

**QUEANBEYAN KANGAROO  
RUGBY LEAGUE FOOTBALL  
CLUB LIMITED  
ABN 29 001 013 092**

**FINANCIAL STATEMENTS**

**30 JUNE 2010**

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**FINANCIAL STATEMENTS - 30 JUNE 2010**

**CONTENTS**

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

STATEMENT OF FINANCIAL POSITION

STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CASH FLOWS

NOTES TO THE FINANCIAL STATEMENTS

DIRECTORS' DECLARATION

INDEPENDENT AUDITOR'S REPORT

INCOME AND EXPENDITURE STATEMENT

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**DIRECTORS' REPORT**

The Directors present their report together with the Statement of Financial Position as at 30 June 2010 and supporting financial statements for the year ended that date, and in accordance with a resolution of Directors, report as follows:

**DIRECTORS**

The names of the Directors of the Queanbeyan Kangaroo Rugby League Football Club Limited ("the Club") during the whole financial year and until the date of this report (except as otherwise noted) are as follows:

**Michael Carruthers – President**

- Member of the Board for 15 years

**David Hagel –Vice President**

- Member of the Board for 14 years

**Nathan Reid – Secretary**

- Member of the Board for 4 years

**Richard Carruthers – Treasurer**

- Member of the Board for 37 year

**Ronald Martin**

- Member of the Board for 13 years

**Brian Fitzgerald**

- Member of the Board for 20 years

**Colin Palmer**

- Member of the Board for 10 years

**Peter Elliot**

- Member of the Board for 9 years

**COMPANY SECRETARY**

Mr Leigh Kiely held the position of company secretary for whole of the financial year. Mr Kiely is the General Manager of the Club and has worked in the hospitality industry for many years. Mr Kiely was appointed company secretary on 8 August 1998.

**PRINCIPAL ACTIVITIES**

The nature of operations and principal activities of the Club during the financial year remained unchanged and were the provision of Club facilities to its members and guests, and the provision of facilities and financial support to the senior football club.

The objective of the Club is to target market all ages so as to continue further growth of the business, particularly population growth and trends whilst always maintaining the best possible facilities available to our members.

Our goal is to make the Queanbeyan Kangaroo Club the best possible function venue in the area and to identify the types of food and beverage that customers will enjoy which will in turn promote the venue to achieve a more frequent function income.

The Club measures the performance of the business through management's ability to meet the budgets that are set for the financial year. This is also done by maintaining long and short strategic planning through regular board meetings.

The Club is incorporated as a company limited by guarantee in NSW, Australia on 21 June 1972.

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**DIRECTORS' REPORT**

The registered office of the Club is:

44 Sydney Avenue  
Barton ACT 2600

The principal place of business of the Club is:

Corner Stuart Street and Richard Avenue  
Queanbeyan NSW 2620

**RESULTS**

The profit for the year after providing for income tax was \$209,153 (2009: \$162,532).

**COMPANY LIMITED BY GUARANTEE**

The liability of members is limited. Every member of the Club undertakes to contribute to the assets of the Club in the event of the same being wound up during the time that he or she is a member or within one year afterwards for the payment of the debts and liabilities of the Club contracted before the time at which he/she ceases to be a member and of the costs, charges and expenses of winding up the same and for the adjustment of the rights of the contributories amongst themselves such amount as may be required not exceeding twenty dollars. There are 4,916 members of the Club and are liable to contribute a total of \$49,160 if the Club is wound up.

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no director has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts or the fixed salary of a full-time employee of the Club, by reason of a contract made by the Club or a related corporation with the Director or with a firm of which he is a member or with a Club in which he has a substantial financial interest.

It is also noted that;

- There were no occasions where Directors reported a material personal interest in a matter relating to the Club's affairs;
- There were no occasions where Directors or top executives reported a financial interest in a hotel in NSW;
- An employee undertook overseas travel on behalf of the Club during the year;
- No loans were granted to Directors or employees at any stage during the year;
- No close relatives of Directors or top executives received, or became entitled to receive any remuneration during the year;
- There was one contract negotiated or renewed with a top executive during the year;
- There was no Controlled Contract approved by the Board and forwarded to the Director of Liquor and Gaming;

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
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**DIRECTORS' REPORT**

**DIRECTORS' BENEFITS (CONT'D)**

- Total revenue from gaming machines for the 12 months ending 30 June 2010 were \$2,699,019;
- The total amount applied to donations and sponsorships during the twelve months to 30 June 2010 was \$189,992;
- There were no legal settlements made with any members of the board or any employees during the year;
- There were no legal fees paid on behalf of the board or any employees during the year, and;
- No gifts from affiliates or contractors of the Club were received with a total value in excess of \$500.

**DIRECTORS' INFORMATION**

<b>Name</b>	<b>Michael Carruthers – President</b>
Qualifications and experience	<p>Michael Carruthers was born in Port Macquarie on 24 March 1965. After finishing year 12, he took up a job in the Commonwealth Public Service and has been a public servant for his entire working life. He has worked across various public service departments and is currently a section manager with the Department of Families, Housing, Community Services and Indigenous Affairs.</p> <p>Michael played junior rugby league with the Queanbeyan Kangaroos through to U19's. He joined the Club as a director in 1996 and was then voted in as President in 1999. As a person with strong interests in rugby league he has remained the current president of the Club and is delighted to be a member of this dedicated board which has already achieved so much.</p>
<b>Name</b>	<b>David Hagel – Vice President</b>
Qualifications and experience	<p>David Hagel was born in Brisbane in 1949. David went to high school at Everton Park in Brisbane and eventually left there to work as a clerk. He then decided to join the air force as a safety equipment worker. David went on to learn a trade as an upholsterer and motor trimmer. He eventually moved to Queanbeyan where he opened and managed his own business operating it for 25 years. He now works in the public service for Australia Post.</p> <p>Before moving to Queanbeyan he played rugby league for the RAAF and his love for the game saw him join the committee of the Club where he remained for about 5 years. He also managed reserve grade and sponsored the footy club over many years as well. He is also proud that both of his sons played footy for the Club.</p> <p>David joined the board in 1996 and is very proud of the way the Club has progressed over the years.</p>

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
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**DIRECTORS' REPORT**

**DIRECTORS' INFORMATION**

<b>Name</b>	<b>Nathan Reid – Secretary</b>
Qualifications and experience	<p>Nathan Reid was born in Queanbeyan in 1976. Nathan completed his schooling in Queanbeyan in 1994 and travelled to the UK to play cricket. Nathan was awarded a cricket scholarship at the Australian Institute of Sport in 1997. At the completion of the scholarship Nathan entered the Australian Public Service. As an employee of the Australian Government since, Nathan has worked across three government agencies focusing mainly on liaison between government agencies within Australia and internationally. Currently his responsibilities are directed at negotiating, developing and implementing collaborative initiatives between government agencies to mitigate the quarantine risks associated with the movement of commercial cargo in trade.</p> <p>He joined the Club as a director in 1996. During his term as a director he also held the position of Secretary of the Club. Nathan has an interest in all sports and through family ties has strong roots in rugby league with family members currently holding roles as CEO and coach of an NRL side. He continues to enjoy his role as Secretary of the Club and the opportunity to guide the Club in providing support for Queanbeyan Kangaroos senior and junior football clubs and the community in general.</p>
<b>Name</b>	<b>Richard Carruthers – Treasurer</b>
Qualifications and experience	<p>Richard Carruthers was born in Sydney on 2 March 1939 and was a teacher until he retired in 1995. He joined the Club as a player and committee member in 1967.</p> <p>From 1970 to 1972, he served on various sub-committees leading up to the incorporation of the Club. He became a foundation board member in 1972.</p> <p>From 1974 to 1979, he was a club delegate of the CRL division group 8 and for 3 of those years he was the Honorary Treasurer.</p> <p>Richard was voted in as President of the Club in 1981, 1982 and again from 1986 until 1999. He is the current Treasurer of the Club.</p>
<b>Name</b>	<b>Ronald Martin</b>
Qualifications and experience	<p>Ronald Martin was born in Nowra NSW on 21 January 1954 and moved to Sydney in 1958. He became a qualified electrician and worked for numerous companies before joining Crown Equipment in 1979 as a technician. He is currently the Canberra branch manager of Crown Equipment.</p> <p>Whilst in Sydney he played rugby league for Wentworthville, Guildford, Blacktown Patrician Brothers and Parramatta.</p> <p>He joined the Club as a director in 1996 and has held the position of Secretary from 2004 to 2008. He still has a very keen interest in rugby league and is very proud to be associated with the future development and progress of the Club.</p>

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
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**DIRECTORS' REPORT**

**DIRECTORS' INFORMATION**

<b>Name</b>	<b>Brian Fitzgerald</b>
Qualifications and experience	<p>Brian Michael Fitzgerald was born on 24 June 1938 in Milton. His parents moved to Nelligen where he spent his childhood. He left Nelligen for employment reasons and in 1960 moved to Queanbeyan and took up employment as a plant operator.</p> <p>Brian was instrumental in 1966 in getting the Club's minor league up and running with 3 teams. He became heavily involved with rugby league in the early days and it is due to volunteers like Brian that the juniors currently have around 20 teams participating in rugby league matches within the Canberra region.</p> <p>Brian then joined the senior committee and stayed on there for approximately 20 years. During that time he has been the manager of both the First and Reserve grade teams.</p> <p>He joined the board of directors of the Club in 1990 and attends board meetings to discuss all aspects of recommendations from the CEO to determine acceptable planning for future developments.</p>
<b>Name</b>	<b>Colin Palmer</b>
Qualifications and experience	<p>Colin John Palmer was born in Hamilton New Zealand on 10 May 1947. He worked on dairy farms and drove milk tankers before moving with his family to Australia in 1976.</p> <p>Colin worked in various jobs before joining the ACT Government and he is currently working for ACT Health. He has been involved with the Club for many years coaching some of the Club's junior teams. Colin is the current manager of the Queanbeyan Kangaroo first grade side and is also currently on the Kangaroo Senior Rugby League Committee.</p> <p>Since joining the Club as a director in 2000, Colin has actively been involved with a lot of changes to the Club and is very proud to be associated with its strong and progressive history.</p>
<b>Name</b>	<b>Peter Elliot</b>
Qualifications and experience	<p>Peter Elliott was born in Bombala, NSW on 25 November 1959. He joined the Commonwealth public service in February 1978 and has worked in the Department of Prime Minister and Cabinet, Department of Transport, Department of Finance, Office of Asset Sales and IT Outsourcing and Department of Infrastructure. Currently, he is working as a section manager delivering a number of government programs.</p> <p>He joined the Club as a director in 2002 after over 10 years as a player, coach and football committee member.</p>

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
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**DIRECTORS' REPORT**

**CONSULTANTS USED BY THE CLUB**

No consultants used by the Club had received in excess of \$30,000 for the provision of their services.

**DIRECTORS' ATTENDANCE AT MEETINGS**

**Board Meetings**

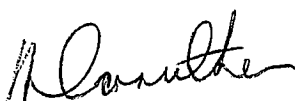
The Club held 17 board meetings during the year ended 30 June 2010. The number of meetings attended by each Director while in office were:

	<b>Number of meetings held while in office</b>	<b>Number of meetings attended</b>
Michael Carruthers	17	17
David Hagel	17	13
Nathan Reid	17	15
Richard Carruthers	17	15
Ronald Martin	17	8
Brian Fitzgerald	17	6
Colin Palmer	17	12
Peter Elliot	17	13

**AUDITOR'S INDEPENDENCE DECLARATION**

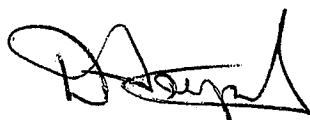
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 follows this Directors' Report.

On behalf of the Board



**Michael Carruthers**  
**Director**

Queanbeyan 15 September 2010



**David Hagel**  
**Director**

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**PRESIDENT'S REPORT**

I have the pleasure to present the Annual Report and Financial Statements on behalf of the Board of Directors for the year ended 30<sup>th</sup> June 2010.

We have returned an excellent operating profit after donations of over \$209,000.

Again, our main focus going forward is to continue to make significant inroads into servicing our loan. Over the past few years we have improved a number of facilities within the club and we will continue to try and make the experience of being member of the Kangaroos Club an enjoyable one, by providing the best facilities possible.

I would also like to welcome and congratulate our new caterers "Peppers" by Nibblez Catering, who provide wonderful meals and a great dining experience through our restaurant and function facilities. They have been with the Club for almost 6 months and I look forward to a successful partnership with them that continues well into the future.

Congratulations to our Captain/Coach Aaron Gorrell and everyone involved in the Senior Football Club. I am writing this report with both our First Grade and Reserve grade qualified for the finals and hope that both grades can bring silverware back to the club.

On behalf of the board, I would like to thank our General Manager, Leigh Kiely and staff for their commitment and enthusiasm.

Finally, I would like to thank my fellow Directors for their contributions to the success of the Club and I look forward to the next 12 months with great expectation. I would also like to thank one of our retiring Directors Dave Hagel for his invaluable input into the accomplishments of the Kangaroos Club these past 14 years, and I wish him well for the future.

I wish everyone a merry Christmas and a safe new year.

Michael Carruthers  
President

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
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**GENERAL MANAGERS REPORT**

Members

I'm happy to report an operating profit before donations of \$399,145. This year the Club very generously donated a total \$189,992 to sporting and community groups. The donations figure is up from last year by \$37,900.

This past financial year saw us complete further renovations to our alfresco gaming area and increase that particular installation to 30 gaming machines. We have also increased our overall installation of machines to a total 81.

The Club is always looking to improve the wonderful facilities that we provide to our members and we will no doubt be bringing more changes to technology as it gets released into the hospitality industry.

I would like to welcome our new caterers "Peppers" by Nibblez Catering who have certainly brought with them tremendous professionalism and a great passion for food. This has been evident in the way they have managed the restaurant with not only top quality meals but fantastic customer service.

To our Captain Coach, Aaron Gorrell of First Grade, and Coach Wayne Forbes of Reserve Grade, what a terrific job so far to reach the semi's. In fact all the Queanbeyan Kangaroo teams both seniors and juniors are having a great year. This year the junior's have 17 teams with most of them battling out the semi's.

A big thank you to all staff at the "Roos" club for their loyalty and dedication. All the staff here are well liked by the members and their customer service is what makes the Club.

Finally, to the Board of Directors, thank you for your continued support and the vision that you have in keeping up with new trends and technology. I certainly have enjoyed being part of a forward thinking team for the last 12 years.

Leigh Kiely  
General Manager



Duesburys Nexia

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**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF  
QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 there have been:

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

**Duesburys Nexia**  
Canberra, 15 September 2010

**R C Scott**  
Partner

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2010**

	Notes	2010 \$	2009 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	268,827	319,974
Inventories	5	21,651	21,527
Other current assets	6	<u>9,876</u>	<u>13,146</u>
<b>TOTAL CURRENT ASSETS</b>		<u>300,354</u>	<u>354,647</u>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	7	7,424,397	7,197,858
Intangible assets	8	<u>388,569</u>	<u>250,847</u>
<b>TOTAL NON CURRENT ASSETS</b>		<u>7,812,966</u>	<u>7,448,705</u>
<b>TOTAL ASSETS</b>		<u>8,113,320</u>	<u>7,803,352</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	207,092	264,221
Provisions	10	124,481	79,593
Financial liabilities	11	<u>266,758</u>	<u>131,507</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>598,331</u>	<u>475,321</u>
<b>NON CURRENT LIABILITIES</b>			
Provisions	10	4,328	2,703
Financial liabilities	11	1,077,584	1,101,404
Deferred tax liabilities	12	<u>-</u>	<u>-</u>
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>1,081,912</u>	<u>1,104,107</u>
<b>TOTAL LIABILITIES</b>		<u>1,680,243</u>	<u>1,579,428</u>
<b>NET ASSETS</b>		<u>6,433,077</u>	<u>6,223,924</u>
<b>EQUITY</b>			
Reserves		395,099	395,099
Retained surpluses		<u>6,037,978</u>	<u>5,828,825</u>
<b>TOTAL EQUITY</b>		<u>6,433,077</u>	<u>6,223,924</u>

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
<b>Revenue</b>			
Poker machine revenue		2,699,019	2,619,388
Bar sales		1,151,439	1,215,678
Other sales revenue		288,859	275,894
Interest received		<u>1,450</u>	<u>2,451</u>
Total revenue		<u>4,140,767</u>	<u>4,113,411</u>
<b>Other Income</b>			
Gain on the sale of fixed assets		9,757	57,745
<b>Expenses</b>			
Auditors' remuneration			
Audit of the financial statements		(19,675)	(23,275)
Provision of other services		(1,100)	-
Cleaning		(73,340)	(74,811)
Cost of goods sold		(508,051)	(543,008)
Depreciation and amortisation		(527,580)	(618,664)
Donations		(189,992)	(152,092)
Electricity		(132,076)	(126,518)
Employee benefit expenses		(969,394)	(932,810)
Finance costs		(80,888)	(106,970)
Insurance		(81,915)	(65,310)
Other expenses from ordinary activities		(382,817)	(430,551)
Poker machine taxes		(469,468)	(444,354)
Raffle expenses		(88,719)	(83,525)
Repairs and maintenance		(142,902)	(167,627)
Security		(84,287)	(83,233)
Trading promotions		<u>(189,167)</u>	<u>(155,876)</u>
		<u>(3,941,371)</u>	<u>(4,008,624)</u>
<b>Surplus/(deficit) before income tax expense</b>		209,153	162,532
Income tax expense	3	<u>-</u>	<u>-</u>
Net surplus/(deficit)		<u>209,153</u>	<u>162,532</u>
Total comprehensive income		<u>209,153</u>	<u>162,532</u>

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	\$	\$
Asset revaluation reserve	395,099	395,099
Retained surpluses	<u>6,037,978</u>	<u>5,828,825</u>
<b>TOTAL EQUITY</b>	<u><u>6,433,077</u></u>	<u><u>6,223,924</u></u>

Movements during the year were:

(a) **Asset revaluation reserve**

The asset revaluation reserve records revaluation increments and decrements in accordance with Accounting Standards.

Opening balance	395,099	395,099
Net movement	<u>-</u>	<u>-</u>
Closing balance	<u><u>395,099</u></u>	<u><u>395,099</u></u>

(b) **Retained surpluses**

Opening balance	5,828,825	5,666,293
Total comprehensive income	<u>209,153</u>	<u>162,532</u>
Closing balance	<u><u>6,037,978</u></u>	<u><u>5,828,825</u></u>

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from members, guests and others		4,563,932	4,515,200
Interest received		1,450	2,451
Interest paid		(80,888)	(106,970)
Payments to suppliers and employees		<u>(3,764,989)</u>	<u>(3,658,039)</u>
Net cash provided by operating activities	15(b)	<u>719,505</u>	<u>752,642</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		4,000	117,809
Payments for property, plant and equipment		(743,256)	(643,984)
Payments for intangible assets		<u>(142,827)</u>	<u>(89,724)</u>
Net cash used in investing activities		<u>(882,083)</u>	<u>(615,899)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Receipts from borrowings		560,990	659,406
Repayment of borrowings		<u>(516,696)</u>	<u>(137,344)</u>
Net cash provided by financing activities		<u>44,294</u>	<u>522,062</u>
Net increase/(decrease) in cash held		(118,284)	658,805
Cash at the beginning of the financial year		<u>319,974</u>	<u>(338,831)</u>
Cash at the end of the financial year	15(a)	<u><u>201,690</u></u>	<u><u>319,974</u></u>

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Preparation**

*Reporting Basis and Conventions*

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

Queanbeyan Kangaroo Rugby League Football Club Ltd (the Club) is a company limited by guarantee, incorporated and domiciled in Australia. The financial statements cover the Club as an individual entity.

During the current year the Club adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these standards has had a minor impact on the presentation and disclosure of certain information within the financial statements. The main impacts have arisen from the revised standard AASB 101 *Presentation of Financial Statements*. As a result a number of terminology changes and amendments to the format and content of the financial statements have been made. The changes include the introduction of the statement of comprehensive income and related amendments to the statement of changes in equity.

A number of Australian Accounting Standards have been issued or amended prior to the date of these statements but are only applicable to future reporting periods and accordingly have not been applied in preparing these financial statements. The Directors are of the opinion that when the relevant Accounting Standards are first applied, there will be no material impact on the accounting policies of the Club and no material impact on the statement of comprehensive income or statement of financial position of the Club. Application of the pending standards, particularly those relating to the introduction of tiers of Accounting Standards, is expected to result in some reduction in the level of disclosure in the financial statements.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**Accounting Policies**

**(a) Income Tax**

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 reporting date. Under the concept of mutuality, the Club is only assessed for income tax on the portion of income derived from non-members and other external sources.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is recognised in other comprehensive income and adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Club will derive sufficient assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**(b) Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

**(c) Property, Plant and Equipment**

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

Where a revaluation has been performed, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**(c) Property, Plant and Equipment (cont'd)**

The carrying amount of property, plant and equipment is reviewed at the end of the reporting period to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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.

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

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation reserve and recognised in other comprehensive income. Decreases that offset previous increases of the same asset are charged against fair value reserves and recognised in other comprehensive income; all other decreases are charged to the profit or loss.

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

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

*Depreciation*

The depreciable amounts of all fixed assets including capitalised leased assets are depreciated on either a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

**(d) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability at the lower of the amounts equal to the fair value of the leased asset or the present value of the minimum lease payments, including any guaranteed residual. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated over their estimated useful lives.

QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED  
ABN 29 001 013 092

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Leases (cont'd)

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Financial Instruments

*Recognition*

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

*Financial assets at fair value through profit and loss*

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139 - Financial Instruments: Recognition and Measurement. Gains and losses arising from changes in the fair value of these assets are included in the profit or loss in the period in which they arise.

*Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments and are stated at amortised cost using the effective interest rate method.

*Held-to-maturity investments*

These investments have fixed maturities, and it is the intention to hold these investments to maturity. Any held-to-maturity investments held are stated at amortised cost using the effective interest rate method.

*Available-for-sale financial assets*

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investment revaluation reserve.

*Financial liabilities*

Financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

*Fair Value*

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arms length transactions, reference to similar instruments and option pricing models.

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**(e) Financial Instruments (cont'd)**

*Impairment*

At the end of the reporting period, an assessment is made of whether there is objective evidence 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 recognised in the profit or loss.

**(f) Impairment of Assets**

At the end of the reporting period, the Club reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash generating unit (CGU) to which the asset belongs is estimated.

**(g) Intangible Assets**

Intangible assets acquired separately are initially measured at cost. The Club's intangible assets are comprised of poker machine entitlements. The poker machine entitlements are capitalised when purchased at cost.

**(h) Employee Benefits**

Provision is made for the liability for employee benefits arising from services rendered by employees to reporting date. The benefits expected to be settled within one year to employees for their entitlements have been measured at the amounts expected to be paid including on-costs and are disclosed as current liabilities. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made in respect of those benefits. 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.

**(i) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investment 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.

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(j) Revenue**

Revenue from poker machine clearances is the amount of monies collected from the poker machine, net of the amount paid out as winnings to customers.

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

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

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

All revenue is stated net of the amount of goods and services tax (GST).

**(k) Goods and 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 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.

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

**(l) Provisions**

Provisions are recognised when the Club has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that the outflow can be reliably measured.

**(m) Comparatives**

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

**Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments 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 Club.

The directors do not believe that there were any key estimates or key judgments used in the development of the financial statements that give rise to a significant risk of material adjustment in the future.

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

NOTE 2 COMPANY LIMITED BY GUARANTEE

The liability of members is limited. In the event the Club is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards any outstanding obligations of the Club. As at 30 June 2010, there were 4,916 members (2009: 5,081 members).

	<b>2010</b>	<b>2009</b>
	\$	\$
NOTE 3 INCOME TAX EXPENSE		
(a) The components of tax expense/(benefit) are:		
Current tax	6,485	19,294
Prior year under/(over) accrual	(16,991)	622
Benefit from previously unrecognised tax loss used to reduce current tax expense	<u>10,506</u>	<u>(19,916)</u>
	<u>-</u>	<u>-</u>

(b) The prima facie tax on surplus/(deficit) for the year before income tax is reconciled to the income tax as follows:

Prima facie income tax payable on surplus/ (deficit) for the year at 30% (2009: 30%)	62,746	48,760
Tax effect of:		
Non-deductible depreciation and amortisation	140,499	156,003
Other non-allowable items	824,125	770,561
Non-taxable income	(1,020,885)	(956,030)
Recoupment of prior year tax losses not previously brought to account	<u>(6,485)</u>	<u>(19,294)</u>
Total tax expense/(benefit)	<u>-</u>	<u>-</u>

NOTE 4 CASH AND CASH EQUIVALENTS

Cash at bank (at call)	157,655	206,846
Cash on hand	<u>111,172</u>	<u>113,128</u>
	<u>268,827</u>	<u>319,974</u>

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

		2010	2009
		\$	\$
NOTE 5	INVENTORIES		
	Stock on hand	<u>21,651</u>	<u>21,527</u>
NOTE 6	OTHER CURRENT ASSETS		
	Prepayments	<u>9,876</u>	<u>13,146</u>
NOTE 7	PROPERTY, PLANT AND EQUIPMENT		
	Freehold land - at valuation	<u>950,000</u>	<u>950,000</u>
	Buildings - at valuation	4,350,000	4,350,000
	Less accumulated depreciation	<u>(428,969)</u>	<u>(320,517)</u>
		<u>3,921,031</u>	<u>4,029,483</u>
	Building improvements - at cost	1,683,801	1,552,055
	Less accumulated depreciation	<u>(99,707)</u>	<u>(60,269)</u>
		<u>1,584,094</u>	<u>1,491,786</u>
	Poker machines - at cost	2,056,988	1,550,589
	Less accumulated depreciation	<u>(1,448,857)</u>	<u>(1,258,714)</u>
		<u>608,131</u>	<u>291,875</u>
	Plant and equipment - at cost	1,765,358	1,676,503
	Less accumulated depreciation	<u>(1,490,483)</u>	<u>(1,367,232)</u>
		<u>274,875</u>	<u>309,271</u>
	Furniture and fittings - at cost	399,109	394,759
	Less accumulated depreciation	<u>(312,843)</u>	<u>(269,316)</u>
		<u>86,266</u>	<u>125,443</u>
	Motor vehicles - at cost	44,193	44,193
	Less accumulated depreciation	<u>(44,193)</u>	<u>(44,193)</u>
		<u>-</u>	<u>-</u>
		<u>7,424,397</u>	<u>7,197,858</u>

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

Movements in Carrying Amounts	Balance at the beginning of the year	Additions	Disposals	Depreciation/a mortisation expense	Balance at the end of the year
<b>2010</b>	\$	\$	\$	\$	\$
Freehold land at valuation	950,000	-	-	-	950,000
Buildings at valuation	4,029,483	-	-	(108,452)	3,921,031
Building improvements at cost	1,491,786	131,746	-	(39,438)	1,584,094
Poker machines at cost	291,875	526,305	(2,242)	(207,807)	608,131
Plant and equipment at cost	309,271	88,855	-	(123,251)	274,875
Furniture and fittings at cost	125,443	4,350	-	(43,527)	86,266
Motor vehicles at cost	-	-	-	-	-
<b>TOTAL</b>	<b>7,197,858</b>	<b>751,256</b>	<b>(2,242)</b>	<b>(522,475)</b>	<b>7,424,397</b>
<b>2009</b>	\$	\$	\$	\$	\$
Freehold land at valuation	950,000	-	-	-	950,000
Buildings at valuation	4,138,233	-	-	(108,750)	4,029,483
Building improvements at cost	1,283,024	246,879	-	(38,117)	1,491,786
Poker machines at cost	340,111	247,869	(60,064)	(236,041)	291,875
Plant and equipment at cost	331,910	149,236	-	(171,875)	309,271
Furniture and fittings at cost	170,778	-	-	(45,335)	125,443
Motor vehicles at cost	10,924	-	-	(10,924)	-
<b>TOTAL</b>	<b>7,224,980</b>	<b>643,984</b>	<b>(60,064)</b>	<b>(611,042)</b>	<b>7,197,858</b>

The freehold land and buildings are stated at fair value based on an independent valuation by Graham Scrygeour AAPI of Global Valuation Services Pty Ltd. The valuation was performed on the basis of current market values. The next valuation will be performed in the next financial year.

Class of Asset	Rate	Depreciation/ Amortisation method
Buildings – at valuation	2.0-2.5%	Straight line
Building improvements – at cost	2.0-2.5%	Straight line
Poker machines – at cost	33.3%	Straight line
Property and equipment – at cost	7.5-50.0%	Straight line
Furniture and fittings – at cost	7.5-15.0%	Straight line
Motor vehicles – at cost	30.0%	Straight line

	<b>2010</b>	<b>2009</b>
	\$	\$
<b>NOTE 8 INTANGIBLE ASSETS</b>		
Poker machine entitlements - at cost	510,551	367,724
Accumulated amortisation	<u>(121,982)</u>	<u>(116,877)</u>
	<u>388,569</u>	<u>250,847</u>

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 8 INTANGIBLE ASSETS (CONT'D)**

The Club currently has 81 (2009: 75) poker machines. Based on recent trading of poker machine entitlements, the Directors consider each entitlement to have a sale value of around \$15,000. The purchase price of purchased entitlements has been capitalised and is disclosed above as "Poker machine entitlements – at cost".

Movements in Carrying Amounts	Balance at the beginning of the year	Additions	Disposals	Amortisation expense	Balance at the end of the year
	\$	\$	\$	\$	\$
<b>2010</b>					
Poker machine entitlements at cost	250,847	142,827	-	(5,105)	388,569
<b>2009</b>					
Poker machine entitlements at cost	168,745	89,724	-	(7,622)	250,847

Class of Asset	Rate	Depreciation/ Amortisation method	
Poker machines entitlements – at cost	1.0%	Straight line	
		<b>2010</b>	<b>2009</b>
		\$	\$

**NOTE 9 TRADE AND OTHER PAYABLES**

Trade creditors and accruals	<u>207,092</u>	<u>264,221</u>
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**NOTE 10 PROVISIONS**

**CURRENT**

Provision for annual leave	58,290	26,997
Provision for long service leave	56,479	52,596
Provision for jackpot	<u>9,712</u>	<u>-</u>
	<u>124,481</u>	<u>79,593</u>

**NON CURRENT**

Provision for long service leave	<u>4,328</u>	<u>2,703</u>
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**NOTE 11 FINANCIAL LIABILITIES**

**CURRENT**

Bank overdraft (secured)	67,137	-
Bank loans (secured)	<u>199,621</u>	<u>131,507</u>
	<u>266,758</u>	<u>131,507</u>

**NON CURRENT**

Bank loans (secured)	<u>1,077,584</u>	<u>1,101,404</u>
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**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

NOTE 11 FINANCIAL LIABILITIES (CONT'D)

The secured bank loans are comprised of:

- a bank loan of \$716,215 with a variable interest rate of 7.94% maturing on 17 February 2016;
- a bank loan of \$560,990 with a variable interest rate of 8.34% maturing on 20 May 2015; and
- a bank overdraft of \$67,137 with a variable interest rate of 8.34%.

The secured bank loans and bank overdraft with the Commonwealth Bank of Australia are secured by way of registered mortgages over the Club's land and buildings.

	<b>2010</b>	<b>2009</b>
	\$	\$
NOTE 12 TAX		
<b>(a) Liabilities</b>		
NON-CURRENT		
Deferred tax liability comprises:		
Deductions relating to intangible assets	-	-
Other	-	-
	<u>          </u>	<u>          </u>
Total	<u>          </u>	<u>          </u>
<b>(b) Assets</b>		
NON-CURRENT		
Deferred tax assets comprises:		
Tax losses	-	-
Provisions	-	-
Other	-	-
	<u>          </u>	<u>          </u>
Total	<u>          </u>	<u>          </u>
<b>(c) Reconciliations</b>		
i. The overall movement in the deferred tax account is as follows:		
Opening balance	-	-
Charge/(credit) to profit or loss	-	-
	<u>          </u>	<u>          </u>
Closing balance	<u>          </u>	<u>          </u>

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	\$	\$
NOTE 12 TAX (CONT'D)		
ii. The movement in the deferred tax liability during the year is as follows:		
Opening balance	-	-
Charge/(credit) to profit or loss	<u>-</u>	<u>-</u>
Closing balance	<u>-</u>	<u>-</u>
iii. The movement in the deferred tax assets during the year is as follows:		
Opening balance	(110,565)	(130,481)
Charge/(credit) to profit or loss	<u>(10,506)</u>	<u>19,916</u>
Closing balance	<u>(121,071)</u>	<u>(110,565)</u>

NOTE 13 CAPITAL AND LEASING COMMITMENTS

The Club has committed to purchase assets amounting to approximately \$560,000. Half of the amount has already been paid during the financial year and the remaining amounts are required to be paid at the time when the asset is installed.

NOTE 14 FINANCIAL INSTRUMENTS

*(a) Terms, Conditions and Accounting Policies*

The accounting policies and terms and conditions of each class of financial asset, financial liability and equity instrument at the reporting date are consistent with those regularly adopted by businesses in Australia.

*(b) Financial Risk Management*

The financial instruments consist mainly of deposits with banks, short term investments and accounts receivable and payable. The entity does not trade or speculate in derivatives.

The main purpose of the financial instruments is to raise funds for normal activities and invest excess funds in an appropriate manner.

*(i) Financial risks and risk management*

The main risks the entity is exposed to through its financial instruments are liquidity risk, credit risk and interest rate risk.

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

NOTE 14 FINANCIAL INSTRUMENTS (CONT'D)

*Liquidity risk*

The liquidity risk is managed by monitoring forecast cash flows and ensuring that adequate short term funds are maintained.

The following table illustrates the maturities for financial liabilities:

	On demand		Less than 1 year		1 to 5 years		Greater than 5 years		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Liabilities</b>										
Trade and other payables	207,092	264,221	-	-	-	-	-	-	207,092	264,221
Bank overdraft	-	-	67,137	-	-	-	-	-	67,137	-
Secured loans	-	-	199,621	206,676	975,780	826,704	101,804	515,040	1,277,205	1,548,420
	207,092	264,221	266,758	206,676	975,780	826,704	101,804	515,040	1,551,434	1,812,641

*Foreign currency risk*

The entity is not exposed to fluctuations in foreign currencies.

*Credit risk*

The maximum exposure to credit risk at reporting date in respect of recognised financial assets, excluding the value of any collateral or other security, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. This risk is monitored and managed by management reviewing financial assets and ensuring collections are made on a timely basis and that unacceptable concentrations of credit risk are avoided.

The entity does not hold any collateral against financial assets.

*Price risk*

The entity is not exposed to any material commodity price risk.

*Market risk*

The entity is not exposed to any material market risk.

*Interest rate risk*

The entity's exposure to interest rate risk is managed by the entity reviewing the interest rate profile, current interest rates and the market outlook, and taking action as necessary to ensure that risk levels are maintained at a satisfactory level. The entity's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below:

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 14 FINANCIAL INSTRUMENTS (CONT'D)**

	Floating Interest Rate		Fixed Interest Rate (<1 year)		Fixed Interest Rate (1 to 8 years)		Non Interest Bearing		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>										
Cash and cash equivalents	157,655	206,846	-	-	-	-	111,172	113,128	268,827	319,974
	157,655	206,846	-	-	-	-	111,172	113,128	268,827	319,974
Weighted average interest rate	1.57%	1.00%	-	-	-	-	n/a	n/a		
<b>Financial Liabilities</b>										
Trade and other payables	-	-	-	-	-	-	207,092	264,221	207,092	264,221
Bank overdraft	67,137	-	-	-	-	-	-	-	67,137	-
Secured loans	1,277,205	1,232,911	-	-	-	-	-	-	1,277,205	1,232,911
	1,344,342	1,232,911	-	-	-	-	207,092	264,221	1,551,434	1,497,132
Weighted average interest rate	8.13%	6.62%	n/a	n/a	n/a	n/a	n/a	n/a		
<b>Net financial liabilities</b>									(1,282,607)	(1,177,158)

The entity's exposure to cash flow interest rate risk relates to financial assets and liabilities subject to floating interest rates. These risks arise due to the entity holding cash and cash equivalents and short term investments. The entity minimises its exposure by continuously analysing its interest rate exposure and by fixing interest rates on deposits with banks and short term investments, where appropriate. There have been no changes in the market risks, methods and assumptions from the previous period.

The following table details the effect on surplus before tax and on equity if interest rates on financial assets and financial liabilities had been 1% higher or lower and all other variables were held constant. Considering the market outlook and the current interest rates, management believes a 1% movement in interest rates is reasonably possible.

	Carrying amount		2010 Interest Rate Sensitivity				2009 Interest Rate Sensitivity			
	2010	2009	-1%		+1%		-1%		+1%	
			Surplus	Equity	Surplus	Equity	Surplus	Equity	Surplus	Equity
<b>Financial Assets</b>										
Cash and cash equivalents	268,827	319,974	(1,577)	(1,577)	1,577	1,577	(2,068)	(2,068)	2,068	2,068
<b>Financial Liabilities</b>										
Trade and other payables	207,092	264,221	-	-	-	-	-	-	-	-
Bank overdraft	67,137	-	671	671	(671)	(671)	-	-	-	-
Secured loans	1,277,205	1,232,911	12,772	12,772	(12,772)	(12,772)	12,329	12,329	(12,329)	(12,329)

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

NOTE 14 FINANCIAL INSTRUMENTS (CONT'D)

*(c) Net Fair Values*

Financial assets and financial liabilities are carried at their net fair value at the end of the reporting period. The carrying value of financial assets and financial liabilities approximate their net fair value due to their short term maturity or market interest rate. No financial assets or financial liabilities are traded on organised markets in standardised form.

*(d) Credit Standby Arrangements*

The Club has an overdraft facility with a limit of \$1,000,000 (2009: \$1,000,000). At 30 June 2010, the unused portion was \$932,863 (2009: \$1,000,000). The Club has a credit card facility with a limit of \$100,000.

NOTE 15 CASH FLOW INFORMATION

(a) Reconciliation of Cash

For the purpose of this statement of cash flows, cash includes cash on hand, cash at bank, at call deposits with banks or financial institutions, net of bank overdrafts.

Cash at the end of the year for the purposes of the statement of cash flows comprises:

	<b>2010</b>	<b>2009</b>
	\$	\$
Bank overdraft	(67,137)	-
Cash at bank	157,655	206,846
Cash on hand	<u>111,172</u>	<u>113,128</u>
	<u><u>201,690</u></u>	<u><u>319,974</u></u>

(b) Reconciliation of cash flow from operations with surplus

Net surplus/(deficit) after income tax	209,153	162,532
Non-cash flows in operating surplus		
Gain on disposal of fixed assets	(9,757)	(57,745)
Depreciation and amortisation	527,580	618,664
Changes in operating assets and liabilities		
(Increase)/decrease in receivables	-	-
(Increase)/decrease in prepayments	3,270	3,348
(Increase)/decrease in stock on hand	(124)	5,670
Increase/(decrease) in trade and other payables	(57,130)	19,077
Increase/(decrease) in provisions	<u>46,513</u>	<u>1,096</u>
	<u><u>719,505</u></u>	<u><u>752,642</u></u>

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 16 KEY MANGEMENT PERSONNEL COMPENSATION**

Key management personnel is defined by AASB 124 "Related Party Disclosures" as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the entity. The aggregate remuneration paid to key management personnel during the financial year is as follows:

	2010	2009
	\$	\$
Short-term benefits		
Salary	197,113	193,806
Superannuation	18,302	18,092
Bonuses	-	-
Other benefits	-	-
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share based payments	-	-
<b>TOTAL</b>	<b>215,415</b>	<b>211,898</b>

During the year, the Club paid \$4,022 to insure the Directors and Officers of the Club. The liabilities insured against include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers and Directors of the Club in their capacity as officers and Directors of the Club.

The amounts paid and payable to employees of the Club during the year was \$969,394 (2009: \$932,810). There was 1 employee (2009: 1) who received, or was entitled to received remuneration in excess of \$100,000. The remuneration of that employee was in the range of \$120,000 to \$130,000 (2009: in the range of \$120,000 to \$130,000).

**NOTE 17 RELATED PARTY DISCLOSURES**

Key management personnel may transact with the Club from time to time on normal terms and conditions that are no more favourable than those available to other members of the Club. The types of transactions involved include gaming and the purchase of food, beverages and membership. The transactions are settled at the time of the transaction, and no amounts are owing to the Club at year end in respect of these transactions. The total value of these transactions is low and is considered by the Club to be immaterial.

With the exception of compensation of key management personnel, which is separately disclosed in these statements, there were no other related party transactions during the financial year.

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 18 SUBSEQUENT EVENTS**

These financial statements were authorised for issue by the Directors on the date of signing the attached Report by the Directors. The board of directors have the right to amend the statements after they are issued.

There are no subsequent events which require amendment of, or further disclosure in, the financial statements.

**NOTE 19 CONTINGENT LIABILITY**

The Club has no contingent liabilities or assets at the end of the financial year.

**NOTE 20 CAPITAL RISK MANAGEMENT**

The Club's objectives when managing capital are to safeguard its ability to continue as a going concern.

As the Club does not issue shares, it manages its capital through the budgeting and planning process and ensures that adequate funds are maintained to meet its operational and financial objectives.

The Club monitors its capital on the basis of its working capital (current assets less current liabilities) and accumulated funds as disclosed in the statement of financial position.

There have been no changes to this strategy since the previous financial year.

**QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**  
**ABN 29 001 013 092**

**DIRECTORS' DECLARATION**  
**FOR THE YEAR ENDED 30 JUNE 2010**

The Directors declare that the financial statements comprising the attached Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements:

- (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the company's financial position as at 30 June 2010 and of its performance, as represented by the results of its operations and its cash flow, for the financial year ended on that date.

In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors dated      September 2010.

**Michael Carruthers**

**Director**

**David Hagel**

**Director**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED**

We have audited the accompanying financial statements of Queanbeyan Kangaroo Rugby League Football Club Limited (the Company), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

**Directors' Responsibility for the Financial Statements**

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are 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 statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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.

## Auditor's Opinion

In our opinion, the financial statements of Queanbeyan Kangaroo Rugby League Football Club Limited are in accordance with the Corporations Act 2001, including:

- (i) giving true and fair view of the Company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
- (ii) complying with Accounting Standards in Australia (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

**DUESBURYS NEXIA**

Canberra, 15 September 2010

**R C Scott**  
Partner



QUEANBEYAN KANGAROO RUGBY LEAGUE FOOTBALL CLUB LIMITED  
ABN 29 001 013 092

INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
Income	4,150,524	4,171,156
Expenditure	<u>(3,751,379)</u>	<u>(3,856,532)</u>
Net surplus/(deficit) before donations	<u>399,145</u>	<u>314,624</u>
<b>Donations</b>		
Football Committee donations – Senior League	(142,574)	(106,195)
Football Committee donations – Junior League	(16,776)	(12,078)
General donations and sponsorship	<u>(30,642)</u>	<u>(33,819)</u>
Total donations	<u>(189,992)</u>	<u>(152,092)</u>
Net surplus/(deficit) after donations	<u>209,153</u>	<u>162,532</u>

