



2013 PREMIERS



ANNUAL FINANCIAL REPORT 2013
EASTERN SUBURBS LEAGUES CLUB LTD

Celebrating
Years
1963-2013

BIRTHDAY CELEBRATION

THURSDAY 12TH - 19TH DECEMBER

Cash Giveaway, Kids Activities,
Massive Raffle & Entertainment



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 2014 Annual General Meeting of Eastern Suburbs Leagues Club Ltd ("the Club") will be held on Thursday 27 February 2014 at 7.30pm at the Club's premises at 93-97 Spring St, Bondi Junction.

ORDINARY BUSINESS

1. Apologies
2. To confirm the Minutes of the 2013 Annual General Meeting held Tuesday 19 March 2013.
3. To receive and consider the Company's Year Ended 31 October 2013 Financial Report, Directors' Report and Auditors' Report.*
4. Election of Directors - Notification of Directors Re-elected Unopposed.
5. Appointment of Auditor. To consider and, if thought fit, pass the Ordinary Resolution to appoint KPMG as Auditors of the Company with effect from the end of the Annual General Meeting or on a date approved by the Australian Securities and Investments Commission.
6. To transact any business which, under the Constitution, is to be transacted at an Annual General Meeting of which prior notice has been given. Any Notice of Motion for the Annual General Meeting shall be in writing and delivered to the Chief Executive Officer not less than fourteen (14) days prior to the date set for the Annual General Meeting.

*Members who wish to raise any queries or seek information at the meeting about the Financial Report, Directors' Report and Auditors' Report, are asked to give the Group Chief Executive Officer notice in writing of their queries or requests by at least 7 days before the Annual General Meeting. This will enable properly researched replies to be prepared for the benefit of Members.

By Order of the Board.

Scott Bennetts

CEO / Company Secretary

Dated: 23 December 2013

ORDINARY RESOLUTION TO APPOINT AUDITOR

"That KPMG, be appointed as the Club's auditor to replace BDO Australia/Paul Cheeseman who resign as the Club's Auditors at the conclusion of the 2014 Annual General Meeting or on a date approved by the Australian Securities and Investments Commission (ASIC). The appointment of KPMG is to take effect from the conclusion of the 2014 Annual General Meeting or on a date approved by ASIC.

(It is noted that KPMG, having been nominated for appointment as the Club's auditor, have consented to act as auditor)."

EXPLANATORY MESSAGE REGARDING THE RESOLUTION TO APPOINT A NEW AUDITOR

1. The Club's Board of Directors have received from a member a nomination of KPMG as the Club's new Auditors. A copy of the nomination is attached to this notice.
2. BDO Australia/Paul Cheeseman, who have hitherto been the Club's Auditors, resign as the Club's Auditors at the conclusion of the 2014 Annual General Meeting or on a date approved by the Australian Securities and Investments Commission (ASIC).
3. In accordance with the requirements of section 327B of the Corporations Act 2001 (Cth), (Corporations Act) the Club, as a public company, is required to fill any vacancy in the office of auditor at the Annual General Meeting. If the ordinary resolution is passed, the appointment of KPMG will take effect at the conclusion of the 2014 Annual General Meeting or on a date approved by ASIC.
4. As required by section 329(5) of the Corporations Act, the consent of ASIC has been sought to the resignation of BDO Australia/Paul Cheeseman as the Company's Auditors. It is anticipated that ASIC's consent will be obtained by the date of the Annual General Meeting. KPMG have consented to act as the Company's Auditors.
5. To be passed, the Ordinary Resolution must receive votes in its favour from not less than a simple majority of those members, who being eligible to do so, vote in person at the meeting.
6. Proxy voting is prohibited by the Registered Clubs Act 1976 (NSW). Members who are employees of the Club are not entitled to vote.
7. The Board recommends members vote in favour of the Ordinary Resolution.

19 December 2013

The Directors
Eastern Suburbs Leagues Club Ltd
93-97 Spring Street
Bondi Junction NSW 2022

Dear Sirs

I, William Healey, being a member of Eastern Suburbs Leagues Club Ltd, pursuant to Section 328B(1) of the Corporations Act 2001, hereby nominate KPMG, Chartered Accountants, of 10 Shelley Street, Sydney, for appointment as Auditors of the company at the next Annual General Meeting or any adjournment thereof, subject to the resignation of BDO Australia/Paul Cheeseman.

Yours faithfully

A handwritten signature in black ink, appearing to read 'William Healey', with a long horizontal flourish extending to the right.

William Healey

Member Number 15.

EXECUTIVE REPORT 2013

It is our pleasure to present the 54th annual report of the Eastern Suburbs Leagues Club Ltd for the Financial Year Ending 31 October 2013.

THE FINANCIAL YEAR IN REVIEW

Group trading for the year ended 31 October 2013 produced a net profit of \$4,639,417 (or a 25% increase on last year), before a football grant of \$973,000. This has delivered a profit of \$3,666,417 for the Group. This is the first time that the Football Club grant has been under \$1 million since 1986, producing the largest consolidated operational profit in the Club's history.

Being a not-for-profit organisation, these funds are re-invested back into future club developments to improve existing sites or build new developments.

Governments at all levels have received \$13,378,807 in various taxation payments from your Leagues Clubs, while donations to the communities of Bondi Junction, Kingswood, Berkeley, Waverley and Woy Woy received \$1,123,920.

The net performance of the Easts Group (prior to service and management fees charged relative to Kingswood, Berkeley, Waverley and Woy Woy) are as follows:

	2013	2012
Bondi Junction	3,271,826	2,423,540
Berkeley	826,492	1,030,169
Kingswood	479,037	514,283
Waverley	(173,553)	(261,378)
Woy Woy	235,615	0
Licensed Club Profit	4,639,417	3,706,614
Football Grant	(973,000)	(3,665,000)
Group Profit	\$3,666,417	\$41,614

SYDNEY ROOSTERS

Congratulations goes to all those involved in the historic achievements of last year for the Sydney Roosters. With a vast improvement on the performance of the season prior, the football team was able to deliver the Club its 13th Club Championship, 17th NRL Minor Premiership and 13th NRL Premier-

ship. It is worth noting that 16 of our players were selected to represent their countries in the Rugby League World Cup, (most in the NRL), certainly a historic year for the Sydney Roosters.

STRATEGIC PLAN

Easts Leagues Club is intrinsically linked with the Sydney Roosters and we operate as one entity, known as the Easts Group. To ensure a long-term and prosperous future, at the beginning of 2013, a five year strategic plan was formulated to ensure sustainability of both sides of the business, Football and Licensed Club operations. This plan was presented to all staff members to display one set of Vision, Mission and Values for both entities working together, delivering the vision of the Board of Directors to achieve our overall goals separated into 6 key areas:

1. Football Operations
2. Business Operations
3. Finance and Governance
4. People and Culture
5. Community Engagement
6. Future Club Facilities

This strategic plan set by our Board and Management Team was delivered to team members of the Easts Group | Sydney Roosters. It will be reviewed every two years to ensure continued success. The plan is available on all Club websites. www.easts-group.com.au www.sydneyroosters.com.au

GENERAL

Many new peaks were reached this year with Leagues Club membership growing 32% and Football Club membership, sponsorship and crowd numbers reaching record levels. The year also saw a fifth licensed club added to the Group with the amalgamation of Woy Woy Leagues, proud home of the Woy Woy Roosters. This amalgamation added \$4,390,953 to the balance sheet and saved a community asset that provides funds for senior and junior footy teams on the Peninsula.

In June 2013, Easts Leagues Club was recognised as having two of New South Wales top club chefs, with Executive Chef Peter Wood and Sous Chef Zach de Guzman steering Easts Bondi to a Silver Title in the

prestigious Chef's Table Competition.

Women made up half the Easts Group workforce in 2013 and the Group introduced breastfeeding facilities for female staff to ease the transition for mothers upon their return to the workforce.

Kingswood Sports Club also reached an important milestone of its own, celebrating its 50th anniversary in December. A special event was held in December for some of the long term Kingswood members who made the Club the success it is today.

Easts Group has a long and proud tradition of providing support to a number of programs and charities throughout the community and this continued during 2013, with a focus on providing valuable assistance to the local community. The Group will continue to have a widely-respected focus on providing assistance to their local communities, proudly exceeding our regulatory obligations and charitable donation targets.

The organisations and charities that Easts Group assisted in 2013 include:

- Ted Noffs Foundation
- Sydney Roosters Junior Rugby League Club
- Steggle's Roosters Charity Nest
- Eastern Suburbs Relay for Life (Cancer Council NSW)
- DanceAbility
- Youth Off The Streets
- Men of League Foundation
- Lifeline
- Heartkids NSW
- Guide Dogs NSW/ACT
- Movember
- Salvation Army NSW Bushfire Appeal
- Cancer Council Australia
- St Vincent de Paul Society
- Nepean Community & Neighbourhood Service
- Berkeley Development Association
- City of Wollongong Aerial Patrol Inc.
- Essential Personnel Association Inc.
- Interchange Illawarra Inc.
- Brisbane Water Secondary School College
- Learning Links

These are only some of the many organisations and charities that were assisted throughout the year as part of Easts Groups commitment to being "A Great Community Club, to which members wish to passionately belong."

THANKS

Thank you to the fantastic staff across the five registered club venues of the Easts Group and the Sydney Roosters. The compliments that we receive are regular and full of praise and the dedication you show is unique to the industry.

Congratulations to the Staff Members of the Year for the fantastic effort they contributed on an individual basis this year to improve the working environment:

Bondi Junction:	Michael Perrin
Berkeley:	Jamie Lea Lacey
Kingswood:	Jade Lane
Waverley:	Kelvin Tomkinson
Woy Woy:	Michael Stralow
Roosters:	Alexandra Phillips

Lead and Inspire Award: Melinda McKinlay (Bondi Junction)

Shooting Star Award: Alana Banks (Kingswood)

Ignite the Team Award: Kimberley Gruber (Berkeley)

Group Staff Member of the Year

Timothy Jones (Bondi Junction)

Congratulations to all team members who won awards and to those not mentioned who made a difference to our great organisation over the past year.

Our sincere thanks to the Board of Directors for their support and contribution. Special thanks to Brien Samphier for his liaison with our Clubs Sporting Bodies and being Chair of our Membership Committee.

We would like to recognise the management team for the efforts they have put in this year. The year has been a very challenging one but the impact was lessened due to the contribution from the team and the success that hard work produces.

And finally, thank you to all our members for your ongoing support, without which nothing could be achieved. We will continue to strive to ensure our clubs are "A Great Community Club, to which members wish to passionately belong."

Nick Politis
Chairman

Scott Bennetts
Group CEO

OUR VALUES





DIRECTORS' REPORT

Your Directors present their report together with the financial report of Eastern Suburbs Leagues Club Ltd (the Club) for the year ended 31 October 2012 and the auditor's report thereon.

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

Name and Qualifications	Age	Experience
N G Politis, B.Comm & EC. Chairman	72	Twenty first year of directorship. Executive Chairman of WFM Motors Pty Ltd.
P J Newton. Director	64	Thirteenth year of directorship. Director of All States Finance.
B A Samphier. Director	65	Twelfth year of directorship. Managing Director of B&B Electrical and Consulting Services Pty Ltd. Easts Group Sports Director & Chair of Membership Committee.
M L Bouris. Director	57	Tenth year of directorship. Executive Chairman of Yellow Brick Road.
M McInnes, M.B.A. Director	48	Ninth year of directorship. CEO of Premier Retail and Director of Premier Investment.
M Fennessy. Director	52	Seventh year of directorship. CEO of Shine Australia and President of Shine Network.
L A Ricketson. Director	40	Fourth year of directorship. Sports & Leisure Executive GSA Insurance Brokers Pty Limited.

Directors' meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Meetings Held*	Meetings Attended	Absence Granted
M L Bouris	15	8	7
M Fennessy	15	12	3
M McInnes	15	11	4
P J Newton	15	13	2
N G Politis	15	15	-
L A Ricketson	15	12	3
B A Samphier	15	15	-

Membership

The Company is a company limited by guarantee and is without share capital. The number of members as at 31 October 2013 and the comparison with last year is as follows:

	2013	2012
Ordinary	45,544	34,438
Life	6	7
	45,550	34,445

Members' limited liability

In accordance with the Constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$4 per member in the event of the winding up of the Company during the time that they are a member or within one year thereafter. The total liability in the event of winding up is \$182,200 (2012: \$137,780).

Operating result

The table below shows a reconciliation of Eastern Suburbs Leagues Club's earnings before interest, income tax, depreciation, amortisation and grants to the Eastern Suburbs District Rugby League Football Club (referred to as EBITDAG).

	2013	2012
Net profit/(loss) after income tax attributable to members	3,507,963	(80,010)
Add back:		
Finance costs	1,289,037	1,367,733
Income tax	158,454	124,624
Depreciation & amortisation	4,882,925	4,752,654
Grants paid to Eastern Suburbs District Rugby League Football Club	973,000	3,665,000
EBITDAG	10,811,379	9,830,001
Total Revenue and other income	50,495,701	46,563,654
EBITDAG % of total revenue and other income	21.41%	21.11%

Review of operations

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

The profit before tax for the year amounted to \$3,666,417 compared with a profit of \$41,614 for the prior year. The increase of \$3,624,803 was mainly as a result of a decrease in grants to Eastern Suburbs District Rugby League Football Club by \$2,692,000 which were recognised in the preceding year.

Objectives

Short term

The Club's objectives emanates from its stated purpose which is to assist generally in the promotion, conduct and propagation of Rugby League Football in the Rugby League Football District of Eastern Suburbs of Sydney or elsewhere.

Further short term objectives in conjunction with the above is to provide for the use of members and their guests a Great Community Club to which members wish to passionately belong with a commitment to ensuring each club is community focused with service orientated employees continuously seeking to improve our Clubs for all to enjoy.

Long term

To continuously seek to improve our Club's social and sporting facilities for all to enjoy ensuring that the Company's pursuit of its Vision can be achieved via existing and future business segments maintaining sustained growth and financial strength such as good cash flow, creditworthiness, earnings growth and an acceptable return on investment in an ever changing environment.

The Club's values are Honesty, Respect, Teamwork, Enthusiasm, Responsibility and Pride.

Strategy for achieving the objectives

The Club conducts a Strategic Review of its operation annually and has Key Performance Areas:

1. Football Operations;
2. Business Operations;
3. Financial & Governance;
4. Growing People & Culture;
5. Community Engagement;
6. Future Club Facilities.

Principal activities

The principal activity of the Company during the course of the financial year was to provide members and their guests with the amenities and facilities usually associated with social clubs. Further, the Company assists generally in the promotion, conduct and propagation of Rugby League Football in the Eastern Suburbs.

Besides the amalgamation of Woy Woy Leagues Club Limited, there have been no significant changes in the nature of these activities during the year.

How these activities assist in achieving the objectives

The principal activities of the Club outlined above are consistent with the Club achieving the objectives with each stated strategy designed to enhance and improve the Club's facilities and ensure delivery of quality facilities of Rugby League Football.

Performance measurement and key performance indicator

The Easts Group published a five year Strategic Plan reviewed on a regular basis to ensure relevance.

A number of KPIs are employed by the Club in order to measure, monitor and hence improve the Club's performance and to achieve the Club's objectives through sound financial management. Business activities are managed in a proactive manner to ensure that the goals, objectives and business strategies are achieved.

- Adapt to an ever changing and challenging environment.
- Business trends analysis.
- Market analysis.
- Competitive analysis.
- SWOT analysis.

Auditor's independence declaration

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

Signed in accordance with a resolution of the Directors.

Dated at Bondi Junction this
23rd day of December 2013.

N G Politis
Chairman

To the members of
Eastern Suburbs Leagues Club Ltd

Declaration of independence by Paul Cheeseman to the Directors of Eastern Suburbs Leagues Club Ltd

As lead auditor of Eastern Suburbs Leagues Club Ltd for the year ended 31 October 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Paul Cheeseman
Partner

BDO East Coast Partnership
Sydney, 23 December 2013

- Report on the Financial Report
- We have audited the accompanying financial report of Eastern Suburbs Leagues Club Ltd, which comprises the statement of financial position as at 31 October 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

INDEPENDENT AUDITOR'S REPORT

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the Directors of Eastern Suburbs Leagues Club Ltd, would be in the same terms if given to the Directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of Eastern Suburbs Leagues Club Ltd is in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the Company's financial position as at 31 October 2013, and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

BDO East Coast Partnership

Paul Cheeseman

Partner

Sydney, 23 December 2013

DIRECTORS' DECLARATION

The Directors of Eastern Suburbs Leagues Club Ltd declare that:

- a. In the Directors' opinion the financial statements and notes set out on pages 16 to 45, are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the Company's financial position as at 31 October 2013 and of its performance, for the financial year ended on that date; and
 - ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and Corporations Regulations 2001
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

Dated at Bondi Junction this 23rd day of December 2013.

N G Politis

Chairman

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2013

	Note	2013	2012
Revenue			
Sale of goods		9,355,889	7,973,097
Rendering of services		39,243,198	36,570,247
Other revenue		1,635,972	1,540,117
Other income		260,642	480,193
Total Revenue from Continuing Operations	2	50,495,701	46,563,654
Expenses			
Raw materials and consumables used		(3,502,501)	(2,864,791)
Depreciation expenses	3	(4,882,925)	(4,752,654)
Finance costs	3	(1,289,037)	(1,367,733)
Employee benefits expense		(14,004,358)	(13,162,824)
Entertainment, marketing and promotional costs		(4,837,177)	(4,476,452)
Grants paid		(973,000)	(3,665,000)
Poker machine licences and taxes		(8,520,785)	(8,047,067)
Occupancy expenses		(5,638,033)	(5,402,600)
Other expenses from ordinary activities		(3,181,468)	(2,782,919)
Total Expenses		(46,829,284)	(46,522,040)
Profit/(Loss) before income tax expense		3,666,417	41,614
Income tax benefit/(expense)	4(a)	(158,454)	(121,624)
Net profit/(loss) after income tax expense attributable to members	16	3,507,963	(80,010)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in future:			
Gain on amalgamation on Woy Woy Leagues Club, net of tax	18	4,390,953	-
Total comprehensive income for the year, net of tax		7,898,916	(80,010)

The Statement of Profit or Loss and Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 20 to 45.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 OCTOBER 2013

	Note	2013	2012
Assets			
Current Assets			
Cash and Cash equivalents	5	7,034,222	3,553,645
Trade and other receivables	6	1,198,244	4,461,858
Inventories	7	357,170	221,094
Other current assets	8	832,265	902,179
Total Current Assets		9,421,901	9,138,776
Non-Current Assets			
Property, plant and equipment	9	65,085,499	57,848,026
Investment property	10	8,233,883	8,276,543
Intangible assets	11	940,000	190,000
Deferred tax assets	4(c)	76,769	90,223
Total Non-Current Assets		74,336,151	66,404,792
Total Assets		83,758,052	75,543,568
Liabilities			
Current Liabilities			
Trade and other payables	12	3,356,435	3,893,857
Financial liabilities	13	145,271	-
Employee benefits	14	1,874,852	1,483,599
Current tax liabilities	4(b)	42,342	3,367
Other current liabilities	15	99,389	34,770
Total Current Liabilities		5,518,289	5,415,593
Non-Current Liabilities			
Financial liabilities	13	21,173,838	21,000,000
Employee benefits	14	62,509	42,173
Other	15	47,245	28,547
Total Non-Current Liabilities		21,283,592	21,070,720
Total Liabilities		26,801,881	26,486,313
Net Assets		56,956,171	49,057,255
Members funds'			
Retained profits	16	52,565,218	49,057,255
Retained profits	17	4,390,953	-
Total Members' Funds		56,956,171	49,057,255

The Statement of Profit or Loss and Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 20 to 45.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2013

	Equity Reserve	Retained Earnings	Total Equity
	\$	\$	\$
Balance at 1 November 2011		49,137,265	49,137,265
Net loss after income tax expense for the year		(80,010)	(80,010)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(80,010)	(80,010)
Balance at 31 October 2012		49,057,255	49,057,255
Net profit after income tax expense for the year		3,507,963	3,507,963
Other comprehensive income for the year, net of tax	4,390,953	-	4,390,953
Total comprehensive income for the year	4,390,953	3,507,963	7,898,916
Balance at 31 October 2013	4,390,953	52,565,218	56,956,171

The Statement of Profit or Loss and Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 20 to 45.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2012

	Note	2013	2012
Cash Flows From Operating Activities			
Receipts from customers		52,788,063	49,704,109
Payments to suppliers and employees		(44,345,945)	(41,280,690)
Interest received		75,845	93,232
Rent received		2,387,073	885,143
Finance costs paid		(1,289,037)	(1,367,733)
Grants paid		(973,000)	(3,665,000)
Income taxes paid		(106,025)	(84,321)
Net cash inflow from operating activities		8,536,974	4,284,740
Cash Flows From Investment Activities			
Proceeds from sale of plant and equipment		280,640	376,937
Proceeds for sale of held for sale assets		-	3,565,000
Payment for property, plant and equipment		(4,905,154)	(4,450,095)
Payment for Woy Woy Leagues Club liabilities		(431,883)	(3,061,276)
Net Cash Outflow from Investing Activities		(5,056,397)	(3,569,434)
Cash Flows from Financing Activities		-	-
Net Cash Outflow from Financing Activities		-	-
Net Increase in Cash and Cash Equivalents		3,480,577	715,306
Cash and Cash Equivalents at the Beginning of the Financial Year		3,553,645	2,838,339
Cash and Cash Equivalents at the End of the Financial Year	5	7,034,222	3,553,645

The Statement of Profit or Loss and Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 20 to 45.

NOTES TO THE FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

New, revised or amending Accounting Standards and Interpretations adopted

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

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

Any significant impact on the accounting policies of the company from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 1053 Application of Tiers of Australian Accounting Standards

The company has early adopted AASB 1053 from 1 November 2009. This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements, being Tier 1 Australian Accounting Standards and Tier 2 Australian Accounting Standards - Reduced Disclosure Requirements. The company being classed as Tier 2 continues to apply the full recognition and measurements requirements of Australian Accounting

Standards with substantially reduced disclosure in accordance with AASB 2010-2 and later amending Standards, as relevant.

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

The company has early adopted AASB 2010-2 from 1 November 2009. These amendments make numerous modifications to a range of Australian Accounting Standards and Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities in preparing general purpose financial statements. The adoption of these amendments has significantly reduced the company's disclosure requirements.

AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements

AASB 2012-7 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements

AASB 2012-11 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments

The company has early adopted AASB 2011-2, AASB 2012-7 and 2012-11 amendments from 1 November 2012, to the extent that they related to other standards already adopted by the company. These amendments make numerous modifications to a range of Australian Accounting Standards and Interpretations to significantly reduce the company's disclosure requirements.

AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income. The company has applied AASB 2011-9 amendments from 1 November 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax

presentation. The amendments also introduced the term 'Statement of profit or loss and other comprehensive income' clarifying that there are two discrete sections, the profit or loss section (or separate statement of profit or loss) and other comprehensive income section.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. These financial statements do not comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). The financial report consists of the financial statements, notes to the financial statements and the directors' declaration. The financial report is presented in Australian dollars, which is the company's functional and presentation currency.

The company is a not for profit entity for the purpose of preparing these financial statements, which means that in preparing the financial report, the company has applied the exemptions available for not for profit entities. The financial report was authorised for issue on 23 December 2013, in accordance with a resolution of directors. The directors have the power to amend and reissue the financial report.

Historical cost convention

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1(t).

(a) Revenue Recognition – Note 2

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

Sale of Goods

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

Rendering of Services

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

Interest Revenue

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

Rent Revenue

Rent revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(b) Other income – Note 2

Sale of Property, Plant and Equipment

The gain or loss on disposal of property, plant and equipment is calculated as the difference between

the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs) and is recognised as other income at the date control of the asset passes to the buyer.

(c) Goods and Services Tax

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

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office.

(d) Finance Costs

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

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

(e) Income Tax – Note 4

The income tax expense or benefit for the period

is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates that are enacted or substantively enacted, except for:

- When deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business a business combination and that, at the tie of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associate or interest in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable en-

tity's which intend to settle the claim simultaneously.

(f) Impairment of Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(g) Cash and Cash Equivalents – Note 5

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible known amounts of cash and which are subject to an insignificant risk in changes in value.

(h) Trade and Other Receivables – Note 6

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

(i) Inventories – Note 7

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.

(j) Leased Assets

Leases under which the company assumes substantially all the risks and benefits incidental to the ownership of the assets but not the legal ownership are classified as finance leases. Other leases are classified as operating leases.

Finance Leases – Note 14

A lease asset and a lease liability are recorded at their fair value at the inception of the lease or, if lower at the present value of the minimum lease payments.

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

Operating Leases

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

(k) Fair Value Estimation

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

The fair value of financial instruments traded in active markets such as trading and available for sale securities is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the company is the current bid price.

The carrying value of trade receivables and payables are assumed to approximate their fair value due to their short term nature.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar liabilities.

(l) Property, Plant and Equipment – Note 9

Freehold land and buildings are shown at historic cost less subsequent depreciation for buildings and accumulated impairment losses for land and buildings.

Plant and equipment is stated at historical cost less depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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



2013 NRL GRAND

WINNERS

Steggles

Steggles

Steggles

Steggles

Steggles

CRINITIS

CRINITIS





2013 PREMIERS



are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

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

	2013	2012
	Years	Years
Property, Plant & Equipment		
Buildings	30 & 40	30 & 40
Plant & Equipment	4 - 10	4 - 10
Leasehold Improvements	4 - 10	4 - 10

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, it is company policy to transfer the amounts included in other reserves with respect to those assets to retained earnings.

(m) Investment Property – Note 10

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

(n) Intangible Assets – Note 11

Poker Machine Entitlements

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

(o) Trade and Other Payables – Note 12

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

(p) Financial Liabilities – Note 13

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit or Loss and Other Comprehensive Income over the period of borrowings using the effective interest method. Borrowings are classified as non-current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(q) Employee Benefits – Note 14

Wages and Salaries, Annual Leave

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

Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long Service Leave

The provision for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made resulting

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

Superannuation Plan

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

(r) Comparatives

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

(s) Customer Loyalty Program

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

(t) Critical Accounting Judgements, Estimates & Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements.

Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors,

including expectations of future events that management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimation of Useful Lives of Assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Long Service Leave Provision

As discussed in note 1(q), the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect to all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Intangible Assets

As discussed in note 1(n), impairment of poker machine entitlements is recognised based on a value in use calculations and is measured at the present value of the estimated future cash inflows available to the company from the use of these licenses. In determining the present value of the cash inflows growth rate and appropriate discount factor have been considered. Refer to note 11.

2. REVENUE FROM CONTINUING OPERATIONS

	Note	2013	2012
Sale of Goods Revenue			
Bar sales		6,320,259	5,052,646
Catering sales		3,035,630	2,920,451
		9,355,889	7,973,097
Rendering of Services Revenue			
Poker machine - net clearances		36,684,821	34,286,124
Fitness Centre		1,135,762	1,061,924
Members' subscriptions		196,837	210,566
Entertainment and promotions income		810,461	670,927
Keno commissions		293,601	237,188
TAB commissions		121,716	103,518
		39,243,198	36,570,247
Other Revenues			
Interest received		75,845	93,233
Rent received		1,034,304	804,675
Miscellaneous revenue		525,823	642,209
Total Other Revenue		1,635,972	1,540,117
Total Revenue		50,235,059	46,083,461
Other Income			
Net gain on disposal of non-current assets		260,642	321,509
Net gain on disposal of held for sale assets		-	158,684
Total Other Income		260,642	480,193
Total Revenue from Continuing Operations		50,495,701	46,563,654

3. EXPENSES

	Note	2013	2012
Profit/(Loss) before income tax includes the following specific expenses:			
Cost of sales			
Cost of sales		3,502,501	2,864,791
Finance costs			
Bank loans and overdraft		1,289,037	1,367,733
Depreciation			
Buildings and improvements		1,793,881	1,768,800
Plant and equipment		878,920	897,531
Motor vehicles		18,433	27,999
Poker machines		2,191,691	2,058,324
Total Depreciation		4,882,925	4,752,654
Investment Properties			
Direct operating expenses from property that generated rental income		187,389	216,675

4. INCOME TAX

(a) Income Tax Expense/(Benefit)

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

	Note	2013	2012
Current income tax at rate of 30%		89,053	167,045
(Over)/Under provision in prior years		55,947	(42,223)
(Increase)/Decrease in deferred tax		13,454	(3,198)
Income Tax (Benefit)/Expense attributable to (Loss)/Profit		158,454	121,624

(b) Current Tax Liabilities/(Asset)

Movements during the year:			
Balance at beginning of year		3,367	(37,134)
Income tax paid		(106,025)	(84,321)
Current year's income tax expense		89,053	167,045
Under/(over) provision in prior year		55,947	(42,223)
		42,342	3,367

(c) Deferred Tax Assets

The balance comprises temporary differences attributable to:

Amounts recognised in profit or loss:			
Employee benefits		76,769	90,223
Net deferred tax assets		76,769	90,223
Movements			
Opening balance		90,223	87,025
Movements in the year		(13,454)	3,198
Closing Balance		76,769	90,223

5. CASH AND CASH EQUIVALENTS

Reconciliation of Cash

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

	Note	2013	2012
Cash and Cash Equivalents		7,034,222	3,553,645

6. TRADE AND OTHER RECEIVABLES

Current

Trade receivables		223,891	45,671
Less: Provisions for impairment of receivables		(209)	-
		223,682	45,671
Other receivables		974,562	1,354,911
Loan to Woy Woy & District Rugby League Football Club Limited		-	3,061,276
		1,198,244	4,461,858

Loan was made to Woy Woy & District Rugby League Football Club Ltd in the prior year to pay for their outstanding debtors prior to amalgamation with Eastern Suburbs Leagues Club Ltd. This amount was recovered during the financial year when the assets of Woy Woy & District Rugby League Football Club Ltd were acquired by Eastern Suburbs Leagues Club Ltd. Refer note 18.

7. INVENTORIES

Finishing Goods

Trading Stocks - at cost		357,170	221,094
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8. OTHER ASSETS

Current

Prepayments		832,265	902,179
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9. PROPERTY, PLANT AND EQUIPMENT

	Note	2013	2012
Freehold Land			
At cost		17,616,633	14,716,633
Buildings			
At cost		55,830,812	49,609,768
Accumulated depreciation		(17,747,184)	(16,116,982)
		38,083,628	33,492,786
Total Land and Buildings		55,700,261	48,209,419
Leasehold Improvements			
At cost		127,678	127,678
Accumulated amortisation		(126,927)	(126,927)
		751	751
Plant and Equipment			
At cost		19,108,098	17,842,735
Accumulated depreciation		(16,110,926)	(15,445,588)
		2,997,172	2,397,147
Poker Machines			
At cost		18,390,385	17,224,801
Accumulated depreciation		(13,861,346)	(12,780,597)
		4,529,039	4,444,204
Motor Vehicles			
At cost		205,330	186,332
Accumulated depreciation		(116,004)	(97,572)
		89,326	88,760
Capital Works in Progress			
At cost		1,768,950	2,707,745
Total Property, Plant and Equipment Net Book Value		65,085,499	57,848,026

Refer to Note 13 for details of security over property, plant and equipment.

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Valuation

An independent valuation by Hymans Asset Management Pty Limited valuation of the company's freehold land and buildings was carried out at 17 October 2012 with an effective date of 31 October 2012 on the basis of open market value for existing use resulted in a valuation of \$67,470,000 excluding the property acquired in the Woy Woy amalgamation.

The Directors of the company have determined the value for the land and buildings acquired as part of the Woy Woy amalgamation to be \$7,000,000 as at December 2012. Hence, the total freehold land and buildings is \$74,470,000. As freehold land and buildings are recorded at cost the valuation has not been brought to account.

The directors do not believe that there has been a material movement in the fair value since the valuation date. The property, plant and equipment acquired upon Woy Woy Leagues Club Limited amalgamation is disclosed in Note 19.

Reconciliations

	Note	2013	2012
Movements in Carrying Amounts			
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial year are set out below:			
Freehold Land			
Carrying amount at beginning of year		14,716,633	14,716,633
Additions		2,900,000	-
Carrying amount at end of year		17,616,633	14,716,633
Buildings			
Carrying amount at beginning of year		33,492,786	35,099,586
Additions		4,100,000	-
Transfers from work in progress		2,121,044	-
Depreciation Expense		(1,630,202)	(1,606,800)
Carrying amount at end of year		38,083,628	33,492,786
Leasehold Improvements			
Carrying amount at beginning of year		751	751
Amortisation expense		-	-
		751	751

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliations Continued

	Note	2013	2012
Plant and Equipment			
Carrying amount at beginning of year		2,397,147	2,744,341
Additions		1,453,988	558,722
Transfers from poker machines		27,000	-
Disposals		(2,043)	(8,385)
Depreciation		(878,920)	(897,531)
Carrying amount at end of year		2,997,172	2,397,147
Poker Machines			
Carrying amount at beginning of year		4,444,204	4,332,672
Additions		2,321,481	2,185,509
Transfers from property, plant & equipment		(27,000)	-
Disposals		(17,955)	(15,653)
Deoreciation expense		(2,191,691)	(2,058,324)
Carrying amount at end of year		4,529,039	4,444,204
Motor Vehicles			
Carrying amount at beginning of year		88,760	136,949
Additions		19,000	11,200
Disposals		-	(31,390)
Depreciation expense		(18,434)	(27,999)
Carrying amount at end of year		89,326	88,760
Capital Works in Progress			
Carrying amount at beginning of year		2,707,745	1,013,081
Additions		1,306,152	1,694,664
Transfers		(2,244,947)	-
Carrying amount at end of year		1,768,950	2,707,745

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Core Properties held by the Club are:

Bondi Junction

93-97 Spring St
Strata Tower #17320 Lot 1, 9-13 Bronte Rd
80A Ebley St
Bondi Junction NSW 2022

Kingswood

2 Santley Crescent
Kingswood NSW 2747

Berkeley

5 Wilkinson Street
Berkeley NSW 2506

Waverley

163 Birrell Street
Waverley NSW 2024

Woy Woy

82-90 Blackwall Road
Woy Woy NSW 2256

Non-Core Properties held by the Club are:

5A Bronte Road
Bondi Junction NSW 2022

462-464 Oxford Street
Bondi Junction NSW 2022

124 Avoca Street
Randwick NSW 2031

2 Porrende Street
Narellan NSW 2567

29A Grahams Hill Road
Narellan NSW 2567

10. INVESTMENT PROPERTIES AT COST

	Note	2013	2012
Rental Properties			
Land			
At cost		4,760,244	4,760,244
Buildings			
At cost		5,025,286	4,904,266
Accumulated depreciation		(1,551,647)	(1,387,967)
		3,473,639	3,516,299
Total Land and Buildings		8,233,883	8,276,543

Reconciliations

Movements in Carrying Amounts			
Land			
Carrying amount at beginning of year		4,760,244	4,760,244
Carrying Amount at End of Year		4,760,244	4,760,244
Buildings			
Carrying amount at beginning of year		3,516,299	3,678,299
Transfers from work in progress		121,019	-
Depreciation expense		(163,679)	(162,000)
Transferred to assets held for sale			-
Carrying Amount at End of Year		3,473,639	3,516,299

Valuations Basis

An independent valuation by Hymans Asset Management Pty Limited of the company's investment properties being the land and buildings was carried out at 17 October 2012 with an effective date of 31 October 2012 on the basis of open market value for existing use resulted in a valuation of \$10,750,000. As the investment properties are recorded at cost the valuation has not been brought to account. The directors do not believe that there has been a material movement in the fair value since the valuation date.

II. INTANGIBLE ASSETS AT COST

	Note	2013	2012
Poker Machine Entitlements			
At cost		940,000	190,000

Reconciliations

Movements in Carrying Amounts			
Carrying amount at beginning of the year		190,000	190,000
Additions – Woy Woy amalgamation entitlements		750,000	-
Carrying Amount at End of Year		940,000	190,000

Indefinite useful life

Poker machine entitlements are administrated by the state government and restrict the number of poker machines that can be installed by licensed club holder. The entitlements which may be transferred or acquired or sold do not have an expiration date and are therefore deemed to have an indefinite useful life. Poker machine entitlements are internally generated and therefore are only recognised when acquired and are valued at cost.

Entitlement

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for the poker machine entitlements

- 2.5% pre-tax discount rate;
- 3.0% per annum projected revenue growth rate;
- 2.2% per annum increase in operating costs and overheads.

Sensitivity

As disclosed in note 1, the directors have made judgements and estimates with respect to impairment testing of poker entitlements. Should these judgements and estimates not occur, the resulting poker entitlements may vary in the carrying amount. The sensitivities are as follows:

Revenue would need to decrease significantly before the gaming division poker entitlements would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of gaming division's poker entitlements is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

12. TRADE AND OTHER PAYABLES

Trade creditors		1,204,695	2,070,019
Goods and Services Tax (GST) payable		498,442	86,933
Other creditors and accruals		1,653,298	1,736,905
		3,356,435	3,893,857

13. FINANCIAL LIABILITIES

	Note	2013	2012
Current			
Secured			
Finance leases		145,271	-
Non-Current			
Secured			
Finance leases		173,838	-
Bill Facilities		21,000,000	21,000,000
		21,173,838	21,000,000

Financing Arrangements

The company has access to the following lines of credit:

Total facilities available:			
Bank guarantees		19,000	19,000
Multi-options bill facility		23,056,000	23,150,000
Corporate Mastercard credit card facility		75,000	37,000
		23,150,000	23,206,000
Facilities utilised at reporting date:			
Multi-options bill facility		21,000,000	21,000,000
Corporate Mastercard credit card facility & bank guarantee		25,724	-
		21,025,724	21,000,000

13. FINANCIAL LIABILITIES (CONTINUED)

Bill Acceptance Facility

The bill acceptance facility is interest only facility and is available until 31 December 2014 at fixed and floating charges. The \$10,000,000 facility bears interest at 5.79%, the \$4,000,000 at 4.64% and the \$2,000,000 at 7.65%. The remaining \$5,000,000 floating facility bears a floating interest rate of 5.00%.

Security

The facilities are secured by registered first mortgages over certain properties of the Company.

- a. Registered first mortgage over commercial office and club premises at 93-97 Spring Street, Bondi Junction and Commercial property located at 9-13 Bronte Road, Bondi Junction. Registered proprietor: Eastern Suburbs Leagues Club Ltd.
- b. Registered first mortgage over commercial premises at 2-10 Santley Crescent Kingswood. Registered proprietor: Eastern Suburbs Leagues Club Ltd.
- c. Registered first mortgage over commercial premises at 5A-7 Bronte Road, Bondi Junction. Registered Proprietor: Eastern Suburbs Leagues Club Ltd.
- d. First mortgage over commercial premises at 206A Alison Road, Randwick. Registered Proprietor: Eastern Suburbs Leagues Club Ltd.
- e. First mortgage over commercial premises at Lot 218 Porrende Street, Narellan. Registered Proprietor: Eastern Suburbs Leagues Club Ltd.
- f. Registered equitable mortgage and floating charge over the assets and undertakings of Eastern Suburbs Leagues Club Ltd.
- g. First mortgage over commercial premises at 464 Oxford Street, Bondi Junction. Registered Proprietor: Eastern Suburbs Leagues Club Ltd.

	Note	2013	2012
Freehold land		17,616,633	19,476,877
Buildings		38,083,628	37,009,085
Total pledged		55,700,261	56,485,962

14. EMPLOYEE BENEFITS

	Note	2013	2012
Current		1,874,852	1,483,599
Non-current		62,509	42,173
Total employee benefits including on-costs		1,937,361	1,525,772

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

Inflation rate		2.20%	2.0%
Discount rate		2.50%	2.97%
Settlement term (years)		7.15 Years	8.04 Years

Superannuation Plans

Contributions

The company is under a legal obligation to contribute 9.25% (9.0% prior to 1 July 2013) of each employee's base salary to a superannuation fund.

15. OTHER LIABILITIES

Current			
Income received in advance		99,389	34,770
Non-Current			
Income received in advance		47,245	28,547

16. RETAINED PROFITS

	Note	2013	2012
Retained profits at the beginning of the year		49,057,255	49,137,265
Net profit/(loss) attributed to members of the company		3,507,963	(80,010)
Retained profits at the end of the year		52,565,218	49,057,255

17. EQUITY RESERVE

Equity reserve		4,390,953	-
Movements during the year			
Asset Revaluation			
Balance at beginning of year		-	-
Gain on amalgamation of Woy Woy - note 19		4,390,953	-
Balance at end of year		4,390,953	-

Nature and Purpose of Reserves

Equity Reserve

The equity reserve was realised on amalgamation of Woy Woy Leagues Club Ltd. Refer to the disclosures in note 19.

18. CONTINGENT LIABILITIES

Bank Guarantees

The company has given the following bank guarantees:

TAB Limited		19,000	19,000
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There are no other contingent liabilities of the company.

19. GAIN ON AMALGAMATION

On the 3rd December 2012, Eastern Suburbs Leagues Club Ltd received advice from the NSW Office of Liquor, Gaming and Racing granting approval of the amalgamation between Eastern Suburbs Leagues Club Ltd and Woy Woy Leagues Club Ltd. Eastern Suburbs Leagues Club Ltd gained effective control of the following:

	\$
Assets	
Land	2,900,000
Buildings	4,100,000
Intangible Assets	750,000
Plant and equipment	141,295
Cash Float	55,000
Leased Assets	306,315
Poker Machines	68,516
Bar Stock	52,657
Deferred Tax Assets	12,794
	8,386,577
Liabilities	
Trade and Other Payables	643,159
Bank Loans	2,850,000
Finance lease liabilities	319,109
Employee Provisions	183,356
	3,995,624
Net Assets acquired on amalgamation	4,390,953

No consideration was paid upon amalgamation with Woy Woy Leagues Club Limited. Eastern Suburbs Leagues Club assumed all the assets and liabilities of the former Club with the net assets acquired recognised as gain on amalgamation.

The amount of profit or loss of Woy Woy Leagues Club Limited since the acquisition date included in the Statement of Profit or Loss and Other Comprehensive Income for the reporting period are as follows:

	\$
Woy Woy Leagues Club	
Net loss from operations before income tax expense attributable to members	(97,163)

20. MUTUALITY PRINCIPLE

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

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

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

20. KEY MANAGEMENT PERSONNEL DETAILS

(a) Directors

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

N G Politis
M L Bouris
M Fennessy
M McInnes
P J Newton
L Ricketson
B A Samphier

(b) Other Key Management Personnel

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

Name	Position
Scott Bennetts	Group Chief Executive Officer
Scott Macdonald	Group Chief Finance Officer
Riccardo Callegari	Group Gaming Manager
Mark Wheeler	General Manager Licensed Clubs
Valerie D'Angelo	Group Human Resources Manager

(c) Key Management Personnel Compensation

	Note	2013	2012
Benefits and payments made to the Directors and Other Key Management Personnel		1,005,058	797,106

22. RELATED PARTIES

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 21.

Directors' Transactions with the Company

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers and are trivial or domestic in nature. The aggregate amounts of each of the above types of transactions with directors and their Directorrelated entities were as follows:

	Note	2013	2012
Functions - WFM Motors		8,248	4,369
Functions - Yellow Brick Road		1,355	-
Functions - B A Samphier		5,914	-
		15,517	4,369

WFM Motors is affiliated with Chairman Nick Politis

Yellow Brick Road is affiliated with Director Mark Bouris

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

Other related parties

Grants paid and payable to Eastern District Rugby League Football Club Limited amounted to \$973,000 (2012: \$3,665,000).

Balances with entities within the group			
Receivables – current assets		517,000	540,000

Ultimate Parent Entity

The immediate and ultimate parent entity of the company is Eastern Suburbs District Rugby League Football Club Limited, a company incorporated in Australia.

23. COMMITMENTS

Finance Lease Commitments

Finance lease rentals commitments are payable:

	Note	2013	2012
Within one year		186,535	-
One year or later and no later than five years		202,080	-
		388,615	

24. COMPANY DETAILS

The Company is incorporated and domiciled in Australia as a company limited by guarantee. In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$4 per member in the event of the winding up of the company during the time that he is a member or within one year thereafter. At 31 October 2013 there were 45,550 members.

The registered office of the company is 93-97 Spring Street, Bondi Junction NSW 2022.

25. EVENTS SUBSEQUENT TO REPORTING DATE

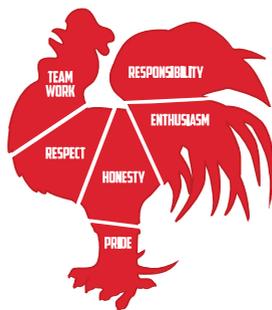
There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.







OUR VALUES



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