



cowboys leagues
club limited

annual report



04



contents

- Board of Directors/Management..... 1
- Notice of Meeting 2
- Details of Special Resolutions..... 2
- Message from the Board of Directors 7
- Directors' Report 8
- Discussion & Analysis 11
- Statement of Financial Performance 13
- Statement of Financial Position..... 14
- Statement of Cash Flows 15
- Notes to the Financial Statements 16
- Directors' Declaration 18
- Independent Audit Report to the Members..... 19

annual report



annual concise report

This concise financial report has been derived from the full financial report for the year ended 31 October 2004. The full financial report and auditor's report will be sent to members on request, free of charge. Please call (07) 4724 5888 and a copy will be forwarded to you. Alternatively both the full financial report and concise report will be available to members at the Annual General Meeting.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Cowboys Leagues Club Limited as the full financial report.

board of directors

Laurence Lancini	Chairperson
Daryl Holmes	Vice Chairperson
Joseph Carey	Director
Ken Chapman	Director
Peter Kuchler	Director
June Maxwell	Director
Alan Newman	Director
Barry Peters	Director
Steven Titmus	Director
Norman Linthwaite	Company Secretary

senior management

General Manager	Gavin Rugless
Financial Controller	Sean Henderson
Food & Beverage Manager	Damian Bolton
Gaming & Systems Manager	Belinda Sorrensen
HR/Marketing Manager	Jacine Reading



notice of meeting

Notice is hereby given that the eleventh (11th) Annual General Meeting of Cowboys Leagues Club Ltd will be held at the Club premises: 8.30am, Saturday 19th March 2005.

Agenda

1. Apologies
2. To confirm Minutes of tenth (10th) Annual General Meeting held 27 March 2004
3. Chairman's Report
4. To receive & confirm the Directors Report, Financial Reports & Auditors Report for the Year Ended 31 October 2004
5. To consider and if thought fit, to pass the Special Resolutions
6. Declaration of Ballot for election of Directors as per Article 7.7.2
7. General business

By Order of the Board

N. A. Linthwaite – Company Secretary

details of special resolutions

- 1. DELETE 1.9** *'Member' means a member of the Cowboys Leagues Club Limited and includes Foundation Members, Subscribing Members, Ordinary Members and Life Members;*
INSERT 1.9 'Member' means a member of the Cowboys Leagues Club Limited and unless inconsistent with the context or subject matter of these Articles includes Foundation Members, Subscribing Members, Ordinary Members, Temporary Members and Life Members;
- 2. INSERT 1.12** 'Temporary Member' means any person who wishes to be a member of the Company for a period of not more than thirty (30) days and who is granted membership for that period;



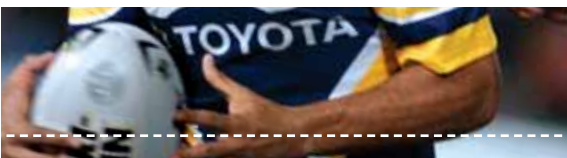
- 3. RENUMBER CLAUSE 1.12 to 1.13
RENUMBER CLAUSE 1.13 to 1.14
RENUMBER CLAUSE 1.14 to 1.15
RENUMBER CLAUSE 1.15 to 1.16
RENUMBER CLAUSE 1.16 to 1.17
RENUMBER CLAUSE 1.17 to 1.18
RENUMBER CLAUSE 1.18 to 1.19
RENUMBER CLAUSE 1.19 to 1.20
RENUMBER CLAUSE 1.20 to 1.21
RENUMBER CLAUSE 1.21 to 1.22
RENUMBER CLAUSE 1.22 to 1.23
RENUMBER CLAUSE 1.23 to 1.24
RENUMBER CLAUSE 1.23.1 to 1.24.1
RENUMBER CLAUSE 1.23.2 to 1.24.2

4. DELETE 3.3 ORDINARY MEMBERSHIP

3.3.1 *Every Application for Membership as an Ordinary Member shall be proposed in writing by one and seconded in writing by another Member of the Company. The applicant shall complete and sign an Application for Membership which application shall be in such form as the Board from time to time prescribes.*

INSERT 3.3 ORDINARY MEMBERSHIP/TEMPORARY MEMBERSHIP

3.3.1 Every Application for Membership as an Ordinary Member or Temporary Member shall be proposed in writing by one and seconded in writing by another Member of the Company. The applicant shall complete and sign an Application for Membership which application shall be in such form as the Board from time to time prescribes.



5. DELETE 3.3.5 *The Board may determine to charge an entrance fee and annual subscription for Membership as an Ordinary Member. The entrance fee and annual subscription payable by Ordinary Members shall be such as the Board shall from time to time prescribe, provided that until the Board shall otherwise resolve the entrance fee shall be Ten Dollars (\$10.00) and the annual subscription shall be Ten Dollars (\$10.00).*

INSERT 3.3.5 Subject to these Articles:

- (a) the Board may determine to charge an entrance fee and/or annual subscription for Membership; and
- (b) the entrance fee and/or annual subscription payable by Members shall be such amount as the Board shall from time to time decide.

6. DELETE 3.7 *CESSATION OF MEMBERSHIP*

If the subscription of a member shall remain unpaid for a period of two (2) calendar months after it becomes due then the member may after notice of default shall have been sent to him by the Secretary be debarred by resolution of the Board from all privileges of membership provided that the Board may reinstate the member on payment of all arrears if the board thinks fit to do so.

INSERT 3.7 **CESSATION OF MEMBERSHIP**

If the subscription of a Subscribing Member shall remain unpaid for a period of two (2) calendar months after it becomes due then the member may after notice of default has been sent to him by the Secretary be debarred by resolution of the Board from all privileges of membership provided that the Board may reinstate the member on payment of all arrears if the board thinks fit to do so.



7. DELETE 3.8 *A member may at any time by giving notice in writing to the Secretary resign his membership of the Company but shall continue to be liable for any annual subscription and all arrears due and unpaid at the date of his resignation and for all other monies due by him to the Company, and in addition for any sum not exceeding ten (10) dollars for which he is liable as a member of the Company under Clause 6 of the Memorandum of Association of the Company.*

INSERT 3.8 A Subscribing Member may at any time by giving notice in writing to the Secretary resign his membership of the Company but shall continue to be liable for any annual subscription and all arrears due and unpaid at the date of his resignation and for all other monies due by him to the Company, and in addition for any sum not exceeding ten (10) dollars for which he is liable as a member of the Company under Clause 6 of the Memorandum of Association of the Company.

8. INSERT 3.15 All applications for membership as a Temporary Member shall be recorded in a Temporary Membership Register. Each application for temporary membership shall be granted or declined at the discretion of the Board (which discretion the Board may delegate), and subject to such terms (including without limitation terms which require the payment of fees) as the Board decides from time to time. Temporary Members shall cease to be Members upon the expiration of the period of membership granted. Temporary Members shall not be entitled to receive any notices issued by the Company.



- 9. DELETE 6.5** *Subject to Article 6.6 the Members shall vote in person and on a show of hands and every person present who is a Subscribing Member, Foundation Member, Life Member, or Ordinary member (or such other member who is entitled by these Articles to vote) shall have one (1) vote.*
- INSERT 6.5** Subject to Article 6.6 and this Article the Members shall vote in person and on a show of hands. Every person present who is a Subscribing Member, Foundation Member, Life Member, or Ordinary member (or such other member who is entitled by these Articles to vote) shall have one (1) vote. Temporary Members are not entitled to any voting rights at any meeting of the Club.
- 10. DELETE 7.7.3.3** *That person is a Player engaged by the Football Club.*
- INSERT 7.7.3.3** That person is a Player engaged by the Football Club; or
- 11. INSERT 7.7.3.4** That person holds membership as a Temporary Member.



message from the board of directors

Fellow Members

As the Cowboys Leagues Club enters its 4th year of trading in Townsville's city heart, both my fellow Directors and I have pleasure in presenting to you the 11th Annual Report of the Cowboys Leagues Club Limited.

Our Club has once again set new benchmarks, continued to establish community benefit schemes, and embarked on new developments that have significantly improved our profitability, strengthened us as market leaders, whilst continually striving to provide our members with the very best in both facilities and service.

The Club paid out the first of its "Community Score" benefits with fourteen local Community groups sharing in over \$17,500.

Cowboys Leagues Club successfully completed its first full year as Stadium Caterers at Dairy Farmers Stadium, working in conjunction with a variety of community groups, with this the first catering model of it's kind in place at a major Sporting venue.

My congratulations to the Toyota Cowboys, Management, Staff and Players on a fantastic result in Season 2004 and for the successful staging of the Home Semi Final against the Bronco's. The support and enthusiasm created throughout the community is further testimony to our brand.

I would like to thank the Management and Staff of the Cowboys Leagues Club for their hard work and dedication throughout the year, their consistent efforts during the final series further highlights the Club's position as the social home of the Toyota Cowboys.

A major achievement for the year is the successful negotiations in purchasing the club premises. With settlement due in February, this will give Cowboys Leagues Club a whole new dimension in terms of our financial position and further strengthen our standing within the Community.

Finally on behalf of the Board of Directors, I would like to thank all of our valued members for their support of the Club during the past year. We hope that you will continue your patronage in 2005 and help us in our endeavours to further strengthen our business and in turn, our support of the Townsville community.

Laurence Lancini
Chairman

directors' report

Your directors present their report on the company for the financial year ended 31 October 2004.

Directors

The names of the directors in office at any time during or since the end of the year are:

L Lancini	B Peters
J Maxwell	P Kuchler
A Newman	D Holmes
K Chapman	S Titmus
J Carey	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of the company during the financial year was to provide support, fund and encourage the aims and objectives of Cowboys Rugby League Football Limited by operation of a licensed club ('the club'). The club facilities include bar, restaurant, café, poker machines, Keno and TAB.

No significant change in the nature of these activities occurred during the year.

Dividends

The Articles of Association prevent the payment of dividends.

Review of Operations

The 2004 year marked the club's third full year of trading operations.

The profit of the company for the financial year after providing for income tax amounted to \$458,307 (2003: \$340,299).

The key source of revenue for the club is gaming (including poker machines). The club currently operates 156 poker machines. The club was successful in gaining the contract for bar and catering services in 2003 at the Cowboys Rugby League stadium and has completed its first full year of trading at this venue in the current year.

Whilst the statement of financial position reflects an excess of liabilities over assets of \$325,761, \$1,043,465 of this relates to a loan from Cowboys Rugby League Football Limited. As detailed



below the position of the club has improved in each full year of trade with a continued trend of increasing net profits.

	Net Assets	Excl Cowboys Loan	Net Profit after tax
31 October 2002	(1,124,367.00)	(80,902.00)	196,967
31 October 2003	(784,068.00)	259,397.00	340,299
31 October 2004	(325,761.00)	717,704.00	458,307

The majority of the Cowboys Rugby League Football Limited loan relates to the company's trading period and holding costs incurred prior to opening at the current site in June 2001. The terms of this loan are such that it would only be called upon on terms that would not impinge on the solvent position of the club; such that it is not able to trade on normal commercial terms and be prevented from providing for its own future in a sustainable fashion.

Significant Changes in State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

After Balance Date Events

The Directors of the Club are currently in the process of formalising an agreement to purchase the club's current premises and related chattels in Flinders Mall from Chapman Resorts Pty Ltd. It is anticipated that the purchase price will be \$10.5 million to be financed through loans from external parties and cash reserves held by the club.

No other matters or circumstances have arisen since the end of the financial year which 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.

Future Developments

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Issues

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



Information on Directors

Director	Experience
L Lancini (Chairperson of the Board of Directors)	Director for 5 years
J Maxwell (Non-executive director)	Director for 9 years
B Peters (Non-executive director)	Director for 8 years
P Kuchler (Non-executive director)	Director for 8 years
A Newman (Non-executive director)	Director for 3 years
K Chapman (Non-executive director)	Director for 3 years
D Holmes (Non-executive director)	Director for 3 years
S Titmus (Non-executive director)	Director for 3 years
J Carey (Non-executive director)	Director for 2.5 years

Meetings of Directors	No. of Meetings Attended	No. of Meetings Held During Office
Director		
L Lancini	10	10
J Maxwell	10	10
B Peters	8	10
P Kuchler	7	10
A Newman	10	10
K Chapman	5	10
D Holmes	9	10
S Titmus	8	10
J Carey	9	10

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

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 a party for the purpose 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.

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

discussion and analysis of the financial statements

Information on Cowboys Leagues Club Limited Concise Financial Report

The financial statements and disclosures in the concise financial report have been derived from the 2004 Financial Report of Cowboys Leagues Club Limited. The discussion and analysis is provided to assist members in understanding the concise financial report.

A copy of the full financial report and auditors report will be sent to any member, free of charge, upon request. Alternatively, both the full financial report and concise report will be available to members at the Annual General Meeting.

Statement of Financial Performance

The 2004 year marked the club's third full year of trading operations.

The profit from ordinary activities before income tax for the year is \$560,229, which has continued the trend of increasing profits from previous years. The net results from the various trading areas of the club are set out below.

	2004	2003
	\$	\$
CLUB		
Net gaming income	3,226,027	2,867,350
Net bar income	530,950	442,906
Net bistro income	23,491	8,854
Net administration costs club	(3,358,288)	(3,131,687)
Net trading profit club	422,180	187,423
STADIUM		
Net bar income	1,010,149	506,813
Net catering income	266,412	123,156
Net administration costs	(1,138,511)	(432,955)
Net trading profit stadium	138,050	197,014
Reported profit (loss)	560,229	384,437

The key source of revenue for the club is gaming (including poker machines). The club currently operates 156 poker machines. The club was successful in gaining the contract for bar and catering services in 2003 at the Cowboys Rugby League stadium and has completed its first full year of trading at this venue in the current year.

discussion and analysis of the financial statements

cont.

Statement of Financial Position

Assets

Total assets decreased by \$534,879 to \$5,430,992 in the current year compared to an increase of \$135,425 for the same period last year. This turn around was mainly attributable to:

- decrease in inventories held and accounts receivable both of which being attributable to the World Cup games held at the stadium in 2003.
- cash held has increased slightly from 2003 however due to the extinguishment of some debt during the year these balances have not increased in line with profits.

Liabilities

Total liabilities decreased by \$993,187 to \$5,756,752, compared to a decrease in 2003 of \$204,874.

This decrease was mainly attributable to:

- the principal reduction of lease liabilities and borrowings of \$942,868, and
- decrease in current liabilities as a result of the timing of World Cup stadium bar and catering services in 2003.

\$1,043,465 owing to the Cowboys Rugby League Football Limited relating to operations at Dairy Farmers Stadium prior to the opening of the new club is included in non-current liabilities. This loan which relates primarily to activities at Dairy Farmers Stadium is only due for repayment when the club has sufficient cash flows to cover all other commitments as they become due and payable.

Working capital ratio increased from 0.62 in 2003 to 0.71 times 2004. Total liabilities outstanding decreased by 14.7% to \$5,756,752 while total equity increased by 58.5% to \$(325,761).

Equity

Equity represents the carried forward results of the company since its inception on 24 August 1994.

This includes the profit of \$458,307 reported for the financial year ended 31 October 2004.

Statement of Cash Flows

The company experienced an increase in operating cash flows through increased trading levels in all areas, which more than adequately covered increased lease and loan repayments.

statement of financial performance

for the year ended 31 October 2004

	Note	2004	2003
	\$	\$	
Sales revenue	2	5,354,321	4,585,348
Cost of sales		<u>(2,111,533)</u>	<u>(1,914,955)</u>
Gross profit		3,242,789	2,670,393
Other revenue from ordinary activities	2	6,913,371	6,541,315
Employee benefits expense		(2,605,340)	(2,620,769)
Depreciation and amortisation expense	3	(724,467)	(660,507)
Borrowing costs expense	3	(437,131)	(518,401)
Other expenses from ordinary activities		<u>(5,828,993)</u>	<u>(5,027,594)</u>
Profit (loss) from ordinary activities before income tax expense	3	560,229	384,437
Income tax expense relating to ordinary activities	4	<u>(101,922)</u>	<u>(50,026)</u>
Net profit from ordinary activities after income tax expense		<u>458,307</u>	<u>334,411</u>
Increase in retained profits upon application of Accounting Standard AASB 1020 Accounting for Income Tax		-	<u>5,888</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>458,307</u>	<u>340,299</u>

statement of financial position

for the year ended 31 October 2004

	Note	2004 \$	2003 \$
CURRENT ASSETS			
Cash assets	5	851,560	820,481
Receivables	6	155,798	353,178
Inventories	7	93,373	151,793
Other	8	189,808	166,836
Tax assets		34,593	30,251
TOTAL CURRENT ASSETS		<u>1,325,132</u>	<u>1,522,539</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	<u>4,105,860</u>	<u>4,443,332</u>
TOTAL NON-CURRENT ASSETS		<u>4,105,860</u>	<u>4,443,332</u>
TOTAL ASSETS		<u>5,430,992</u>	<u>5,965,871</u>
CURRENT LIABILITIES			
Payables	10	1,107,515	1,404,061
Interest-bearing liabilities	11	413,561	862,331
Provisions	12	98,670	84,535
Other	13	67,021	49,682
Tax liabilities	14	180,653	74,389
TOTAL CURRENT LIABILITIES		<u>1,867,420</u>	<u>2,474,998</u>
NON-CURRENT LIABILITIES			
Payables	10	1,043,465	1,043,465
Interest-bearing liabilities	11	<u>2,845,868</u>	<u>3,231,476</u>
TOTAL NON-CURRENT LIABILITIES		<u>3,889,333</u>	<u>4,274,941</u>
TOTAL LIABILITIES		<u>5,756,753</u>	<u>6,749,939</u>
NET ASSETS		<u>(325,761)</u>	<u>(784,068)</u>
EQUITY			
Retained Losses	15	<u>(325,761)</u>	<u>(784,068)</u>
		<u>(325,761)</u>	<u>(784,068)</u>



statement of cash flow

for the year ended 31 October 2004

	Note	2004 \$	2003 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		13,724,121	11,681,152
Payments to suppliers and employees (inclusive of GST)		(12,052,826)	(10,070,740)
Interest received		18,288	10,338
Borrowing costs paid		(437,131)	(518,401)
Net cash provided by (used in) operating activities		<u>1,252,452</u>	<u>1,102,349</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		<u>(386,995)</u>	<u>(198,277)</u>
Net cash provided by (used in) investing activities		<u>(386,995)</u>	<u>(198,277)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		133,757	-
Repayments of borrowings		<u>(968,135)</u>	<u>(791,492)</u>
Net cash provided by (used in) financing activities		<u>(834,378)</u>	<u>(791,492)</u>
Net increase (decrease) in cash held		31,079	112,580
Cash at beginning of financial year		<u>820,481</u>	<u>707,901</u>
Cash at end of financial year		<u>851,560</u>	<u>820,481</u>



notes to the concise financial report for the year ended 31 October 2004

NOTE 1: BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT

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 is derived from and is consistent with the full financial report of Cowboys Leagues 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 Cowboys Leagues Club Limited as the full financial report.

The accounting policies have been consistently applied by the company and are consistent with those of the previous financial year.

(a) Deficiency of equity

As at 31 October 2004, the company's liabilities exceeded its assets by \$325,761 (2003: \$784,068) and had a working capital deficiency of \$542,287 (2003: \$952,459). Excluding the loan from the Cowboys Rugby League Football Limited of \$1,043,465, the company's assets exceeded its liabilities \$717,704 (2003: \$259,397). The terms of this loan are such that it would only be called upon on terms that would not impinge on the solvent position of the club; such that it is not able to trade on normal commercial terms and be prevented from providing for its own future in a sustainable fashion.

Based on current year results, interim results to date for the 2005 year and future projections, the directors believe that the company will continue as a going concern, and as such the financial report has been prepared on this basis.



	2004	2003
	\$	\$
NOTE 2: REVENUE		
Revenue from ordinary activities		
Bar sales		
- Leagues club	1,577,115	1,441,660
- Stadium	1,489,556	1,029,464
Catering sales		
- Leagues club	1,666,140	1,548,275
- Stadium	494,849	532,479
Stadium commissions	126,660	33,470
Gaming - poker machines	6,329,053	5,923,006
Gaming - other	378,303	380,403
Interest	18,288	10,338
Membership fees	125,294	131,734
Other	62,433	95,834
	<hr/>	<hr/>
Total revenue	<u>12,267,692</u>	<u>11,126,663</u>

NOTE 3: NON-CURRENT PAYABLES

Non-Current

Loan (unsecured) - Cowboys Rugby League Football Limited	<u>1,043,465</u>	<u>1,043,465</u>
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This loan which relates primarily to activities at Dairy Farmers Stadium is only due for repayment when the club has sufficient cash flows to cover all other commitments as they become due and payable.

NOTE 4: DIVIDENDS

The Articles of Association prevent the payment of dividends,

NOTE 5: MEMBERSHIP AND LIABILITY

The company is limited by guarantee. The liability of each member in the event of the company being wound up shall not exceed ten dollars (\$10).

directors' declaration

The directors of Cowboys Leagues Club Limited declare that the concise financial report of Cowboys Leagues Club Limited for the financial year ended 31 October 2004, as set out on pages 8 to 17:

- (a) complies with Accounting Standard AASB 1039: Concise Financial Reports; and
- (b) has been derived from and is consistent with the full financial report of Cowboys Leagues Club Limited.

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

L Lancini - Director

Dated this 20th day of January 2005



independent audit report

to the members of cowboys leagues club limited

Scope

We have audited the concise financial report of Cowboys Leagues Club Limited for the financial year ended 31 October 2004 as set out on pages 8 to 18 in order to express an opinion on it to the members of the company. The company's directors are responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the concise financial report is free of material mis statement. We have also performed an independent audit of the full financial report of Cowboys Leagues Club Limited for the year ended 31 October 2004. Our audit report on the full financial report was signed on 20 January 2005, and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report, and examination on a test basis of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039: Concise Financial Reports. The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion the concise financial report of Cowboys Leagues Club Limited complies with Accounting Standards AASB 1039: Concise Financial Reports.

TCM Audit Partnership
Chartered Accountants
R J Dunstan, Partner
Date: 20 January 2005
159 - 165 Flinders Street
Townsville Qld 4810

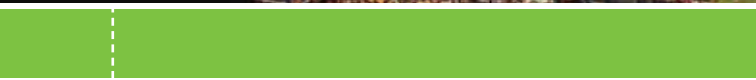








COWBOYS LEAGUES CLUB LTD.



cowboys leagues club

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