

**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

**REPORT OF DIRECTORS**

The Directors present their report for the year ended 30 June, 2009 and report as follows:-

1. The names of the Directors in office at the date of this report are:  
N.H. Allen  
L. Prestwidge  
M.A. Owens  
A. Anderson  
P.Dempsey  
R.S. Roulston  
G. Carter  
E. Rowe  
G Wakeman  
Refer attached schedule "A" for details of Directors in office and attendances at Board and special meetings.
2. The principal activities of the Company in the course of the financial year continued to be the operation of a Licensed Club. No significant change in the nature of these activities occurred during the year.
3. The net loss of the Company for the financial year after providing for Income Tax and extraordinary items was \$ 114,858.
4. A review of the operations of the Company during the financial year and the results of those operations indicate continued support and patronage by Club members in respect to the Club's Trading activities.
5. No significant change in the state of affairs of the Company occurred during the financial year.
6. No matters or circumstances have arisen since the end of the financial year, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in the financial years subsequent to the financial year ended 30 June, 2009.
7. The likely developments in the operations of the Company and the expected results of those operations in financial years subsequent to the financial year ended 30 June, 2009 are dependant on Club members supporting the Club.
8. Since the end of the financial year, no Director of the Company 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 received as the fixed salary of a full-time employee of the company) by reason of a contract made by the Company or by a related entity with the Director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest.

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9. Environmental Regulations.

The Club operations are subject to various environmental regulations under both Commonwealth and State legislation. The Directors are not aware of any breaches of the legislation during the financial year, which are material in nature.

10. During the financial year, the Company paid a premium for a Directors and Officers liability insurance policy, the insurance cover being for present, past and future Directors and Officers of the Company. This insurance insures Directors and Officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or Officer of the Company other than conduct involving a wilful breach of duty in relation to the Club.

11. The Auditors Independence Declaration for the year ended 30 June, 2009 has been received and a copy has been included in the Annual Report.

Signed in accordance with a resolution of the Board of Directors:

Director: \_\_\_\_\_

Robert Roulston

Director: \_\_\_\_\_

Margaret Owens

Dated at West Wallsend  
This 2<sup>nd</sup> day of September 2009.

**WEST WALLSEND WORKERS CLUB LIMITED**  
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***SCHEDULE "A" TO ANNUAL DIRECTORS' REPORT***  
***DETAILS OF DIRECTORS IN OFFICE AT THE DATE OF ANNUAL REPORT***

<b>NAME</b>	<b>QUALIFICATIONS/ OCCUPATION</b>	<b>EXPERIENCE</b>	<b>SPECIAL RESPONSIBILITY</b>	<b>ATTENDANCE AT BOARD MEETINGS</b>
PRESTWIDGE, Louise	Home Duties	Director 2005 to date	Junior Vice President	7 out of 12
ROULSTON, Robert Stuart	Retired	Director 2000 to date	President	12 out of 12
ALLEN, Nelson Haydon	Retired	Director 1971 to date	Delegate Clubs NSW, FCS & WC	10 out of 12
DEMPSEY, Peter	Boilermaker	Director 1983~1991 1992 to date		12 out of 12
CARTER, Graham	Bus Driver	Director 2005 to date		11 out of 12
ANDERSON, Alan	Retired	Director 1996 to date	Junior Vice President	11 out of 12
OWENS, Margaret Ann	Home Duties	Director 2001 to date	Treasurer	12 out of 12
WAKEMAN Greg	Engineer	Director 2008 to Date		11 out of 12
ROWE Ted	Retired	Director 2007 to date		10 out of 12

***Note on meeting attendances:***

There were 12 ordinary board meetings held during the year.

**WEST WALLSEND WORKERS CLUB LIMITED**  
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**INDEPENDENT AUDIT REPORT TO MEMBERS**

**SCOPE**

The Financial Report comprises the Income Statement, Balance Sheet, Statement of Changes to Equity and Cash Flow Statement, accompanying notes to the Financial Statements, and the Directors Declaration for the Company for the year ended 30 June 2009.

The Company's Directors are responsible for the preparation and presentation of the financial statements and the information contained therein. We have performed an independent audit of these financial statements in order to express an opinion on them to the Members of the Company.

Our Audit has been planned and performed in accordance with Australian Auditing Standards to provide a reasonable level of assurance as to whether the Financial Statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the Financial Statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the Financial Statements are presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view of the Company which is consistent with our understanding of its operations and its cash flows. The audit opinion expressed in this report has been formed on the above basis.

**INDEPENDENCE**

We are independent of the Company and have met the independence requirements of the Australian professional ethical pronouncements and the Corporations Act 2001. In addition to our audit of the financial report, we were engaged to undertake non audit services disclosed in the notes to the Financial Statements. The provision of these services has not impaired our independence.

**AUDIT OPINION**

In our opinion, the Financial Statements of West Wallsend Workers Club Limited is in accordance with:-

- (a) the Corporations Law, including:-
  - (i) giving a true and fair view of the Company's financial position as at 30 June, 2009 and of its performance for the year ended on that date; and
  - (ii) complying with Accounting Standards and the Corporations Regulations and
- (b) other mandatory professional reporting requirements.

KRG PARTNERS  
Chartered Accountants

2 September 2009  
CHARLESTOWN

L.T. RENFREW  
(Partner)

**WEST WALLSEND WORKERS CLUB LIMITED**  
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**DIRECTORS DECLARATION**

The Directors of the Company declare that:-

1. The Financial Report, comprising the Income Statement, Balance Sheet, Statement of Changes to Equity and Cash Flow Statement, accompanying notes to the Financial Statements, and this Directors Declaration, are in accordance with the *Corporations Act 2001* and:
  - (a) give a true and fair view of the financial position of the Company as at 30 June 2009 and of the performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and
  - (b) comply with Accounting Standards in Australia and the Corporations Regulations 2001; and
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

ROBERT ROULSTON  
DIRECTOR

Dated at West Wallsend  
This 2 September 2009

MARGARET OWEN  
DIRECTOR

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of West Wallsend Workers Club Limited for the year ended 30 June 2009 I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the Corporations Act in relation to the audit
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit

KRG PARTNERS  
Chartered Accountants

2 September 2009  
BELMONT

L.T. RENFREW  
(Partner)

**WEST WALLSEND WORKERS CLUB LIMITED**  
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**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE, 2009**

	<b><u>NOTE</u></b>	<b><u>2009</u></b> \$	<b><u>2008</u></b> \$
Revenue from Sale of Goods		593035	560193
Revenue from the Rendering of Services		1423730	1341548
Interest and Dividends Received		<u>6313</u>	<u>7402</u>
<b>TOTAL REVENUE</b>	2	<u>2023078</u>	<u>1909143</u>
Costs of Goods Sold		279380	258678
Poker Machine Duty		97997	76458
Employee Wages		515695	570832
Employee On-Costs & Other Payments		150263	133724
Promotional & Marketing		365958	330726
Repairs & Maintenance		131641	126362
Depreciation & Loss on Disposal of Assets		196359	177160
Diminution in value of listed company shares		13881	41959
Borrowing Costs		41447	8517
Other Expenses		<u>345315</u>	<u>249674</u>
<b>TOTAL EXPENDITURE</b>		<u>2137936</u>	<u>1974090</u>
Profit/(Loss) from Ordinary Activities before Related Income Tax Expense	3	(114858)	(64947)
Income Tax expense/(Benefit)	4	0	0
Net Profit/(Loss) after Income Tax		<u>(114858)</u>	<u>(64947)</u>

(To be read in conjunction with the accompanying notes)

**WEST WALLSEND WORKERS CLUB LIMITED**  
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**BALANCE SHEET AS AT 30 JUNE, 2009**

	<u>NOTE</u>	<u>2009</u>	<u>2008</u>
<b><u>CURRENT ASSETS</u></b>			
Cash and Cash Equivalents	5	17092	76142
Trade and other Receivables	6	7089	7005
Investments	7	111970	121170
Inventories	8	22882	23538
Other Current Assets	9	<u>17559</u>	<u>26801</u>
<b>Total Current Assets</b>		<u>176592</u>	<u>254656</u>
<b><u>NON-CURRENT ASSETS</u></b>			
Property, Plant & Equipment	10	1502617	1280053
Poker Machine Entitlements	11	<u>40000</u>	<u>0</u>
<b>Total Non-Current Assets</b>		<u>1542617</u>	<u>1280053</u>
<b>TOTAL ASSETS</b>		<u>1719209</u>	<u>1534709</u>
<b><u>CURRENT LIABILITIES</u></b>			
Trade and Other Payables	12	96739	118398
Interest Bearing Liabilities	13	62834	65214
Short-Term Provisions	14	115274	93334
Other Short-Term Liabilities	15	<u>27284</u>	<u>19570</u>
<b>Total Current Liabilities</b>		<u>302131</u>	<u>296516</u>
<b><u>NON-CURRENT LIABILITIES</u></b>			
Interest Bearing Liabilities	13	384244	89220
Provisions	14	<u>5088</u>	<u>6368</u>
		<u>389332</u>	<u>95588</u>
<b>TOTAL LIABILITIES</b>		<u>691463</u>	<u>392104</u>
<b>NET ASSETS</b>		<u>1027746</u>	<u>1142605</u>
<b><u>SHAREHOLDERS EQUITY</u></b>			
Reserves		7474	7474
Retained Profits		<u>1020272</u>	<u>1135131</u>
		<u>1027746</u>	<u>1142605</u>

(To be read in conjunction with the accompanying notes)

**WEST WALLSEND WORKERS CLUB LIMITED**  
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**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE, 2009**

	NOTE	2009 \$	2008 \$
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Receipts from Members and Others	22(b)	2017785	1895834
Payments to Suppliers and Employees		<u>-1869911</u>	<u>-1744259</u>
<b>Net Cash Provided by Operating Activities</b>		<u>147874</u>	<u>151575</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Payments for Property, Plant & Equipment		-422728	-311593
Proceeds from Sale of Property, Plant & Equipment		6545	0
Payments for Poker Machine Licences		<u>-40000</u>	<u>0</u>
<b>Net Outflow used in Investing Activities</b>		<u>-456183</u>	<u>-311593</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Repayments of Borrowing & Lease Payments		-78843	-25308
Proceeds from Borrowings		<u>326495</u>	<u>159220</u>
<b>Net Cash Provided by Financing Activities</b>		<u>247652</u>	<u>133912</u>
<b>Net Increase/(Decrease) in Cash Held</b>		-60657	-26106
Cash as at 1 July, 2008	22(a)	<u>75203</u>	<u>101309</u>
Cash as at 30 June, 2009		<u>14546</u>	<u>75203</u>

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE, 2009**

<b>Opening Balances 1 July 2008</b>		
Accumulated Profits	1142605	1207551
Profit / (Loss) for the Year	(114859)	(64946)
Asset Revaluation Reserve	<u>0</u>	<u>0</u>
<b>Closing balances 30 June 2009</b>	<u>1027746</u>	<u>1142605</u>

(To be read in conjunction with the accompanying notes)

**WEST WALLSEND WORKERS CLUB LIMITED**  
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**NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**Basis of Preparation**

The accounting policies set out below have been consistently applied to all years presented.

*Reporting Basis and Conventions*

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

**Accounting Policies**

**a. Inventories**

Inventories are measured at the lower of cost and net realisable value.

**b. 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.

**Property**

Freehold land and building are shown at their cost, less depreciation on buildings and impairment losses.

The Directors have not had valuations carried out by external independent valuers but are of the opinion this value is well in excess of the carrying amount for land and buildings shown in the balance sheet. The Directors policy is to only bring to account fair value when fair value is below the carrying value in the Company's books of account.

**Plant and Equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors 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.

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**NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES Cont'd**

The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

**Depreciation**

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over their useful lives to the company 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.

The depreciation rates used for each class of depreciable assets is calculated using the estimated useful life of the asset as follows.

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	20 to 50 years
Plant and equipment	3 to 25 years
Leased plant and equipment	3 to 5 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 the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**c. Leases**

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

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

Lease assets are depreciated on a diminishing value over the shorter of their estimated useful lives of the lease term.

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**NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES 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.

**d. Financial Instruments**

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transactions costs related to instruments classified as at fair value through profit or loss are expensed to profit immediately. Financial instruments are classified and measured as set out below.

Derecognition

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

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**NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES Cont'd**

Classification and Subsequent Measurement

- i. Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

- ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payment that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

- iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

- iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

- v. Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised costs using the effective interest rate method.

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**NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES Cont'd**

**e. Impairment of Assets**

At each reporting date, the group 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 income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**f. Employee Benefits**

*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 in respect of employees' services up to 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 liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made of services provided by employees up to the reporting date.

**g. Provisions**

Provisions are recognised when the Company 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 outflow can be reliably measured.

**h. Cash and Cash Equivalents**

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

**i. Revenue**

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

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

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

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

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**NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES Cont'd**

**j. 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 Tax Office. In these circumstances, the GST is recognisable as part of the cost of acquisition of the asset or as part of an item of the expense. Receivable and payables in the balance sheet are shown inclusive of GST.

**k. Comparative Figures**

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

**l. Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

*Key Estimates – Impairment*

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. When an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**m. Income Tax**

Income tax payable is calculated in accordance with the provisions of the Income Tax Assessment Act dealing with the Registered Clubs and Associations.

Deferred Tax Assets and Liabilities are recognised for deductible and temporary differences where considered material. Deferred tax assets in respect of unused tax losses are only recognised to the extent it is probable that a taxable profit will be available against which deductible temporary differences and carried forward tax losses can be utilised if material.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on the tax rates (and tax law) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2009**

	<u>2009</u>	<u>2008</u>
	\$	\$
<b><u>NOTE 2 – REVENUE FROM ORDINARY ACTIVITIES</u></b>		
Revenue from Sale of Goods	593035	560193
Revenue from Rendering of Services	1423730	1341548
<b>Other Revenue</b>		
Dividends Received	1900	2586
Interest Received	4413	4816
	<u>2023078</u>	<u>1909143</u>

**NOTE 3 - OPERATING PROFIT**

(a) The following items were credited as Revenue in determining the Operating Profit.

Interest Received	4413	4816
	<u>4413</u>	<u>4816</u>

(b) The following items were charged as Expenses in determining the Operating Profit.

Depreciation and Amortisation – Property, Plant & Equipment	190199	157999
Provision – Annual & Sick Leave	48036	42372
Provision – Long Service Leave	24000	4792
Loss on Sale of Fixed Asset	6160	19161
Provision for Community Development & Sport	4992	1130
	<u>273387</u>	<u>255454</u>

**NOTE 4 – INCOME TAX**

(a) ***Income Tax Expense***

The aggregate amount of tax attributable to the financial year differs to the amount calculated on the operating profit as follows:

Operating Profit/(Loss) before Income Tax	-114858	-64947
Abnormal Item before Income Tax	0	0
Operating Profit before Income Tax	<u>-114858</u>	<u>-64947</u>
Prima facie Income Tax	0	0
Apportionment Adjustment for Member Income & Expenses	0	0
Operating Profit before Income Tax	<u>-114858</u>	<u>-64947</u>
Tax Effect of Timing Differences Provision for Income Tax	<u>0</u>	<u>0</u>

**WEST WALLSEND WORKERS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

(b) ***Future Income Tax Benefits Not Taken into Account***

The Future Income Tax Benefit which has not been recognized as an asset will only be obtained if:

- (i) the Company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realized;
- (ii) the Company continues to comply with the conditions for deductibility imposed by law; and
- (iii) no change in the tax legislation adversely affect the Club realising the benefit.

The Future Income Tax Benefit available to the Company as at 30 June, 2009 is \$Nil, (2008 ~ \$Nil)

<b><u>NOTE 5 – CASH</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>
	\$	\$
<b><i>Current</i></b>		
Cash on Hand - Change	40000	40000
Cash at Bank	-22908	36142
	<u>17092</u>	<u>76142</u>
<b><u>NOTE 6 – RECEIVABLES</u></b>		
Other Debtors	7089	7005
	<u>7089</u>	<u>7005</u>
<b><u>NOTE 7 – INVESTMENTS</u></b>		
ANZ Bank	91966	87285
Shares in Listed Companies at Fair Value	20004	33885
	<u>111970</u>	<u>121170</u>
<b><u>NOTE 8 – INVENTORIES</u></b>		
Trading (at cost)	22882	23538
	<u>22882</u>	<u>23538</u>
<b><u>NOTE 9 – OTHER</u></b>		
Deposits	20	20
Prepayments	9973	24031
Accrued Interest	254	522
Borrowing Costs	7312	2228
	<u>17559</u>	<u>26801</u>
<b><u>NOTE 10 – PROPERTY, PLANT &amp; EQUIPMENT</u></b>		
Land and Buildings (at cost)	1490527	1260703
Provision for Depreciation	-482895	-444981
	<u>1007632</u>	<u>815722</u>
Plant and Equipment (at cost)	1374758	1218746
Provision for Depreciation	-879773	-754415
	<u>494985</u>	<u>464331</u>
Property, Plant and Equipment at Written Down Book Value	<u>1502617</u>	<u>1280053</u>

**WEST WALLSEND WORKERS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 Cont'd**

	2009	2008
	\$	\$
<b>Reconciliations</b>		
<b><i>Land and Buildings</i></b>		
Carrying amount at beginning of year	815722	744583
Additions	229811	104608
Disposals	0	0
Depreciation	-37901	-33469
Carrying amount at end of year	1007632	815722
<b><i>Plant and Equipment</i></b>		
Carrying amount at beginning of year	464331	389294
Additions	198411	218728
Disposals	-15459	-19162
Depreciation	-152298	-124529
	494985	464331
	1502617	1280053

**Note 11 – POKER MACHINE ENTITLEMENTS**

In the month of August 2008 the Club purchased a block poker machine entitlements for \$44,000 (including GST) from Karuah Golf Club.

Enquiries at 30 June 2009 indicates that the market value of those entitlements has remained unchanged.

**NOTE 12 - PAYABLES**

***Current***

Trade Creditors & Accruals	96739	118398
	96739	118398

**NOTE 13– FINANCIAL LIABILITIES**

***Current***

Loan – ANZ Bank	52000	52000
Lease Liability – G E Finance (Car)	8288	12275
Visa Card Liability	2546	939
	62834	65214

***Non Current***

Loan ANZ	366361	89220
Lease Liability – G E Finance (Car)	17883	0
	384244	89220

The ANZ loan is secured by a first mortgage over the clubs land and buildings.

**NOTE 14 - PROVISIONS**

***Current***

Employee Entitlements		
- Annual & Sick Leave	30828	27853
- Long Service Leave	79454	63683
Income Tax	0	0
Provision for Community Development & Support Payments	4992	1798
	115274	93334

**WEST WALLSEND WORKERS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 Cont'd**

	2009	2008
	\$	\$
<b>Non Current</b>		
Employee Entitlements		
- Long Service Leave	5088	6368
	5088	6368

**NOTE 15 - OTHER**

**Current**

Member Subscriptions in Advance	2313	1870
Income in Advance	183	1529
GST Liability	24788	16171
	27284	19570

**NOTE 16- LEASING COMMITMENTS**

**Finance Lease Commitments Payable**

Not longer than 1 year	0	12880
Longer than 1 year but not longer than 2 years	0	0
Longer than 2 years but not longer than 5 years	0	0
Longer than 5 years	0	0
Minimum Lease Payment	0	12880
Less Future Finance Charges	0	605
<b>Total Lease Liability</b>	0	12275

**NOTE 17 – AUDITORS REMUNERATION**

(a) Auditing	12500	12000
(b) Other Services	4500	4000
	17000	16000

**NOTE 18 – MEMBERS GUARANTEE**

The Company is limited by guarantee. If the Company is wound up, the articles of association state that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligation of the Company. At 30 June, 2009 the number of members was 2009 (30 June, 2008 ~ 1205)

**NOTE 19 – RELATED PARTIES**

**Directors**

The names of each person holding the position of Director of West Wallsend Workers Club Limited during the financial year are as follows:

N.H. Allen	L. Prestwidge	R.S. Roulston
G Wakeman	G. Carter	T. Rowe
P. Dempsey	A. Anderson	M.A. Owens

**WEST WALLSEND WORKERS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 Cont'd**

**NOTE 20- DIRECTORS REMUNERATION**

The number of Directors of the Company whose income from the Company falls within the following:-

	<b><u>2009</u></b>	<b><u>2008</u></b>
	\$	\$
\$0 - \$9,999	9	9

Total remuneration received or due and receivable by all Directors of the Company:-

	<b><u>2009</u></b>	<b><u>2008</u></b>
	\$	\$
	3500	0

**NOTE 21 FINANCIAL RISK MANAGEMENT**

**a) Financial Risk Management**

The company's financial instruments consist mainly of deposits with banks, local market instruments, short-term investments, accounts receivable and payable, loans, bills and leases.

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative instruments is to raise finance for company operations.

The company does not have any derivative instruments as at 30 June 2009.

Financial Risks exposures and management.

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

i. Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. For further details on interest rate risk refer to Note 20b.

ii. Foreign currency risk

The company is not exposed to fluctuations in foreign currencies.

**WEST WALLSEND WORKERS CLUB LIMITED**  
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**NOTE 21 FINANCIAL RISK MANAGEMENT cont'd**

iii. Liquidity risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

The company's policy is to ensure no more than 30% of borrowing should mature in any 12 month period.

iv. Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and note to the financial statements.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company

Credit risk is managed and reviewed regularly by the Board of Directors. It arises from exposures to customers as well as though deposits with financial institutions.

The Board of Directors monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- only banks and financial institutions with a 'A' rating are utilised;
- all potential customers are rated for credit worthiness taking into account their size, market position and financial standing; and
- customers that do not meet the company's strict credit policies may only purchase in cash or using recognised credit cards.

The trade receivables balances at 30 June 2009 and 30 June 2008 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

v. Price risk

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

**b) Financial Instruments Composition and Maturity analysis**

The table below reflects the undiscounted contractual settlement terms for financial instruments of fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

**WEST WALLSEND WORKERS CLUB LIMITED**  
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**NOTE 21 FINANCIAL RISK MANAGEMENT cont'd**

	Weighted Average Effective Interest Rate		Floating Interest Rate		Within Year	
	2009	2008	2009	2008	2009	2008i
	%	%	\$	\$	\$	\$
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	17092	76142	-	-
Short term deposit	3.60	7.80	91966	87284	-	-
Investments	-	-	-	-	-	-
Loans and receivables	-	-	-	-	-	-
<b>Total Financial Assets:</b>			109058	163426		

	1-5 Years		Non Interest Bearing		Total	
	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	-	-	17092	76142
Short term deposit	-	-	-	-	91966	87284
Investments	-	-	20004	33885	20004	33885
Loans and receivables	-	-	5657	5574	5657	5574
<b>Total Financial Assets:</b>	-	-	25661	39459	134719	202885

	Weighted Average Effective Interest Rate		Floating Interest Rate		Within Year	
	2009	2008	2009	2008	2009	2008
	%	%	\$	\$	\$	\$
<b>Financial Liabilities</b>						
Bank overdraft secured	8.57	11.07	49999	49999	-	-
Bank loan secured	7.67	9.97	-	-	-	-
Trade and other payables	-	-	-	-	-	-
Amounts payable related parties	-	-	-	-	-	-
Amounts payable related parties	-	-	-	-	-	-
Lease liabilities	7.66	8.98	-	-	8288	12275
<b>Total Financial Liabilities</b>	-	-	49999	49999	8288	12275

**WEST WALLSEND WORKERS CLUB LIMITED**  
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**NOTE 21 FINANCIAL RISK MANAGEMENT cont'd**

	1-5 Years		Non Interest Bearing		Total	
	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$
<b>Financial Liabilities</b>						
Bank overdraft secured	-	-	-	-	49999	49999
Bank loan secured	418361	278000	-	-	418361	278000
Trade and other payables	-	-	86466	111021	86466	111021
Amounts payable related parties	-	-	-	-	-	-
Lease Liabilities	17883	0	-	-	26171	12275
<b>Total Financial Liabilities</b>	<b>436244</b>	<b>278000</b>	<b>86466</b>	<b>111021</b>	<b>580997</b>	<b>451295</b>

Trade and sundry payables are expected to be paid as followed

	2009	2008
	\$	\$
Less than 6 months	86466	111021
6 Months to 1 year	-	-
1-5 Years	-	-
Over 5 Years	-	-
	<b>86466</b>	<b>111021</b>

**c. Net Fair Values**

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

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

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

**WEST WALLSEND WORKERS CLUB LIMITED**  
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**NOTE 21 FINANCIAL RISK MANAGEMENT cont'd**

	2009		2008	
	Carrying Amounts \$	Net Fair Value \$	Carrying Amounts \$	Net Fair Value \$
<b>Financial Assets</b>				
Investments	20004	20004	33885	33885
Loans and receivables	5657	5657	5574	5574
	25661	25661	39459	39459
<b>Financial Liabilities</b>				
Bank overdraft secured	49999	49999	49999	49999
Bank loan secured	418361	418361	330000	643697
Trade and other payables	86466	86466	111021	111021
Lease liabilities	26171	26171	12275	12275
	580997	580997	503295	816992

Fair values are materially in line carrying values. A discount rate of 6.7% (2007: 6.7%) has been applied to all non-current borrowing to determine fair values.

**vi            Sensitivity Analysis**

Interest rate risk

The company has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks

Interest Rate Sensitivity Analysis:

At 30 June 2009, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2009 \$	2008 \$
Change in Profit		
- increase in interest rate by 2%	(7528)	(4854)
- Decrease in interest rate by 2%	7528	4854
Change in Equity		
- Increase in interest rate by 2%	(7528)	(4854)
- Decrease in interest rate by 2%	7528	4854)

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged. The company has no exposure to fluctuations in foreign currency.

**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

**NOTE 22 – NOTES TO THE CASH FLOW STATEMENT**

**(a) Reconciliation of Cash**

For the purpose of this Statement of Cash Flows, Cash includes cash on hand, cash at bank and at call deposits with bank or financial institutions.

*Cash at end of the year is shown in the Balance Sheet as:-*

	<b><u>2009</u></b>	<b><u>2008</u></b>
	\$	\$
Cash on Hand	40000	40000
Cash at Bank (Trading)	-32338	16089
Cash at Bank (TAB, Keno & E*Trade)	9430	20053
Visa Card Liability	-2546	-939
	14546	75203
<b>(b) Reconciliation of Cash Flows from Operations with Operating Profit after Income Tax.</b>		
Operating Profit/(Loss) after Income Tax	-114858	-64947
<b>Non-Cash Flows in Operating Profit</b>		
Amortisation	8527	4345
Depreciation	182869	153654
Charges to Provisions	20660	176
Interest Received – Investments	-4681	-4579
Loss on Disposal of Property, Plant & Equipment	8920	19160
Interest Paid on Loan & Leased Asset	37104	1394
Diminution of Shares	13881	41959
<b>Changes in Assets and Liabilities</b>		
(Increase)/Decrease in other Debtors	-83	497
(Increase)/Decrease in Prepayments	14057	6406
(Increase)/Decrease in Intangibles	0	-2228
(Increase)/Decrease in Accrued Interest	268	-236
Increase/(Decrease) in Inventory	656	-5055
Increase/(Decrease) in Trade Creditors & Accruals	-27159	10256
Increase/(Decrease) in Income in Advance	-904	-851
Increase/(Decrease) in GST Liability	8617	-8376
	147874	151575

**NOTE 23 – COMPANY DETAILS**

The registered office of the company is:

West Wallsend Workers Club Ltd  
49-51 Carrington Street  
WEST WALLSEND NSW 2286

The Principal places of business is:

49-51 Carrington Street  
WEST WALLSEND NSW 2286

**WEST WALLSEND WORKERS CLUB LIMITED**  
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**TRADING AND PROFIT AND LOSS STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note:** These schedules have been prepared from and are in accordance with the accounting records of the company. They are included in the Annual Report for the information of members by way of further explanation of the Income Statement and although they are not covered by the report of the Auditor, the Directors are of the opinion that the information contained in them gives a true and fair view of the detail making up the income statement.

**TRADING ACCOUNT FOR THE YEAR ENDED 30 JUNE 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b><u>TRADING ACCOUNT</u></b>		
Sales	593035	560193
<b><u>LESS COST OF SALES</u></b>		
Opening Stock	23537	16390
Purchases	<u>270840</u>	<u>258399</u>
	294377	274789
Closing Stock	<u>22882</u>	<u>23538</u>
<b>COST OF SALES</b>	<u>271495</u>	<u>251251</u>
<b>GROSS PROFIT</b>	321540	308942
<b><u>DIRECT EXPENSES</u></b>		
Freight & Cartage	7885	7427
Repairs & Maintenance	2715	4510
Wages	211768	200996
Wastage	<u>79</u>	<u>26</u>
	<u>-222447</u>	<u>-212959</u>
<b>NET BAR TRADING PROFIT</b>	99093	95983

**WEST WALLSEND WORKERS CLUB LIMITED**  
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**TRADING ACCOUNT FOR THE YEAR ENDED 30 JUNE 2009**

	<b>2009</b>	<b>2008</b>
	\$	\$
<b><u>POKER MACHINETRADING</u></b>		
Net Revenue	1205046	1126376
Dept of Gaming & Racing ~ GST Offset	<u>17180</u>	<u>17180</u>
	1222226	1143556
<b><u>DIRECT EXPENSES</u></b>		
Data Monitoring Fees	19548	19901
Promotions	12179	15186
Maintenance & Analysis	20582	23540
Gaming Link Fees	0	12356
Duty	97997	76458
Wages	<u>37804</u>	<u>37190</u>
<b>DIRECT EXPENSES</b>	<u>188110</u>	<u>184631</u>
<b>POKER MACHINE TRADING PROFIT</b>	<u>1034116</u>	<u>958925</u>
 <b>TAB &amp; KENO OPERATING STATEMENT</b>		
Keno Commissions Received	51026	50566
TAB Commissions Received	<u>13648</u>	<u>12657</u>
	<u>64674</u>	<u>63223</u>
<b><u>DIRECT EXPENSES</u></b>		
Bank fees	430	640
Repairs & Maintenance	300	0
Printing & Stationery	657	0
Promotions	6770	2820
Keno Service Fees	1430	2145
Wages	<u>34046</u>	<u>40442</u>
	<u>43633</u>	<u>46047</u>
<b>TAB &amp; KENO TRADING PROFIT</b>	<u>21041</u>	<u>17176</u>
<b>TOTAL TRADING PROFIT</b>	<u>1154250</u>	<u>1072084</u>

**WEST WALLSEND WORKERS CLUB LIMITED**  
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**PROFIT AND LOSS FOR THE YEAR ENDED 30 JUNE 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b><u>INCOME</u></b>		
Total Trading Profit	1154250	1072084
Autoteller Commission	11977	10132
Bus Income	6241	7469
Interest Received	4413	4816
Dividends Received	1900	2586
Members Subscriptions	5671	5990
Raffles and Bingo	103813	104800
Commissions Received	3864	4533
Sundry Income	4633	987
Sky Channel Rebate	0	111
Telephone	631	747
<b>TOTAL INCOME</b>	<b>1297393</b>	<b>1214255</b>
<b><u>EXPENSES</u></b>		
Administrative Wages	151223	126342
Advertising	28135	27340
Amenities	12744	9819
Audit & Accountancy Fees	17000	16000
Bank Fees & Charges	2985	1728
Borrowing Expenses	1197	248
Bookkeeper	0	9539
Bus Drivers Wages	38366	31819
Cleaning Material	4670	5223
Cleaning – Wages	42488	42345
Club Promotions	72175	59891
Computer Software	6775	4867
Directors Benefits	18488	15924
Donations	28271	12561
Electricity & Gas	49218	49425
Entertainment	85109	87543
Fines	1370	0
Fringe Benefits Tax	1237	1058
Hire of Equipment	4091	1342
Insurance	34949	36417
Interest	40250	8269
Kitchen Expenses	54114	21000
Restaurant Subsidy	0	34500
Legal Fees	10115	218
Licences, Registrations, Permits	1438	2045
Bus Expenses	5391	5289
Motor Vehicle Expenses	12867	8543
Printing, Stationery & Stamps	19694	18569
Prizes – Raffles & Bingo	161590	137946

**WEST WALLSEND WORKERS CLUB LIMITED**  
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	<b>2009</b>	<b>2008</b>
	\$	\$
Rates	7133	7312
Repairs & Maintenance	49481	72063
Security	72232	71139
Staff Amenities	11920	14054
Staff Training	1032	2288
Subscriptions & Affiliations	10835	8074
Superannuation	46593	42056
Telephone	9772	12257
Underbanking /Overbanking	99	(98)
Valuation Fees	7650	4000
Uniforms	2286	2834
<b>TOTAL EXPENSES</b>	<u>1124983</u>	<u>1011789</u>
<b>OPERATING PROFIT</b>	172410	202466
<b><u>NON-OPERATING INCOME &amp; EXPENSES</u></b>		
<b><u>Non Operating Expenses</u></b>		
Provision for Depreciation	190199	157999
Provision for Annual & Sick Leave	48036	42372
Provision for Long Service Leave	24000	4792
Loss on Sale of Fixed Asset	6160	19161
Provision for Community Development & Support Payments	4992	1130
Revaluation of listed Securities	13881	41959
	<u>-287268</u>	<u>-267413</u>
<b>OPERATING PROFIT/(LOSS) BEFORE INCOME TAX</b>	-114858	-64947
Income tax expense	0	0
<b>OPERATING PROFIT AFTER INCOME TAX</b>	<u>-114858</u>	<u>-64947</u>
<b>OPERATING PROFIT</b>	-114858	-64947
Retained Profits at July 1	<u>1073155</u>	<u>1138102</u>
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>	<u>958297</u>	<u>1073155</u>
<b>RETAINED PROFITS</b>	<u>958297</u>	<u>1073155</u>