employee benefits	100,755	122,966	99,472	129,446
Net loss on disposal of non-current assets	79,629	93,290	79,629	93,290
Impairment of assets (Intangibles)				
Impairment losses recognised in profit and loss	-	16,000	-	16,000
Net gain on revaluation of investment properties	-	114,910	-	114,910
Share in loss from Narellan Properties	823,966	-	823,966	-

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

	<u>Consolidated</u>		<u>The Company</u>	
	2009 \$	2008 \$	2009 \$	2008 \$
4 Auditor's Remuneration				
During the year the following fees were paid or payable for services provided by the auditor:				
Audit Services				
Auditors of the company				
Audit and review of financial reports	35,344	33,696	32,344	30,896
	<hr/>	<hr/>	<hr/>	<hr/>
Other Services				
Auditors of the company				
Taxation services	3,900	11,590	3,900	11,590
Other assurance services	8,656	8,269	8,656	8,269
	<hr/>	<hr/>	<hr/>	<hr/>
	12,556	19,859	12,556	19,859
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

5 Football Clubs and Community Development and Support Expenditure

Amortisation of improvements to Jubilee Oval	220,621	220,621	204,616	204,616
Community development and support expenditure	581,211	461,260	581,211	461,260
Grant to St George District Rugby League Football Club Ltd	-	-	250,000	250,000
Grant to St George Illawarra District Rugby League Football Club Pty Ltd	3,700,000	3,500,000	3,700,000	3,500,000
	<hr/>	<hr/>	<hr/>	<hr/>
	4,501,832	4,181,881	4,735,827	4,415,876
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

6 Income Tax

St George Leagues Club Limited is liable for income tax, based upon income derived from non-members and from investments in outside entities. In view of these special circumstances, it is not appropriate to compare income tax payable with the net profit disclosed in the Income Statements.

The consolidated entity, St George District Rugby League Football Club Limited, is exempt from income tax under Section 50-45 of the Income Tax Assessment Act (1997).

(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.

	Consolidated		The Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
The amount set aside for income tax in the Income Statements has been calculated as follows:				
Portion of income attributable to non-members	7,775,643	6,864,804	7,775,643	6,864,804
Less: Portion of expenses attributable to non-members	(6,114,713)	(5,558,728)	(6,114,713)	(5,558,728)
	<hr/>	<hr/>	<hr/>	<hr/>
Add: Other assessable income	1,660,930	1,306,076	1,660,930	1,306,076
Less: Other deductible expenses	569,687	649,094	569,687	649,094
Tax loss carried forward	(2,354,037)	(1,789,764)	(2,354,037)	(1,789,764)
	<hr/>	<hr/>	<hr/>	<hr/>
Net income subject to tax	123,420	-	123,420	-
	<hr/>	<hr/>	<hr/>	<hr/>
Current income tax applicable to above at 30%	-	49,622	-	49,622
Increase in deferred tax liability	27,475	776	27,475	776
Increase in deferred tax asset	(47,283)	(6,904)	(47,283)	(6,904)
Under/(overprovided) in prior year	(50,136)	70	(50,136)	70
	<hr/>	<hr/>	<hr/>	<hr/>
Income tax attributable to operating profit	(69,944)	43,564	(69,944)	43,564
	<hr/>	<hr/>	<hr/>	<hr/>

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

6 Income Tax (continued)

	<u>Consolidated</u>		<u>The Company</u>	
	2009	2008	2009	2008
	\$	\$	\$	\$
(b) Current Tax (Asset)/Liabilities				
Movements during the year:				
Balance at beginning of year	(98,836)	(351,035)	(98,836)	(351,035)
Income tax paid	(80,420)	(240,889)	(80,420)	(240,889)
Refunds received	124,956	443,396	124,956	443,396
Current year's income tax expense on profit	-	49,622	-	49,622
Under/(over) provision in prior year	(50,136)	70	(50,136)	70
	<hr/>	<hr/>	<hr/>	<hr/>
	(104,436)	(98,836)	(104,436)	(98,836)
	<hr/>	<hr/>	<hr/>	<hr/>
(c) Deferred Tax Assets				
<i>Amounts recognised in profit or loss</i>				
Employee benefits	146,735	136,553	146,735	136,553
Accruals	2,581	2,507	2,581	2,507
Tax losses	37,027	-	37,027	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net deferred tax assets	186,343	139,060	186,343	139,060
	<hr/>	<hr/>	<hr/>	<hr/>
Movements				
Opening balance	139,060	132,155	139,060	132,155
Credited to the income statements	47,283	6,905	47,283	6,905
	<hr/>	<hr/>	<hr/>	<hr/>
Closing balance	186,343	139,060	186,343	139,060
	<hr/>	<hr/>	<hr/>	<hr/>
(d) Deferred Tax Liabilities				
The balance comprises temporary differences attributable to:				
Depreciation	192,538	165,063	192,538	165,063
Revaluation of investment properties	142,138	142,138	142,138	142,138
	<hr/>	<hr/>	<hr/>	<hr/>
Net deferred tax liabilities	334,676	307,201	334,676	307,201
	<hr/>	<hr/>	<hr/>	<hr/>
Movements				
Opening balance	307,201	306,425	307,201	306,425
Charged to income statements	27,475	776	27,475	776
	<hr/>	<hr/>	<hr/>	<hr/>
Closing balance	334,676	307,201	334,676	307,201
	<hr/>	<hr/>	<hr/>	<hr/>

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

7 Trade and Other Receivables

	Consolidated		The Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Current				
Trade debtors	79,684	60,162	90,267	55,832
Goods and Services Tax (GST) receivable	3,225	4,782	-	-
Other debtors	1,741	2,587	-	-
Amounts receivable from:				
St George Illawarra Rugby League Football Club Pty Limited	300,000	1,500,000	300,000	1,500,000
Illawarra District Rugby League Football Club Limited	-	1,950,000	-	1,950,000
	<hr/>	<hr/>	<hr/>	<hr/>
	384,650	3,517,531	390,267	3,505,832
Non-Current				
Other debtors	7,429	7,429	7,429	7,429
	<hr/>	<hr/>	<hr/>	<hr/>

8 Inventories

Current				
Finished goods				
Publications – at cost	21,875	25,224	-	-
Less write down to net realisable value	(10,925)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	10,950	25,224	-	-
Bar and catering stock	364,741	341,861	364,741	341,861
Memorabilia stock	46,539	37,549	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Finished goods at cost	422,230	404,634	364,741	341,861
	<hr/>	<hr/>	<hr/>	<hr/>

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

9 Financial Assets

	Consolidated		The Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Available for sale investments				
– Interest in business undertaking				
– unlisted, at cost (a)				
Current				
Share in Narellan Properties				
Current account	-	41,883	-	41,883
Non-Current				
Share in Narellan Properties				
Current account	(665,416)	-	(665,416)	-
Capital account	698,762	125,000	698,762	125,000
	33,346	125,000	33,346	125,000
Unsecured loan				
Rugby League Country Club Ltd	100,000	100,000	100,000	100,000
Interest in Joint Venture	100	100	-	-
	133,446	225,100	133,346	225,000

The parent entity has an 8.33% interest in Narellan Properties Partnership, the principal activity of which is the rental of land ownership.

The parent entity has reclassified the current account to non-current in the 2009 year to reflect it does not expect to dispose of the asset in the next 12 months. The comparative has not been restated.

The interest in the partnership resulted in a share of loss of \$707,299 (2008: \$4,787 profit) to the entity.

In the prior financial year Narellan Properties distributed what was called a rezoning fee receiving \$1,000,000. The treatment in prior year accounts of \$883,333 was credited as income in advance and \$116,667 taken as share of partnership income. However, this has been subsequently called drawings from the Capital Account and any movement should have gone through the equity. Hence in the current year the amount has been reversed from the income in advance and sundry income and credited to investments.

Further, in the current year the land has been revalued with the share of gain distributed among the partners. The share of gain from the revaluation to St George Leagues Club Limited is \$1,473,762.

10 Other Assets

Current				
Prepayments and income receivable	338,550	465,962	330,417	456,820
Deposits Paid	-	200,848	-	200,848
	338,550	666,810	330,417	657,668

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

11 Property, Plant and Equipment

	<u>Consolidated</u>		<u>The Company</u>	
	2009	2008	2009	2008
	\$	\$	\$	\$
Land and Buildings				
At cost	28,169,436	22,630,197	28,169,436	22,630,197
Accumulated depreciation	(401,489)	(311,549)	(401,489)	(311,549)
	<hr/>	<hr/>	<hr/>	<hr/>
	27,767,947	22,318,648	27,767,947	22,318,648
	<hr/>	<hr/>	<hr/>	<hr/>
Leasehold Improvements				
At cost	2,152,861	2,152,861	2,046,162	2,046,162
Less: Accumulated amortisation	(2,078,306)	(1,857,685)	(2,022,730)	(1,818,114)
	<hr/>	<hr/>	<hr/>	<hr/>
	74,555	295,176	23,432	228,048
	<hr/>	<hr/>	<hr/>	<hr/>
Total Land, Buildings and Leasehold Improvements	27,842,502	22,613,824	27,791,379	22,546,696
	<hr/>	<hr/>	<hr/>	<hr/>
Poker Machines				
At cost	13,289,661	12,130,782	13,289,661	12,130,782
Less: Accumulated depreciation	(8,975,913)	(8,030,481)	(8,975,913)	(8,030,481)
	<hr/>	<hr/>	<hr/>	<hr/>
	4,313,748	4,100,301	4,313,748	4,100,301
	<hr/>	<hr/>	<hr/>	<hr/>
Leased Poker Machines				
At cost	249,840	-	249,840	-
Less: Accumulated amortisation	(17,489)	-	(17,489)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	232,351	-	232,351	-
	<hr/>	<hr/>	<hr/>	<hr/>
Plant and Equipment				
At cost	18,559,736	16,492,058	18,407,274	16,371,151
Less: Accumulated depreciation	(11,954,437)	(11,219,386)	(11,891,194)	(11,176,123)
	<hr/>	<hr/>	<hr/>	<hr/>
	6,605,299	5,272,672	6,516,080	5,195,028
	<hr/>	<hr/>	<hr/>	<hr/>
Motor Vehicles				
At cost	275,639	275,064	242,798	242,223
Less: Accumulated depreciation	(123,396)	(170,564)	(101,228)	(155,786)
	<hr/>	<hr/>	<hr/>	<hr/>
	152,243	104,500	141,570	86,437
	<hr/>	<hr/>	<hr/>	<hr/>
Total Plant and Equipment	11,303,641	9,477,473	11,203,749	9,381,766
	<hr/>	<hr/>	<hr/>	<hr/>
Capital Work In Progress	1,328,496	3,527,285	1,328,496	3,527,285
	<hr/>	<hr/>	<hr/>	<hr/>
Total Property, Plant and Equipment	40,474,639	35,618,582	40,323,624	35,455,747
	<hr/>	<hr/>	<hr/>	<hr/>

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

11 Property, Plant and Equipment (continued)

Valuation

An independent valuation of the company's land and buildings was carried out as at 31 October 2008 on the basis of open market value for existing use resulted in a valuation of \$24,000,000. Building and improvement additions since the date of the valuation are \$6,867,735. As land and buildings are recorded at cost the valuation has not been brought to account.

	Consolidated		The Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
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:				
Land and Buildings				
Carrying amount at beginning of year	22,318,648	22,385,021	22,318,648	22,385,021
Additions	978,585	2,484	978,585	2,484
Depreciation expense	(89,940)	(68,857)	(89,940)	(68,857)
Transfer from Capital Work in Progress	4,560,654	-	4,560,654	-
	27,767,947		22,318,648	
Carrying amount at end of year	27,767,947	22,318,648	27,767,947	22,318,648
Leasehold Improvements				
Carrying amount at beginning of year	295,176	515,797	228,048	432,664
Amortisation expense	(220,621)	(220,621)	(204,616)	(204,616)
	74,555		23,432	
Carrying amount at end of year	74,555	295,176	23,432	228,048

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

11 Property, Plant and Equipment (continued)

	Consolidated		The Company	
	2009 \$	2008 \$	2009 \$	2008 \$
Reconciliations (continued)				
Poker Machines				
Carrying amount at beginning of year	4,100,301	4,522,100	4,100,301	4,522,100
Additions	1,615,622	1,164,703	1,615,622	1,164,703
Disposals	(81,439)	(93,290)	(81,439)	(93,290)
Depreciation expense	(1,320,736)	(1,482,194)	(1,320,736)	(1,482,194)
Transfer	-	(11,018)	-	(11,018)
Carrying amount at end of year	4,313,748	4,100,301	4,313,748	4,100,301
Leased Poker Machines				
Carrying amount at beginning of year	-	-	-	-
Additions	249,840	-	249,840	-
Amortisation expense	(17,489)	-	(17,489)	-
Carrying amount at end of year	232,351	-	232,351	-
Plant and Equipment				
Carrying amount at beginning of year	5,272,672	5,249,647	5,195,028	5,161,296
Additions	2,067,678	736,295	2,036,123	730,852
Depreciation expense	(735,051)	(724,198)	(715,071)	(708,048)
Transfer	-	10,928	-	10,928
Carrying amount at end of year	6,605,299	5,272,672	6,516,080	5,195,028
Motor Vehicles				
Carrying amount at beginning of year	104,500	136,981	86,437	111,529
Additions	107,593	-	107,593	-
Disposals	(24,101)	-	(24,101)	-
Depreciation expense	(35,749)	(32,481)	(28,359)	(25,092)
Carrying amount at end of year	152,243	104,500	141,570	86,437
Capital Work In Progress				
Carrying amount at beginning of year	3,527,285	-	3,527,285	-
Additions	2,361,865	3,527,285	2,361,865	3,527,285
Transfer to Land and Buildings	(4,560,654)	-	(4,560,654)	-
Carrying amount at end of year	1,328,496	3,527,285	1,328,496	3,527,285

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

	Consolidated		The Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
12 Investment Property				
Balance at the beginning of the year	2,050,000	1,935,000	2,050,000	1,935,000
Transfer	-	90	-	90
Fair value adjustments	-	114,910	-	114,910
	<hr/>		<hr/>	
Balance at the end of the year	2,050,000	2,050,000	2,050,000	2,050,000
	<hr/>		<hr/>	
(a) Amounts recognised in profit and loss for investment property				
Rent income	63,792	54,283	63,792	54,283
Direct operating expenses from property that generated rental income	(14,679)	(23,790)	(14,679)	(23,790)
	<hr/>		<hr/>	
	49,113	30,493	49,113	30,493
	<hr/>		<hr/>	

(b) Valuation Basis

As detailed in Note 1(t) and Note 31 the economic entity has elected to value investment properties at fair value as at 31 October 2009.

The investment properties held by the group were valued by an independent registered valuer at 31 October 2008 for \$2,050,000. The directors are of the opinion the valuation is still current.

Refer to Note 31 for effect of change of accounting policy.

(c) Leasing Arrangements

Investment properties comprise a number of commercial properties that are leased to third parties. No leases contain an initial non-cancellable period. Subsequent renewals are negotiated with the lessee. Properties' interests held under operating leases are classified as investment properties. No contingent rents are charged.

The investment properties are leased to tenants under short term operating leases with rentals payable monthly.

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

13 Intangible Assets

	Note	<u>Consolidated</u>		<u>The Company</u>	
		2009 \$	2008 \$	2009 \$	2008 \$
Poker machine entitlements - at cost		76,000	76,000	76,000	76,000
Impairment		(32,000)	(32,000)	(32,000)	(32,000)
Net book amount		44,000	44,000	44,000	44,000
Reconciliation					
Opening net book amount		44,000	60,000	44,000	60,000
Impairment		-	(16,000)	-	(16,000)
Net book amount		44,000	44,000	44,000	44,000

14 Trade and Other Payables

Current

Unsecured liabilities					
Trade creditors		776,769	1,046,730	682,968	888,924
Goods and Services Tax (GST) payable		106,085	184,479	106,085	184,479
Sundry creditors and accruals		2,560,780	1,781,300	2,560,780	1,781,300
		3,443,634	3,012,509	3,349,833	2,854,703

Non-Current

Sundry creditors and accruals		100,349	57,415	57,288	-
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15 Financial Liabilities

Current

Secured finance lease liabilities	21	83,280	-	83,280	-
Secured hire purchase liabilities	21	6,226	12,553	-	-
		89,506	12,553	83,280	-

Non-Current

Secured finance lease liabilities	21	145,740	-	145,740	-
Secured hire purchase liabilities	21	24,136	-	-	-
		169,876	-	145,740	-

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

15 Financial Liabilities (cont'd)

Financing Arrangements	<u>Consolidated</u>		<u>The Company</u>	
	2009	2008	2009	2008
	\$	\$	\$	\$
The company has access to the following lines of credit:				
Total facilities available:				
Commercial Bill	5,500,000	-	5,500,000	-
Facilities utilised at reporting date:				
Commercial Bill	-	-	-	-
Facilities not utilised at reporting date:				
Commercial Bill	5,500,000	-	5,500,000	-

Commercial Bill

The commercial bill facility is to fund the payments of the capital commitments in Note 21.

Security

The security for the facility is:

1. First registered real property mortgage by St George Leagues Club Limited over the Commercial property located at 124 Princes Highway, Kogarah NSW 2217
2. First registered fixed and floating charge over the assets and undertaking of St George Leagues Club Limited
3. Charge over the liquor licence of the Club given by St George Leagues Club Limited.

16 Employee Benefits

	<u>Consolidated</u>		<u>The Company</u>	
	2009	2008	2009	2008
	\$	\$	\$	\$
Current	2,392,597	2,284,499	2,343,565	2,236,750
Non-Current	161,166	168,509	161,166	168,509
(a) Aggregate employee benefit liability	2,553,763	2,453,008	2,504,731	2,405,259
(b) Number of employees at year end	213	220	211	218

Superannuation Plans

Contributions

The company is under a legal obligation to contribute 9% of each employee's salary base salary to a superannuation fund.

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

17 Other Liabilities

	<u>Consolidated</u>		<u>The Company</u>	
	2009	2008	2009	2008
	\$	\$	\$	\$
Current				
Income received in advance	109,386	312,030	92,113	286,121
	<hr/>		<hr/>	
Non-Current				
Income received in advance	142,449	863,492	142,449	846,219
	<hr/> <hr/>		<hr/> <hr/>	

	<u>Consolidated</u>		<u>The Company</u>	
	2009	2008	2009	2008
	\$	\$	\$	\$

18 Reserves

Financial Assets Reserve	1,473,762	-	1,473,762	-
	<hr/>		<hr/>	

Movements During the Year

Asset Revaluation

Balance at beginning of year	-	-	-	-
Revaluation increment/(decrement)	1,473,762	-	1,473,762	-
	<hr/>		<hr/>	

Balance at end of year	1,473,762	-	1,473,762	-
	<hr/> <hr/>		<hr/> <hr/>	

Nature and Purpose of Reserves

Financial Asset Reserve

The financial asset reserve records revaluation of financial assets that have been designated as available for sale. Refer to Note 9.

19 Retained Profits

Retained profits at the beginning of the financial year	40,292,170	41,709,977	40,235,795	41,254,575
Loss attributable to members of the entity	(1,028,268)	(1,417,807)	(978,460)	(1,018,780)
	<hr/>		<hr/>	
Retained profits at the end of the financial year	39,263,902	40,292,170	39,257,335	40,235,795
	<hr/> <hr/>		<hr/> <hr/>	

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

20 Additional Financial Instruments Disclosure

The economic entity's financial instruments consist primarily of deposits with bankers, accounts receivable or payable and finance leases. These activities expose the association to a variety of financial risk, market risk, credit risk and liquidity risk.

The economic entity holds the following instruments:

	2009	2008
	\$	\$
Financial Assets		
Cash and cash equivalents	3,535,580	4,496,513
Trade and other receivables	392,079	3,524,960
Available for sale financial assets – share in Narellan properties	33,346	166,883
Available for sale financial assets – interest in joint venture	100	100
Loans and receivables	100,000	100,000
	<hr/>	<hr/>
Total Financial Assets	4,061,105	8,288,456
	<hr/>	<hr/>
Financial Liabilities		
Trade and other payables	3,543,983	3,069,924
Hire purchase liabilities	30,362	12,553
Finance lease liabilities	229,020	-
	<hr/>	<hr/>
Total Financial Liabilities	3,803,365	3,082,477
	<hr/>	<hr/>
Net Exposure	257,740	5,205,979
	<hr/>	<hr/>

Financial Risk Management Policies

Although the economic entity does not have documented policies and procedures, the company manage the different types of risk to which it is exposed by considering risk and monitoring levels of exposure to interest rate risk and by being aware of market forecast for interest rates. Ageing analyses and monitoring of specific and it allowances are undertaken to manage credit risk, liquidity risk is monitored through general business budgets and forecasts.

The economic entity's financial instruments and the policies associated with the risks of carrying these are summarised below:

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

20 Additional Financial Instruments Disclosure (continued)

(a) Interest Rate Risk

The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

2009	Note	Weighted average interest rate %	Floating interest rate \$	Fixed interest maturing in 1 year or less \$	Fixed interest maturing in 1-5 years \$	Non Interest- bearing \$	Total \$
Financial assets							
Cash and cash equivalents		0.80%	2,241,070	-	-	1,294,510	3,535,580
Trade and other receivables	7	-	-	-	-	392,079	392,079
Other Financial assets	9	2.25%	100,000	-	-	33,446	133,446
			<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
			2,341,070	-	-	1,720,035	4,061,105
<hr/>							
Financial liabilities							
Trade and other payables	14	-	-	-	-	3,543,983	3,543,983
Hire purchase liability	15	8.20%	-	6,226	24,136	-	30,362
Finance liability	15	-	-	-	-	229,020	229,020
			<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
			-	6,226	24,136	3,773,003	3,803,365
			<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

20 Additional Financial Instruments Disclosure (continued)

(a) Interest Rate Risk (continued)

2008	Note	Weighted average interest rate %	Floating interest rate \$	Fixed interest maturing in 1 year or less \$	Fixed interest maturing in 1-5 years \$	Non Interest- bearing \$	Total \$
Financial assets							
Cash and cash equivalents		3.41%	3,196,633	-	-	1,299,880	4,496,513
Trade and other receivables	7	-	-	-	-	3,524,960	3,524,960
Financial assets	9	1.95%	100,000	-	-	166,983	266,983
			3,296,633	-	-	4,991,823	8,288,456
Financial liabilities							
Trade and other payables	14	-	-	-	-	3,069,924	3,069,924
Hire purchase liability	15	7.9%	-	12,553	-	-	12,553
			-	12,553	-	3,069,924	3,082,477

(b) Credit Risk Exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

Recognised Financial Instruments

The credit risk on financial assets, excluding investments, of the company which have been recognised on the Balance Sheet, is the carrying amount, net of any provision for doubtful debts.

The company minimises concentrations of credit risk by undertaking transactions with a large number of patrons.

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

20 Additional Financial Instruments Disclosure (continued)

(c) Net Fair Values

The aggregate fair values and carrying amount of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

No financial assets and financial liabilities are readily traded on organised markets in a standardised form.

For other assets and other liabilities net fair value approximates their carrying value.

(d) Summarised Sensitivity Analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the Balance Sheet date.

	Carrying amount	-1%	-1%	+1%	+1%
		Profit	Equity	Profit	Equity
Financial Assets					
Cash and cash equivalents	2,239,265	(223,927)	(223,927)	223,927	223,927
Other financial assets	100,000	(1,000)	(1,000)	1,000	1,000
Financial Liabilities					
Hire purchase liabilities	30,362	3,036	3,036	(3,036)	(3,036)
Increase/(decrease)		(221,891)	(221,891)	221,891	221,891

21 Capital Expenditure Commitments

	<u>Consolidated</u>		<u>The Company</u>	
	2009	2008	2009	2008
	\$	\$	\$	\$
<i>Buildings</i>				
Contracted but not provided for and payable:				
Within one year	3,300,000	550,000	3,300,000	550,000
	3,300,000	550,000	3,300,000	550,000

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

21 Capital Expenditure Commitments (continued)

	<u>Consolidated</u>		<u>The Company</u>	
	2009	2008	2009	2008
	\$	\$	\$	\$
Operating Lease Payable Commitments				
Future non-cancellable operating lease rentals of property, plant and equipment, not provided in the financial statements and payable:				
Within one year	75,000	75,000	-	-
One year or later and no later than five years	300,000	300,000	-	-
Later than five years	100,000	175,000		
	<hr/>	<hr/>	<hr/>	<hr/>
	475,000	550,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Hire Purchase Commitments				
Hire purchase payments are payable as follows:				
Within one year	8,485	13,162	-	-
One year or later and no later than five years	27,577	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Minimum hire purchase payments	36,062	13,162	-	-
Less: Future hire purchase charges	(5,700)	(609)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount of hire purchase liabilities	30,362	12,553	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Hire purchase liabilities provided for in the financial statements:				
Current	6,226	12,553	-	-
Non-current	24,136	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total hire purchase liabilities	30,362	12,553	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

21 Capital Expenditure Commitments (continued)

	<u>Consolidated</u>		<u>The Company</u>	
	2009	2008	2009	2008
	\$	\$	\$	\$
Finance Lease Commitments				
Finance lease commitments are payable:				
Within one year	83,280	-	83,280	-
One year or later and no later than five years	145,740	-	145,740	-
<hr/>				
Minimum lease payments	229,020	-	229,020	-
Less: Future lease finance charges	-	-	-	-
<hr/>				
Carrying amount of lease liabilities	229,020	-	229,020	-
<hr/>				
Lease liabilities provided for in the financial statements:				
Current	83,280	-	83,280	-
Non-current	145,740	-	145,740	-
<hr/>				
	229,020	-	229,020	-
<hr/>				

22 Contingent Liabilities

	<u>Consolidated</u>		<u>The Company</u>	
	2009	2008	2009	2008
	\$	\$	\$	\$
Contingent Liabilities				
Estimates of the potential financial effect of contingent liabilities that may become payable:				
Bank Guarantees				
Contingent liabilities with respect to bank guarantees given to third parties	50,000	50,000	50,000	50,000
<hr/>				

Financial Support

The parent entity has given an undertaking of continued financial support to the St George District Rugby League Football Club Ltd and St George Illawarra Rugby League Football Club Pty Ltd.

At balance date the former had total member funds of \$6,567 (2008: \$56,375) and the latter had total members' funds of \$(570,553) (2008: \$480,699).

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

22 Contingent Liabilities

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.

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

23 Cash Flow Information

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	Consolidated		The Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Cash and cash equivalents	3,535,580	4,496,513	3,506,604	4,367,982
<hr/>				
(b) Reconciliation of Net Cash Provided By Operating Activities With Loss From Ordinary Activities After Income Tax				
Loss from ordinary activities after income tax	(1,028,268)	(1,417,807)	(978,460)	(1,018,780)
Add non-cash items				
Amortisation of Leasehold Improvements	220,621	220,621	204,616	204,616
Depreciation and Amortisation	2,198,965	2,307,730	2,171,595	2,284,191
Impairment	-	16,000	-	16,000
Loss on disposal of non-current assets	79,629	93,290	79,629	93,290
Hire purchase charges	2,625	1,542	-	-
Gain on revaluation of investment properties	-	(114,910)	-	(114,910)
Share of loss/(profit) from Narellan Properties	823,966	(4,787)	823,966	(4,787)
Increase/(decrease) in deferred tax liabilities	27,475	776	27,475	776
(Increase)/decrease in deferred tax assets	(47,283)	(6,905)	(47,283)	(6,905)
(Increase)/decrease in current tax assets	(5,600)	252,199	(5,600)	252,199
Net cash provided by operating activities before change in assets and liabilities	2,272,130	1,347,749	2,275,938	1,705,690
Changes in assets and liabilities during the financial year				
(Increase)/decrease in receivables	3,132,881	137,810	3,115,565	128,468
(Increase)/decrease in other assets	328,260	(349,145)	327,251	(342,427)
(Increase)/decrease in inventories	(17,596)	(22,949)	(22,880)	(27,726)
Increase/(decrease) in payables	474,059	504,209	552,418	332,453
Increase/(decrease) in other liabilities	(40,354)	918,742	(14,445)	948,578
Increase/(decrease) in employee benefits	100,755	122,966	99,472	129,446
Net cash inflow from operations	6,250,135	2,659,382	6,333,319	2,874,482

* 2009 movements in other liabilities for the company and the consolidated entity are shown net of the movement of drawings of \$833,333 to financial assets which are classified as investing activities. Refer to Note 9 (a).

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

24 Key Management Personnel

(a) Directors

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

Harvey Lockwood
 Ralph Piggott
 Peter Doust
 Brian Johnston
 Bruce Spaul
 Peter Black
 James Farmer
 Craig Young
 Martin Newman

(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:

Danny Robinson	General Manager
Michael Derrig	Assistant General Manager
Garry Carr	Gaming Operations Manager
Joni Deibert	Human Resources Manager
Kim Finigan	Chief Engineer
Marion Casey	Food Services Manager

(c) Management Personnel Compensation

The following are benefits and payments made to the Directors and other Key Management Personnel named in (a) and (b) above:

	2009	2008
	\$	\$
Short term employee benefits	1,191,996	1,194,177
Post-employment benefits	193,354	132,729
Other long-term benefits	19,825	36,974
	<hr/>	<hr/>
	1,405,175	1,363,880
	<hr/> <hr/>	<hr/> <hr/>

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

25 Related Parties

Key Management Personnel

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

Directors' Transactions with the Company

	<u>Consolidated</u>		<u>The Company</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	\$	\$	\$	\$
Grants paid to St George Illawarra Rugby League Football Club Pty Ltd	3,700,000	3,500,000	3,700,000	3,500,000
Grants paid to St George District Rugby League Football Club Ltd	-	-	250,000	250,000
Loan – St George Illawarra Rugby League Football Club Ltd	300,000	1,500,000	300,000	1,500,000
Loan – Illawarra District Rugby League Football Club Ltd	-	1,950,000	-	1,950,000
Sundry debtor – St George Illawarra Rugby League Football Club Pty Ltd	19,097	20,315	19,097	20,315
Sundry debtor – St George District Rugby League Football Club	-	-	15,445	825
Sundry creditor – St George District Rugby League Football Club	-	-	1,000	-

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.

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 existing at year end.

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

26 Joint Ventures

Interests in Joint Venture Entities

The economic entity has a 50% interest in the joint venture entity, St George Illawarra Rugby League Football Club Pty Limited, whose principal activity is promotion and propagation of rugby league.

Reporting date of St George Illawarra Rugby League Football Club Pty Limited: 31 October 2009.

Ownership interest in St George Illawarra Rugby League Football Club Pty Limited at 31 October 2009 is 50%.

The voting power held by the economic entity is 50%.

	Consolidated		The Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
(i) Retained earnings attributable to interest in joint venture:				
Balance at the beginning of the financial year	240,249	539,264	-	-
Share of joint venture loss from ordinary activities after income tax	(525,625)	(299,015)	-	-
Balance at the end of the financial year	(285,376)	240,249	-	-
(ii) Carrying amount of investment in joint venture entity:				
Balance at the beginning of the financial year	100	100	-	-
Balance at the end of the financial year	100	100	-	-
(iii) Share of joint venture entity's results and financial position				
Current assets	544,521	1,419,127	-	-
Non-current assets	315,584	225,204	-	-
Total Assets	860,105	1,644,331	-	-
Current Liabilities	970,662	1,311,909	-	-
Non-current liabilities	174,719	92,073	-	-
Total Liabilities	1,145,381	1,403,982	-	-
Revenues	9,407,748	8,144,960	-	-
Expenses	(9,933,373)	(8,443,975)	-	-
Loss from ordinary activities before income tax	(525,625)	(299,015)	-	-
Loss from ordinary activities after income tax and extraordinary items	(525,625)	(299,015)	-	-

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

27 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 2009 there were 28,020 members (2008: 28,010).

The registered office of the company is:

St George Leagues Club Limited
124 Princes Highway
Kogarah NSW 2217

28 Controlled Entities

Subsidiary:	St George District Rugby League Football Club Ltd
Country of Incorporation:	Australia

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

29 Segment Reporting

Business Segments

The consolidated entity comprises the following two business segments, based on the consolidated entity's management reporting system:

Licensed club	The club provides members and their guests with the amenities and facilities usually associated with social clubs such as gaming facilities and leisure activities.
Football club	The club fosters, encourages, promotes and controls development, playing and interests of rugby league football.

2009	Licensed Club	Football Club	Eliminations	Total
	\$	\$	\$	\$
REVENUE				
External sales	40,720,778	466,385	(41,272)	41,145,891
Football grants	-	297,195	(250,000)	47,195
Total Segment Revenue	40,720,778	763,580	(291,272)	41,193,086
Total revenue from ordinary activities				41,193,086
RESULT				
Segment result	(978,460)	(49,808)	-	(1,028,268)
Profit/(loss) before income tax expense				(1,098,212)
Income tax expense				69,944
Profit/(loss) after income tax expense				(1,028,268)
Net Profit/(Loss)				(1,028,268)
ASSETS				
Segment assets	47,441,207	256,541	(16,445)	47,681,303
Total Assets				47,681,303
LIABILITIES				
Segment liabilities	6,710,110	249,974	(16,445)	6,943,639
Total liabilities				6,943,639
Acquisition of non-current assets	7,099,788	31,555	-	7,131,343
Depreciation and amortisation	2,376,211	43,375	-	2,419,586
Other non-cash expenses	903,595	2,625	-	906,220

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

29 Segment Reporting (continued)

2009	Licensed Club \$	Football Club \$	Eliminations \$	Total \$
CASH FLOW INFORMATION				
Net cash flow from operating activities	6,333,319	(83,184)	-	6,250,135
Net cash flow from investing activities	(7,173,877)	(31,555)	-	(7,205,432)
Net cash flow from financing activities	(20,820)	15,184	-	(5,636)
2008	Licensed Club \$	Football Club \$	Eliminations \$	Total \$
REVENUE				
External sales	37,374,243	304,703	(19,497)	37,659,449
Football grants	-	250,000	(250,000)	-
Total Segment Revenue	37,374,243	554,703	(269,497)	37,659,449
Total revenue from ordinary activities				37,659,449
RESULT				
Segment result	(1,018,780)	(399,027)	-	(1,417,807)
Profit/(loss) before income tax expense				(1,374,243)
Income tax expense				(43,564)
Profit/(loss) after income tax expense				(1,417,807)
Net Profit/(Loss)				(1,417,807)
ASSETS				
Segment assets	46,935,298	375,905	(825)	47,310,378
Total Assets				47,310,378
LIABILITIES				
Segment liabilities	6,699,503	319,530	(825)	7,018,208
Total liabilities				7,018,208
Acquisition of non-current assets	5,425,324	5,443	-	5,430,767
Depreciation and amortisation	2,488,807	39,544	-	2,528,351
Other non-cash expenses	109,290	1,542	-	110,832

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

29 Segment Reporting (continued)

2008	Licensed Club \$	Football Club \$	Eliminations \$	Total \$
CASH FLOW INFORMATION				
Net cash flow from operating activities	2,874,482	(215,100)	-	2,659,382
Net cash flow from investing activities	(5,425,324)	(5,443)	-	(5,430,767)
Net cash flow from financing activities	-	(14,248)	-	(14,248)

Secondary Reporting – Geographical Segments

The group's business segments are in one geographical segment located in New South Wales, Australia.

30 Events Subsequent to Reporting Date

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

31 Change in Accounting Policy

The economic entity changed its accounting policy in relation to the valuation of the investment properties held by the parent company. Investment properties were previously recognised by the economic entity at cost. The economic entity has adopted the fair value method for valuing the investment properties held in accordance with AASB 140 Investment Properties. As a result the standard has been applied retrospectively and the 2008 comparative has been restated accordingly.

In the opinion of the directors the fair value method provides a better reflection of the value of the properties held. The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 31 October 2009 is as follows:

Income Statements

	2008 Consolidated			2008 Company		
	Previously Stated	Adjustment	Restated	Previously Stated	Adjustment	Restated
	\$	\$	\$	\$	\$	\$
Gain on revaluation of investment properties	-	114,910	114,910	-	114,910	114,910
Loss before income tax expense	(1,489,153)	114,910	(1,374,243)	(1,090,126)	114,910	(975,216)
Income tax expense	(9,091)	(34,473)	(43,564)	(9,091)	(34,473)	(43,564)
Net loss from continuing operations after income tax expense attributable to members	(1,498,244)	80,437	(1,417,807)	(1,099,217)	80,437	(1,018,780)

St George Leagues Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 31 October 2009 (continued)

31 Change in Accounting Policy (continued)

Statement of Changes in Equity

	<u>2008 Consolidated</u>			<u>2008 Company</u>		
	Previously Stated \$	Adjustment \$	Restated \$	Previously Stated \$	Adjustment \$	Restated \$
Retained Earnings						
Opening balance	41,458,759	251,218	41,709,977	41,003,357	251,218	41,254,575
Loss for the year	(1,498,244)	80,437	(1,417,807)	(1,099,217)	80,437	(1,018,780)
Closing balance	39,960,515	331,655	40,292,170	39,904,140	331,655	40,235,795
Total Equity						
Opening balance	41,458,759	251,218	41,709,977	41,003,357	251,218	41,254,575
Loss for the year	(1,498,244)	80,437	(1,417,807)	(1,099,217)	80,437	(1,018,780)
Closing balance	39,960,515	331,655	40,292,170	39,904,140	331,655	40,235,795

Balance Sheets

	<u>2008 Consolidated</u>			<u>2008 Company</u>		
	Previously Stated \$	Adjustment \$	Restated \$	Previously Stated \$	Adjustment \$	Restated \$
Investment property	1,576,207	473,793	2,050,000	1,576,207	473,793	2,050,000
Total Non Current Assets	37,610,378	473,793	38,084,171	37,447,443	473,793	37,921,236
Total Assets	46,836,585	473,793	47,310,378	46,461,505	473,793	46,935,298
Deferred Tax Liabilities	165,603	142,138	307,201	165,603	142,138	307,201
Total Non Current Liabilities	1,254,479	142,138	1,396,617	1,179,791	142,138	1,321,929
Total Liabilities	6,876,070	142,138	7,018,208	6,557,365	142,138	6,699,503
Net Assets	39,960,515	331,655	40,292,170	39,904,140	331,655	40,235,795
Retained Profits	39,960,515	331,655	40,292,170	39,904,140	331,655	40,235,795
Total Members' Funds	39,960,515	331,655	40,292,170	39,904,140	331,655	40,235,795