

**Liverpool Catholic Club Limited  
incorporating  
Thurgoona Country Club Resort**

**ACN 00 874 073  
ABN 78 000 874 073**

**Annual Report 2009**

**Patron**

Most Reverend Bishop David Cremin D.D.  
Emeritus Auxiliary Bishop of Sydney

**Chaplain**

Rev. Father Bill Wright P.P.

**Board of Directors**

**President** - Anthony Atkins

**Vice-President** - Silvio Marucci

**Treasurer** - Denis Williams

**Assistant Treasurer** - Michael Coffey

George Ajkay, Phillip Coleman, Valda Hood  
Colin Purcell, Gregory Richardson

**Chief Executive Officer** - John Turnbull

**Bankers:** Commonwealth Bank of Australia

**Solicitors:** Pigott Stinson Lawyers

**Auditors:** PKF Chartered Accountants

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the thirty-ninth Annual General Meeting of the Liverpool Catholic Club Limited will be held at the Club premises Hoxton Park Road, Liverpool on Sunday 18th April 2010 at 12 noon.

Notice is also given that nominations for the office of Director close with the Chief Executive Officer on 28th March 2010.

### BUSINESS

- 1: Apologies
- 2: To confirm the minutes of the thirty-eighth Annual General Meeting held on the 19th April 2009.
- 3: To receive and consider the Statement of Comprehensive Income, Statement of Financial Position and Cash Flow Statement for the year ended 31st December 2009, together with the Reports of Directors and Auditors thereon.
- 4: Special Resolution  
To appoint KPMG Chartered Accountants as Auditors of the Company with effect from the end of the Annual General Meeting.
- 5: Ordinary Resolutions  
FIRST: Sponsorship of intra-clubs  
SECOND: Directors' expenses  
THIRD: Directors' professional development  
FOURTH: Functions to honour deceased members  
FIFTH: Meals for honorary members
- 6: To appoint nine Directors
- 7: To transact any other business which may be raised by members

**John Turnbull**  
**Chief Executive Officer**

18th March 2010

## **NOTICE OF RESOLUTIONS FOR ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that at the Annual General Meeting of **LIVERPOOL CATHOLIC CLUB LIMITED** to be held on Sunday 18th April, 2010 commencing at the hour of 12 noon at the premises of the Club, Hoxton Park Road, Liverpool West, New South Wales the members will be asked to consider and if thought fit pass the following resolutions:

### **SPECIAL RESOLUTION**

That KPMG Chartered Accountants be appointed as Auditors of the Company with effect from the end of the Annual General Meeting.

### **Explanatory Note:**

The company's Auditor PKF Chartered Accountants, is resigning with effect from the end of the Annual General Meeting. The company has received a nomination for KPMG Chartered Accountants to be appointed as auditors with effect from the end of the Annual General Meeting. A copy of the nomination is set out at the end of this note. The company proposes to appoint KPMG Chartered Accountants. KPMG Chartered Accountants have consented so to act.

### **Nomination:**

The General Manager  
Liverpool Catholic Club Limited  
Hoxton Park Road  
LIVERPOOL NSW 2170

10th February 2010

Dear Sir

### **Notice of nomination of proposed auditor**

Pursuant to Section 328B(1) of the Corporations Act 2001, I Denis Robert Williams, being a member of the Liverpool Catholic Club Limited, hereby give you notice of the nomination of KPMG of 10 Shelley Street, Sydney as auditor of Liverpool Catholic Club Limited.

Yours faithfully

D. R. Williams  
Director

## **FIRST ORDINARY RESOLUTION**

That the members hereby approve and agree to expenditure by the Club in a sum not exceeding \$100,000 until the next Annual General Meeting of the Club for sponsorship of Intra Clubs.

## **SECOND ORDINARY RESOLUTION**

- (a) That the members hereby approve and agree to expenditure by the Club in a sum not exceeding \$50,000 until the next Annual General Meeting of the Club for Directors' Expenses as follows:
- (i) The reasonable cost of a meal and beverage for each Director immediately before or immediately after a Board or Committee meeting on the day of that meeting when that meeting corresponds with a normal meal time.
  - (ii) Reasonable expenses incurred by Directors in travelling to and from Directors' meetings or other duly constituted committee meetings as approved by the Board from time to time on production of invoices, receipts or other proper documentary evidence of such expenditure.
  - (iii) Reasonable expenses incurred by Directors in relation to such other duties including entertainment of special guests to the Club and other promotional activities performed by Directors which activities and the expenses therefrom are approved by the Board before payment is made on production of receipts, invoices or other proper documentary evidence of such expenditure.
  - (iv) The reasonable cost of Directors and their spouses/partners (if required) attending any club, community or charity function as the representatives of the Club and authorised by the Board to do so.
  - (v) The reasonable cost of Club uniforms being provided to Directors as required.
  - (vi) The provision of a designated car parking space for the exclusive use of each Director.
  - (vii) The reasonable documented expenses incurred by Directors for club related telephone calls.
  - (viii) The provision of a bouquet of flowers or similar gift to the value of \$100 for the spouse or partner of a Director in appreciation of their support of the Director throughout the year.
- (b) That the members acknowledge that benefits in paragraph (a) above are not available to members generally but only for those who are Directors of the Club.

### **THIRD ORDINARY RESOLUTION**

- (a) That the members hereby approve and agree to expenditure by the Club in a sum not exceeding \$60,000 for the professional development and education of Directors until the next Annual General Meeting and being:
- (i) The reasonable cost of Directors attending conferences, seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time;
  - (ii) The reasonable cost of Directors attending other registered clubs for the purpose of viewing and assessing their facilities and methods of operation provided such attendances are approved by the Board as being necessary for the betterment of the Club;
  - (iii) The reasonable cost of Directors and their spouses (if required) attending the ClubsNSW Annual General Meeting and Conference in 2010 provided however that the expenses in relation to Directors' spouses or partners will be limited to:
    - Economy airfares or other reasonable travel expenses;
    - Accommodation for the duration of the conference only;
    - The cost of tickets to the conference dinner.
- (b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those who are Directors of the Club.

### **FOURTH ORDINARY RESOLUTION**

That the members hereby approve and agree to expenditure by the Club in a sum not exceeding \$12,000 until the next annual general meeting of the Club for the reasonable costs of functions (such as wakes) to be held at the Club to honour the memory and work of members of the Club who have served the Club in a voluntary capacity over many years and who die during the course of the year. The holding of such functions and the extent of the expenditure paid or borne by the Club for such functions shall in each case be entirely at the discretion of the Board of Directors.

### **FIFTH ORDINARY RESOLUTION**

- (a) That the members hereby approve the Club providing a complimentary meal to each Honorary member when they attend the Club at a time which coincides with a normal meal time.
- (b) The members acknowledge that the benefits in paragraph (a) are not available for members generally but are only for those who are Honorary members of the Club.

Dated: 10th February 2010

By direction of the Board

**John Turnbull**  
**Chief Executive Officer**

## NOTES TO MEMBERS

### **First Ordinary Resolution**

The First Ordinary Resolution is to have the members in General Meeting approve an amount no greater than \$100,000 for sponsorship of the intra-clubs. This amount is the same as that approved by members at the Annual General Meeting in 2009.

### **Second Ordinary Resolution**

The Second Ordinary Resolution is to have the members in General Meeting approve an amount no greater than \$50,000 for expenses incurred by Directors in the performance of their duties. Included in the resolution is the cost of Directors attending functions as representatives of the Club and the costs of their spouses/partners also attending those functions. This is consistent with the amount approved by members at the Annual General Meeting in 2009.

### **Third Ordinary Resolution**

The Third Ordinary Resolution is to have the members in General Meeting approve an amount no greater than \$60,000 for the expenditure by the Club for Directors to attend conferences, seminars, lectures trade displays and other similar events and to visit other clubs to enable the Club's governing body to be kept abreast of current trends and developments which may have a significant bearing on the nature and way in which the Club conducts its business. Also included will be expenditure for Directors and their spouses (if required) to attend the ClubsNSW Annual Meeting and Conference in 2010.

The amount to be provided by this resolution is consistent with the amount approved by members at the Annual General Meeting in 2009 for the professional development of Directors.

### **Fourth Ordinary Resolution**

The Fourth Ordinary Resolution is intended to provide funding over the next twelve months for functions to honour distinguished members of the Club on their death. Without such a resolution it is arguable that the Club is not entitled to provide such functions without someone (normally members of the family of the deceased) being responsible for the cost.

### **Fifth Ordinary Resolution**

The Fifth Ordinary Resolution is to have the members in General Meeting approve the Club providing a meal to each Honorary member when they are attending the Club at a time which coincides with a normal meal time. In practice this will happen only by the Honorary member producing his or her Gold Honorary membership card.

## **Procedural matters**

1. To be passed, the Special Resolution requires votes from not less than three quarters of those members who, being eligible to do so, vote in person at the meeting.
2. Only Life members and financial Voting members are entitled under the Club's Articles of Association to vote on the Special Resolution.
3. To be passed, Ordinary Resolutions must receive votes from not less than a majority of members who, being eligible to do so, vote in person at the meeting.
4. Proxy voting is prohibited by the Registered Clubs Act.
5. Any member who is an employee of the Club is prohibited from voting by the Registered Clubs Act.
6. The Board of the Club recommends each of the resolutions to members.

Dated: 10th February 2010

By direction of the Board

**John Turnbull**  
**Chief Executive Officer**

## PRESIDENT'S REPORT

Welcome to the 39th Annual General Meeting of the club and the presentation of the Annual Report for the year ended 31st December 2009.

After 15 years of planning and much hard work on the part of our architects, builders and club management team, it gives me great pleasure to report the completion in December 2009 of our new 4½ star 'Mercure Sydney Liverpool' hotel.

Modern in style and great in value, the 104 room hotel will be a support facility for our 1200-seat multi-function conference centre which is used for wedding receptions, seminars and a variety of social, sporting and trade functions.

Each hotel room has been fitted with quality furnishings and state of the art facilities, all designed for peaceful relaxation in air conditioned comfort.

'The Atrium' a new a la carte restaurant, together with a new brasserie, has also been provided for hotel guests and club members.

With the completion of the hotel our club now offers a wide range of accommodation, dining and recreational facilities for all to enjoy.

I am also pleased to report that the club made a profit of \$ 4.4 million in 2009, quite a good result considering difficult trading conditions experienced during the recent global financial crisis.

Donations to local schools and charities amounted to \$519,000 bringing to \$5.2 million the total amount provided by the club over the past five years.

In conclusion, I thank my fellow Directors for their efforts during the past year, the General Manager and his staff for their diligence, the committee members of all our intra-clubs for their good work and club members generally for their support and loyalty to our club.

**Tony Atkins**  
**President**

**Liverpool Catholic Club Limited**  
**ABN 78 000 874 073**

**Concise Report**

**31 December 2009**

The financial statements and other specific disclosures have been derived from Liverpool Catholic Club Limited's (the Company's) full financial report for the financial year. Other information included in the concise financial report is consistent with the Company's full financial report.

The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

A copy of the Company's 2009 Annual Financial Report, including the independent audit report, is available to all members and will be sent to members without charge upon request.

## Directors' Report

### Directors

Your directors present their report together with the financial report of Liverpool Catholic Club Limited (the company) for the year ended 31 December 2009 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:

<b>Surname</b>	<b>Christian Names</b>
Ajkay	George Zoltan
Atkins	Anthony Michael
Coffey	Michael Francis
Coleman	Phillip Vincent
Hood	Valda Marion
Marucci	Silvio
Purcell	Colin Aloysius
Richardson	Gregory Peter
Williams	Denis Robert

### Information on Directors

#### **AJKAY, GEORGE ZOLTAN B.Bus (NSWIT) Dip.Tech.Management.**

Managing Director Beta Trading Co Pty Ltd. Joined Club 1997. Elected to Board April 2004.

#### **ATKINS, ANTHONY MICHAEL B.Surv (UNSW)**

Registered Surveyor. Rose Atkins. (Consulting Surveyors). Director Rose Atkins Rimmer (Water Infrastructure) Club Director since March 1989. Member Building and Site Development Committee. Vice-President 1998-2003, President 2003-Current.

#### **COFFEY, MICHAEL FRANCIS JP, B.Sc (UNSW)**

Company Director. Joined Club June 1998. Appointed Director February 2004. Assistant Treasurer since April 2004.

#### **COLEMAN, PHILLIP VINCENT**

Retired. Formerly Technical Officer, Australian Atomic Energy Commission. Foundation Member, Elected to Board June 1982. Vice-President May 1994. Member Finance & Membership Committees. President 1996-2003. Chairman Intra-Clubs Committee.

#### **HOOD, VALDA MARION**

Retired Secretary. Member since 1980. Elected to Board May 1989, Chairperson Catering Committee.

#### **MARUCCI, SILVIO**

Company Director. Foundation Member. Director since May 1989. Chairman Building Committee. Chairman Site Development Committee. Vice-President 2003-Current.

#### **PURCELL, COLIN ALOYSIUS**

Retired, formerly a Manager with South Sydney Council. Joined the Club in 1974. Director 1984-1989. Selected to fill Board vacancy in March 1994. Vice-President 1996. Editor of the Club "Journal".

#### **RICHARDSON, GREGORY PETER**

Senior Manager, Ernst & Young. Member since 1981. Appointed Director September 2003. Member of Intra-Clubs Committee.

**WILLIAMS, DENIS ROBERT B.Bus (NSWIT)**

Retired Accountant. Formerly Deputy Chief Accountant Department of Main Roads. Joined Club in 1978. Director since March 1989. Vice-President June 1989 to May 1994. Treasurer since May 1994.

**Directors' Meetings**

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

	Board Meetings		Committee Meetings	
	Number of Meetings Attended	Number of Meetings Held *	Number of Meetings Attended	Number of Meetings Held *
G Ajkay	12	12	1	2
A Atkins	11	12	2	2
M Coffey	11	12	2	2
P Coleman	10	12	2	2
V Hood	12	12	2	2
S Marucci	12	12	2	2
C Purcell	11	12	2	2
G Richardson	10	12	2	2
D Williams	12	12	2	2

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

**Company Secretary**

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

**Mr John Turnbull**

Mr Turnbull was appointed company secretary on 6 April 1984 and is also the General Manager of Liverpool Catholic Club Limited.

**Membership**

The company is a company limited by guarantee and is without share capital. The number of members as at 31 December 2009 and the comparison with last year is as follows:

	2009	2008
Ordinary	31,073	31,294
Associate / Social	22,016	21,320
Life	13	13
Honorary	148	156
LCC Sports – Juniors	2,434	2,208
	<u>55,684</u>	<u>54,991</u>

## Operating Result

The net profit from ordinary activities before tax for the year amounted to \$4,460,460 compared with \$7,982,774 for the prior year. This resulted after charging \$5,087,107 (2008: \$4,685,556) for depreciation and before charging \$69,409 (2008: \$1,400,000) for income tax.

## Review of Operations

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

A decrease in profit before tax of \$3,522,314 compared to the prior year occurred due to increases in revenue of \$3,214,655 offset by an increase in expenses of \$644,483 and recognition of a \$6,092,486 profit on sale of cemetery in the prior year.

The main increases in revenue were in:

• Bar sales	\$353,586
• Poker machine net clearances	\$2,363,599
• Catering Sales	\$585,598

The main increases in costs were in:

• Cost of sales	\$272,712
• Employee benefits expense	\$916,623
• Poker machine licenses and taxes	\$888,777
• Occupancy expenses	\$617,812

The main decreases in costs were in:

• Donations	\$1,187,167
• Impairment loss	\$1,071,699
• Finance costs	\$269,189

## Significant Changes in the State of Affairs

The Hotel adjoining the club commenced trading before the close of the financial year.

Other than the above, there have been no significant changes in the company's state of affairs that occurred during the financial year.

## Principal Activities

The principal activity of the company during the year has continued to be that of licensed social clubs. In addition the club commenced Hotel operations before the close of the financial year.

Other than the above, there have been no significant changes in the nature of these activities during the year.

## Events Subsequent to Reporting Date

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

## **Likely and Future Developments and Expected Results**

There are no likely developments in the operations of the company in future financial years that are expected to significantly affect the results of the company's operations.

### **Environmental Regulation**

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

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

### **Dividends**

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

### **Indemnification of Officers**

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

The insurance premiums relate to:

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

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

### **Proceedings on Behalf of the Company**

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

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

### **Auditor's Independence Declaration**

The Directors have received the Independence Declaration from the Auditors. The Declaration is attached as page 14.

Signed in accordance with a resolution of the directors.

Dated at Liverpool this 24th day of February 2010.

**A Atkins**  
**Director**

## **Auditor's Independence Declaration**

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

To the Directors of Liverpool Catholic Club Limited:

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 31 December 2009, there have been:

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

PKF

**Paul Cheeseman**  
**Partner**

1 Margaret Street  
SYDNEY NSW 2000  
24 February 2010

## Statement of Comprehensive Income For the Year Ended 31 December 2009

	Note	2009 \$	2008 \$
<b>Revenue from continuing operations</b>			
Sale of goods		10,477,881	9,800,763
Rendering of services		32,530,829	29,958,547
Other revenue		23,313	58,058
<b>Total revenue from continuing operations</b>		<b>43,032,023</b>	<b>39,817,368</b>
<b>Expenses</b>			
Cost of sales		(4,278,099)	(4,005,387)
Donations		(519,546)	(1,706,713)
Employee benefits expense		(11,451,820)	(10,535,197)
Entertainment, marketing and promotional costs		(2,716,193)	(2,779,556)
Poker machine licences and taxes		(8,028,490)	(7,139,713)
Occupancy expenses		(2,612,664)	(1,994,852)
Repairs and maintenance		(1,361,208)	(1,284,379)
Other expenses from ordinary activities		(1,817,800)	(1,756,203)
		<u>(32,785,820)</u>	<u>(31,202,000)</u>
Earnings before depreciation and amortisation expense finance costs, impairment loss and profit/loss on disposal of property plant and equipment.		10,246,203	8,615,368
Net gain on disposal of cemetery		-	6,092,486
Net loss on disposal of property plant and equipment		-	(1,071,699)
Depreciation and amortisation expenses		(5,087,107)	(4,685,556)
Finance costs		(698,636)	(967,825)
<b>Profit before income tax</b>		<b>4,460,460</b>	<b>7,982,774</b>
Income tax expense		(69,409)	(1,400,000)
<b>Net profit from continuing operations after income tax expense attributable to members</b>	2	<b>4,391,051</b>	<b>6,582,774</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year, net of tax</b>		<b>4,391,051</b>	<b>6,582,774</b>

The Statement of Comprehensive Income is to be read in conjunction with the discussion and analysis on page 19 and the notes to the financial statements set out on page 20.

## Statement of Changes in Equity For the Year Ended 31 December 2009

	Retained Earnings	Total Equity
<b>Balance at 1 January 2008</b>	<u>63,845,002</u>	<u>63,845,002</u>
<b>Changes in equity for 2008</b>		
Total comprehensive income for the year	<u>6,582,774</u>	<u>6,582,774</u>
<b>Balance at 31 December 2008</b>	<u>70,427,776</u>	<u>70,427,776</u>
<b>Changes in equity for 2009</b>		
Total comprehensive income for the year	<u>4,391,051</u>	<u>4,391,051</u>
<b>Balance at 31 December 2009</b>	<u>74,818,827</u>	<u>74,818,827</u>

## Statement of Financial Position As at 31 December 2009

	Note	2009 \$	2008 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		920,511	1,609,382
Trade and other receivables		343,722	244,677
Inventories		549,729	547,082
Other current assets		549,976	584,932
<b>Total Current Assets</b>		<u>2,363,938</u>	<u>2,986,073</u>
<b>Non-Current Assets</b>			
Property, plant and equipment		110,299,757	87,614,026
Intangible assets		871,538	523,702
<b>Total Non-Current Assets</b>		<u>111,171,295</u>	<u>88,137,728</u>
<b>Total Assets</b>		<u>113,535,233</u>	<u>91,123,801</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		2,048,589	1,101,252
Employee benefits		1,749,481	1,486,396
Financial liabilities		4,075,780	3,000,000
Current tax liabilities		-	1,400,000
Other current liabilities		260,598	165,762
<b>Total Current Liabilities</b>		<u>8,134,448</u>	<u>7,153,410</u>
<b>Non-Current Liabilities</b>			
Financial liabilities		30,328,975	13,278,463
Employee benefits		163,384	120,116
Other non-current liabilities		89,599	144,036
<b>Total Non-Current Liabilities</b>		<u>30,581,958</u>	<u>13,542,615</u>
<b>Total Liabilities</b>		<u>38,716,406</u>	<u>20,696,025</u>
<b>Net Assets</b>		<u>74,818,827</u>	<u>70,427,776</u>
<b>Members' Funds</b>			
Retained profits	2	74,818,827	70,427,776
<b>Total Members' Funds</b>		<u>74,818,827</u>	<u>70,427,776</u>

The Statement of Financial Position is to be read in conjunction with the discussion and analysis on page 19 and the notes to the financial statements set out on page 20.

## Cash Flow Statement For the Year Ended 31 December 2009

	2009	2008
	\$	\$
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	47,210,536	43,650,953
Payments to suppliers and employees	(37,238,728)	(35,117,859)
Interest received	20,034	58,058
Finance costs paid	(689,610)	(955,343)
<b>Net cash inflow from operating activities</b>	<u>9,302,232</u>	<u>7,635,809</u>
<b>Cash Flows From Investing Activities</b>		
Proceeds from sale of property, plant and equipment	77,050	7,719,961
Payment for property, plant and equipment	(27,846,608)	(19,852,264)
Payment for intangible assets	(347,836)	(401,585)
<b>Net cash outflow from investing activities</b>	<u>(28,117,394)</u>	<u>(12,533,888)</u>
<b>Cash Flows From Financing Activities</b>		
Repayment of borrowings	(5,000,000)	(2,721,537)
Purchase of bills	22,905,267	8,000,000
Proceeds from finance leases	227,340	-
Repayment of finance leases	(6,316)	-
<b>Net cash inflow from financing activities</b>	<u>18,126,291</u>	<u>5,278,463</u>
<b>Net increase in cash and cash equivalents</b>	(688,871)	380,384
<b>Cash and cash equivalents at the beginning of the financial year</b>	1,609,382	1,228,998
<b>Cash and cash equivalents at the end of the financial year</b>	<u><u>920,511</u></u>	<u><u>1,609,382</u></u>

The Cash Flow Statement is to be read in conjunction with the discussion and analysis on page 19 and the notes to the financial statements set out on page 20.

## **Discussion and Analysis**

### **Statement of Comprehensive Income**

The company's total revenue has increased by \$3,214,655 (8.07%) since the prior year whilst expenses have increased by \$1,716,182 (4.66%) and a profit on disposal of non-current assets of \$5,020,787 was recognised in the prior year, resulting in a net profit before tax of \$4,460,460 compared to \$7,982,774 for the previous year a decrease of \$3,522,314 (44.12%).

Individual items that have impacted the 2009 result include:

- Sale of goods increased by \$677,118 (6.91%).
- Rendering of services revenue increased by \$2,572,282 (8.59%) with the main contributor being the poker machine takings.
- Net gain on sale of non-current assets of \$5,020,787 in the prior year including the disposal of the cemetery.
- An increase in poker machine licences and taxes of \$888,777 (12.45%) due to increased poker machine takings.
- Finance costs decreased by \$269,189 (27.81%), due to repayment of borrowings and lower interest rates.
- An increase in depreciation and amortisation expenses of \$401,551 (8.57%).
- Employee benefits increased by \$916,623 (8.70%).
- Occupancy expenses increased by \$617,812 (30.97%).
- Donations decreased by \$1,187,167 (69.56%).

### **Statement of Financial Position**

The company's net assets have increased by \$4,391,051 or 6.23% since the previous year consisting of an increase in total assets of \$22,411,432 and a \$18,020,381 increase in total liabilities.

This increase in total assets for the year is mainly attributed to an increase in property, plant and equipment of \$22,685,731 including major renovation work and construction of the hotel.

The increase in total liabilities is due to the increase in financial liabilities of \$ 18,126,292 being the purchase of commercial bills during the year to finance the construction of the hotel.

### **Cash Flow Statement**

Operating activities provided net cash of \$9,302,232, an increase of \$1,666,423 when compared to the previous year.

Net cash used in investing activities was \$28,117,394, with net payments for property, plant and equipment, including renovations and payment for hotel construction and purchase of poker machine entitlements.

Net cash inflow from financing activities of \$18,126,291 is due to purchase of bills during the year to finance construction, less repayments made.

As a result of these cash flows, the net cash held during the year decreased by \$688,871 compared to the previous year's increase of \$380,384.

Cash at the end of the financial year therefore amounted to \$920,511 compared to last year's balance of \$1,609,382.

## Notes to the Financial Statements Concise Financial Report For the Year Ended 31 December 2009

### 1 Basis of Preparation of the Concise Financial Report

The concise financial report is an extract for the full financial report for the year ended 31 December 2009. The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports and the Corporations Act 2001.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full financial report of Liverpool Catholic Club Limited. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Liverpool Catholic Club Limited as the full financial report.

#### Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIRFS ensures that the company financial statements and notes comply with International Financial Reporting Standards (IFRS). In preparing the financial report the company has taken the exemptions available to non profit entities.

The presentation currency used in this concise financial report is Australian dollars

### 2 Retained Profits

	2009	2008
	\$	\$
Retained profits at the beginning of the year	70,427,776	63,845,002
Net profit attributable to members of the company	4,391,051	6,582,774
<b>Retained profits at the end of the year</b>	<b><u>74,818,827</u></b>	<b><u>70,427,776</u></b>

### 3 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

### 4 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.

## **Directors' Declaration**

The directors of Liverpool Catholic Club Limited (the company) declare that the concise financial report of the company for the financial year ended 31 December 2009, as set out on pages 15 to 20:

- (a) complies with Accounting Standard AASB 1039: Concise Financial Reports; and
- (b) is an extract from the full financial report for the year ended 31 December 2009 and has been derived from and is consistent with the full financial report of the company.

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

Dated at Liverpool this 24th day of February 2010.

**A. Atkins**  
**Director**

## **Independent Audit Report on the Concise Financial Report To the Members of Liverpool Catholic Club Limited**

### **Report on the concise financial report**

The accompanying concise financial report of Liverpool Catholic Club Limited (the company) comprises the Statement of Financial Position as at 31 December 2009, the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended and related notes, derived from the audited financial report of the company for the year ended 31 December 2009, and the discussion and analysis set out on pages 15 to 20. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

### **Directors' responsibility for the concise financial report**

The directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039: Concise Financial Reports (including the Australian Accounting Interpretations), statutory and other requirements. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying the appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of the company for the year ended 31 December 2009. Our audit report on the financial report for the year was signed on 24 February 2010 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures with respect to the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039: Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in AASB 1039: Concise Financial Reports.

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, was provided to the directors of the company on 24 February 2010.

### **Auditor's opinion**

In our opinion, the concise financial report including the discussion and analysis of the company for the year ended 31 December 2009 complies with Accounting Standard AASB 1039: Concise Financial Reports.

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

### **PKF**

**Paul Cheeseman**  
**Partner**

24 February 2010

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | [www.pkf.com.au](http://www.pkf.com.au)

PKF | ABN 83 236 985 726

Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia

DX 10173 | Sydney Stock Exchange | New South Wales

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## Notes