



38th Annual Report 2012

Rockdale RSL Sub-Branch Club Ltd

Dear Members.

The past financial year has proved to be a challenging one for Directors, Management and Staff.

Revenue for 2012 was \$4,557,247 down \$366,975 or 7.45% in 2011.

Expenses were \$4,210,974 compared to \$4,502,465 in 2011 a reduction of \$291,491 or 6.47%.

Income from The Bar, Keno, Tab and Rental Properties were slightly above last year.

The Gaming Area income was \$3,471,537 compared to the previous years income of \$3,874,666 which is \$403,129 or 10.40% less than 2011. This is a disappointing result considering your club directors and management are constantly upgrading the installation to provide members and visitors with the latest machines available.

During the year we maintained our responsibilities required under Club Grants with contributions to the local community and various sporting bodies and charities.

Success for any Club depends on the support of Members we therefore thank those Members who continue to strongly support their Club.

The Directors and Management realize that provision of good service to members is a necessity.

Recognition of efforts by all staff members is warranted and I would like to thank Christine {who is on long service leave and retiring in July} Bill, Jennean, Natasa, Denise, Lorraine, Duty Managers Mick, John, Paul and Cahill, and all Bar Staff for your help and support throughout the year.

To President Andrew and The Board of Directors, thank you for having faith in me to implement your policies and directions .

To Gary Woolnough ,who has decided not to stand this year, thank you for your input since joining the Board in 1992.

Club Rocky's is a great club and it is the support and loyalty of our members that make it so.

BILL CAMPBELL

Secretary Manager

PRESIDENTS REPORT

Dear Members,

I present to you the 38th Annual General Report for Rockdale RSL Sub-branch Club Limited for the period ended 31 December 2012.

Unfortunately, the difficult trading conditions experienced in previous years continued through 2012, despite the continuing efforts of Board and Management. Income from the Bar, Keno, TAB, ancillary commissions, and our Rental properties remained at, or slightly above the previous year's figures, and our General Expenditure reduced by nearly \$290,000 which is a good result during periods of substantial increases.

Our Gaming income continues to be of great concern, as our gross income for the period dropped by nearly 10% or \$1,218,156 and this is the area of our operations which is causing our continuing losses. We constantly review our Gaming installation to ensure we have the latest technology, yet it is evident the stagnant economy has a flow on effect to our income stream.

Our holiday units at Nelson Bay underwent a refurbishment during the year and the units at Shoal Bay will also undergo a refurbishment during the winter maintenance period in 2013. Along with our holiday units at Forster, our members can enjoy a holiday in idyllic surrounds for excellent value, when compared to comparable accommodation costs in the areas. I highly recommend our holiday units, and if you have not taken advantage of them, why not contact our office to make a booking?

There is no doubt that trading conditions will continue to be difficult. The long lead into the next Federal election in September will do nothing to instil stimulation or confidence in the economy. The leisure dollar continues to shrink in relation to rising domestic costs, and I can assure you the Board and Management are working hard to continue to provide the amenities that you want. The new lounge areas in the downstairs and Carousel Lounge areas have proven a success and they provide a casual and comfortable atmosphere for our members.

In an endeavour to entice new members and guests to our Club, the Board considered a number of options during the year, one of which was to change the trading name of the Club. After some discussion, the Board agreed to use the 'Club Rocky's' – a name that has been synonymous with Rockdale RSL for many, many years. Those longer standing members amongst us will remember the catch phrase 'see you at the Rocky for a beer', and the Board has reflected that camaraderie in the name change. The name change in no way alters our commitment to our returned men and women, and the RSL, which is the primary objective of Club Rocky's.

Long serving Director, John Coffey passed away in Apr 2012 after a long illness. John had been a Director of the Club since 1975, and was the first Associate member awarded Life Membership for his services to the Club. John served on numerous committees over the years, notably as Sports Captain for our many interclub sporting teams. I regularly sought and respected John's insight on many issues over the years,

and he will be greatly missed. On behalf of the Directors, Management and staff, I conveyed your thoughts and condolences to his wife Pam and family.

To all our members who have lost loved ones during the year, our thoughts and commiserations are with you.

Thank you to my fellow Directors, and the Management and staff for their continuing support during the year. Our auditor, Paul de Maria continues to provide sound professional advice which is greatly appreciated.

Thank you to those members who have supported us during the year, and look forward to your ongoing support. Catch you at the Rocky soon,

ANDREW P. DALE
President and Chairman of Directors

ROCKDALE RSL SUB-BRANCH CLUB LTD

A.B.N: 48 001 286 228

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The directors of Rockdale RSL Sub-Branch Club Ltd present their report of the financial reports of the Company (the Company or the Club) for the financial year ended 31 December 2012 and the auditor's report thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the financial year are as follows. All directors held office for the entire financial year and up to the date of this report, unless otherwise stated:

Dale, Andrew Phillip

Position - President
Director - Appointed 6 April 1992
Club membership - Joined 1983
Qualifications - Naval officer

Hooper, Ronald William

Position - Associate Director and member of all Sub committees
Director - Appointed 6 April 1992
Club membership - Joined 1979
Qualifications - Retired gaming security

Johansen, Keith William

Position - Associate Director and member of all Sub committees
Director - Appointed 4 July 2011
Club membership - Joined 1960
Qualifications - Retired bank manager

Lynch, Kathryn Joy

Position - RSL Director and member of all Sub committees
Director - Appointed 20 May 2012
Club membership -Joined 1995
Qualifications -Administration officer

Lyons, Peter John

Position - RSL Director and member of all Sub committees
Director - Appointed 29 May 2006
Club membership - Joined 1992
Qualifications - Retired bank IT systems manager

Moore, William Alexander Edward

Position - RSL Director and member of all Sub committees
Director - Appointed 20 May 2012
Club membership - Joined 1996
Qualifications - Retiree

Woolnough, Garry John

Position - Associate Director and member of all Sub committees
Director - Appointed 6 April 1992
Club membership - Joined 1970
Qualifications - Retired Qantas employee

COMPANY SECRETARY

William Richard CAMPBELL held the position of Company Secretary at the end of the financial year.
William Richard CAMPBELL was appointed Company Secretary on 29 May 2006.

DIRECTORS MEETINGS

The number of directors' meetings (including meetings of committees of directors) attended by each of the directors and number of meetings 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* |
| J Coffey | - | 11 | - | - |
| A Dale | 11 | 11 | - | - |
| R Hooper | 11 | 11 | - | - |
| K Johansen | 9 | 11 | - | - |
| K Lynch | 7 | 7 | - | - |
| A Lyons | 3 | 11 | - | - |
| P Lyons | 11 | 11 | - | - |
| W Moore | 5 | 7 | - | - |
| G Woolnough | 11 | 11 | - | - |

* Number of meetings held during the time the Director held office during the year

OBJECTIVES AND STRATEGIES

Short term objectives:

To become a profitable Company which will assist in reducing debt to continue in supporting the community and to offer a modern and attractive facility for the Club's membership and the community at large.

Long term objectives:

The Club's objectives are focused on two key areas - the provision of premium recreational and leisure facilities and services to the local community and the promotion of the social welfare of its members and local community. This is achieved through the provision of excellent customer service and facilities which are targeted at the local demographic while maintaining the objective of the Club and the RSL movement through prudent resource management and social responsibility.

The Club continues its long term strategy of solid financial investment in the building infrastructure and operational facilities to enhance and grow its presence with members, visitors and the community .

Strategies

The overall strategy of the Club both in the short term and in the long term is to continually provide a superior product. The Club will continue to manage the potential risk to the Company from legislative changes and assess the performance of its assets to maximise the ability of the Club to meet its objectives.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the course of the financial year were the conduct and promotion of a licensed social club for its members and non-member visitors to the Company facilities.

There were no significant changes in the nature of the activities of the Company during the year.

OPERATING AND FINANCIAL REVIEW

The net operating loss after providing for income tax amounted to \$536,294 less profit on sale of 10/19 The Strand, Rockdale property of \$238,213, resulted in an overall loss for the year of \$298,081, compared with the ordinary operating loss of \$534,678 the previous year less profit on sale of 17/ 10-16 Chapel St, Rockdale and 8/ 19-21 The Strand, Rockdale properties of \$380,590, resulted in an overall loss for the year of \$154,088.

Reports on expenses and revenue streams are utilised to make informed and accurate financial decisions. The Board of directors consider these measures to be the key to a sound financial management ensuring business activities are managed in a pro-active manner. These reports are linked to the short and long term objectives and strategies to ensure the business activities are on track.

The Club's departmental managers prepare a budgets and cash flow plans which further demonstrates management's commitment and accountability to the Company's objectives and their ability to turn financial objectives into tangible results.

MEMBERSHIP

Rockdale RSL Sub-Branch Club Limited is a company limited by guarantee and without share capital under the Corporations Act, incorporated in Australia. The amount of capital which is capable of being called up in the event of and only for the purpose of, a winding up of the company is not to exceed \$2.00 per member virtue of the Company's Memorandum and Articles of Association.

The number of financial members at the end of the year was 4,144 {2011: 3,479}

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Club that occurred during the financial year under review.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is attached and forms part of the Directors' Report for the financial year ended 31 December 2012.

This report is made in accordance with a resolution of the directors:



.....
Chairman of Directors



.....
Director

Dated this 15th day of April 2013

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF
ROCKDALE RSL SUB-BRANCH CLUB LTD**

We hereby declare that, to the best of our knowledge and belief, during the financial year ended 31 December 2012 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.

Name of Firm: Hales Redden
Chartered Accountants

Name of Director: 
Paul de Maria

Address: 24 Bay Street, Rockdale NSW 2216

Dated this *16th* day of *April* 2013.

ROCKDALE RSL SUB-BRANCH CLUB LTD
A.B.N: 48 001 286 228

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

| | Note | 2012 \$ | 2011 \$ |
|---|------|-------------------------|-------------------------|
| Revenue | 2 | 4,557,247 | 4,924,222 |
| Cost of sales | | <u>(332,809)</u> | <u>(322,305)</u> |
| Gross profit | | 4,224,438 | 4,601,917 |
| Depreciation and amortisation expenses | | (495,541) | (568,683) |
| Finance costs | | (26,089) | (33,266) |
| Other expenses | 3 | <u>(4,210,974)</u> | <u>(4,502,465)</u> |
| Profit/(Loss) before income tax | | (508,166) | (502,497) |
| Income tax expense | 4 | <u>(28,128)</u> | <u>(32,181)</u> |
| Loss after income tax | | (536,294) | (534,678) |
| Other comprehensive income: | | | |
| Net gain on sale of Property | | <u>238,213</u> | <u>380,590</u> |
| Other comprehensive income for the year, net of tax | | <u>238,213</u> | <u>380,590</u> |
| Total comprehensive income attributable to members of the entity | | <u><u>(298,081)</u></u> | <u><u>(154,088)</u></u> |

The accompanying notes form part of these financial statements.

ROCKDALE RSL SUB-BRANCH CLUB LTD
A.B.N: 48 001 286 228

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

| | Note | 2012 \$ | 2011 \$ |
|--------------------------------------|------|------------------|------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 271,195 | 269,132 |
| Trade and other receivables | 6 | 155,325 | 121,459 |
| Inventories | 7 | 76,846 | 81,955 |
| TOTAL CURRENT ASSETS | | 503,366 | 472,546 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 8 | 4,868,139 | 5,092,905 |
| TOTAL NON-CURRENT ASSETS | | 4,868,139 | 5,092,905 |
| TOTAL ASSETS | | 5,371,505 | 5,565,451 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 553,662 | 514,450 |
| Financial liabilities | 10 | 374,203 | 383,706 |
| Provisions | 11 | 276,472 | 271,023 |
| TOTAL CURRENT LIABILITIES | | 1,204,337 | 1,169,180 |
| NON-CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 68,978 | - |
| TOTAL NON-CURRENT LIABILITIES | | 68,978 | - |
| TOTAL LIABILITIES | | 1,273,315 | 1,169,180 |
| NET ASSETS | | 4,098,190 | 4,396,271 |
| EQUITY | | | |
| Retained earnings | 12 | 4,098,190 | 4,396,271 |
| TOTAL EQUITY | | 4,098,190 | 4,396,271 |

The accompanying notes form part of these financial statements.

ROCKDALE RSL SUB-BRANCH CLUB LTD
A.B.N: 48 001 286 228

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

| | Note | Retained Earnings / (Accumulated losses) \$ | Total \$ |
|----------------------------|------|---|-------------|
| At 1 January 2011 | | 4,550,359 | 4,550,359 |
| Loss for the year | | (154,088) | (154,088) |
| At 31 December 2011 | | 4,396,271 | 4,396,271 |
| Loss for the year | | (298,081) | (298,081) |
| At 31 December 2012 | | 4,098,190 | 4,098,190 |

The accompanying notes form part of these financial statements.

ROCKDALE RSL SUB-BRANCH CLUB LTD
A.B.N: 48 001 286 228

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

| | 2012 | 2011 |
|--|-----------------|-----------------|
| | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | 4,545,896 | 4,930,742 |
| Payments to suppliers and employees | (4,450,868) | (4,909,249) |
| Interest received | 18 | 301 |
| Income Taxes (Paid)/Refunds | (50,919) | (90,733) |
| Net cash provided by (used in) operating activities | <u>44,127</u> | <u>(68,939)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sale of property, plant and equipment | 445,884 | 723,625 |
| Payments for property, plant and equipment | (478,444) | (509,908) |
| Net cash provided by (used in) investing activities | <u>(32,560)</u> | <u>213,717</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Funds (to)/from borrowings | (854) | 7,151 |
| Net cash provided by (used in) financing activities | <u>(854)</u> | <u>7,151</u> |
| Net increase (decrease) in cash held | 10,713 | 151,929 |
| Cash at beginning of year | (22,407) | (174,336) |
| Cash at end of year | <u>(11,694)</u> | <u>(22,407)</u> |

The accompanying notes form part of these financial statements.

ROCKDALE RSL SUB-BRANCH CLUB LTD
A.B.N: 48 001 286 228

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Corporate Information

The financial statements of the Rockdale RSL Sub-Branch Club Ltd (the Company) for the year ended 31 December 2012 were authorised for issue in accordance with a resolution of directors on 15 April 2013.

The Rockdale RSL Sub-Branch Club Ltd is a company limited by guarantee, incorporated and domiciled in Australia. The address of the Company's registered office is 41-45 Bay Street, Rockdale, New South Wales, 2216.

The Company is primarily involved in the conduct and promotion of a licensed social club for its members and non-member visitors to the Company's facilities.

1 Statement of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASBs) adopted by the Australian Accounting Standards Board (AASB), the Corporations Act 2001, the Registered Clubs Amendment Act 2006 and the Gaming Machines Tax Act 2001.

The adoption of these Standards has resulted in significantly reduced disclosures in respect of related parties and financial instruments. There was no other impact on the current or prior year financial statements.

The financial statements have been prepared on the historical cost basis and except where stated do not take into account changing money values or current valuations of non-current assets.

Revenue Recognition

Revenue is recognised when the Company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office. Sales revenue is recognised when the control of goods passes to the customer.

Interest income on bank deposits is recognised as it accrues in profit or loss, using the effective interest method.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with use of the resources.

Cash and Cash Equivalents

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

ROCKDALE RSL SUB-BRANCH CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Inventories

Inventories are measured at the lower of cost and or net realisable value. The cost of inventories is based on the first-in-first-out (FIFO) principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Property, Plant and Equipment

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

Property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Investment properties are derecognised when they have been disposed of. Any gain or losses on disposal of an investment property are recognised in statement of comprehensive income in the year in which they arise.

Freehold land and buildings are measured initially at cost, including transaction costs.

Plant and equipment

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

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

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life's of each component of an item of property, plant and equipment. Land is not depreciated.

The average depreciation rates in the current and comparative years are as follows:

- Leasehold Improvements - 10%
- Plant and Equipment - 20% - 30%
- Motor Vehicles - 25%

ROCKDALE RSL SUB-BRANCH CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

Trade Creditors and Other Payables

Trade payables and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid. These amounts are usually settled in accordance to terms of trade. The carrying amount of the creditors and payables is deemed to reflect fair value.

Employee Benefits

Provision is made for the liability due to employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year together with benefits arising from wages and salaries, sick leave and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimate future cash outflows to be made for those benefits.

Contributions are made to employee superannuation funds and are charged as expenses when incurred. All employees are entitled to varying levels of benefits on retirement, disability or death. The superannuation plans or equivalent provide accumulated benefits. Contributions are made in accordance with the statutory requirements of each jurisdiction.

Provisions

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

Income Tax

Based upon the provisions of the Income Tax Act the company is liable for income tax only on the proportion of other net income deemed to be derived from the activities of non members based on the formula based on attendance surveys.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

ROCKDALE RSL SUB-BRANCH CLUB LTD
A.B.N: 48 001 286 228

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

| | 2012 | 2011 |
|--|-------------------------|-------------------------|
| | \$ | \$ |
| 2 Revenue | | |
| Operating Activities (Revenue); | | |
| Bar Sales | 674,006 | 678,049 |
| Poker Machine Takings | 3,471,537 | 3,874,666 |
| Interest Received | 18 | 301 |
| Rental Income | 199,542 | 187,521 |
| Commissions | 177,567 | 151,854 |
| Insurance Recovery | 11,284 | 15,914 |
| Sundry Income | 6,000 | - |
| Members Subscriptions | 17,293 | 15,917 |
| | <u>4,557,247</u> | <u>4,924,222</u> |
| Non operating | | |
| Capital Profit on sale of properties | 238,213 | 380,590 |
| Total Revenue | <u><u>4,795,460</u></u> | <u><u>5,304,812</u></u> |
| 3 Expenses from Ordinary Activities | | |
| Expenses | | |
| Employee Wages | 1,016,977 | 1,052,980 |
| Entertainment | 530,541 | 583,449 |
| Poker Machine Duty | 569,125 | 690,432 |
| Other expenses from ordinary activities | 2,094,331 | 2,175,603 |
| Total Expenses | <u><u>4,210,974</u></u> | <u><u>4,502,465</u></u> |
| 4 Income Tax Expense | | |
| Income Tax Expense | 28,128 | 32,181 |
| Total Income Tax Expense | <u><u>28,128</u></u> | <u><u>32,181</u></u> |

ROCKDALE RSL SUB-BRANCH CLUB LTD
A.B.N: 48 001 286 228

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

| | 2012 | 2011 |
|---|-----------------|-----------------|
| | \$ | \$ |
| 5 Cash and Cash Equivalents | | |
| Current | | |
| Cash on Hand | 245,000 | 259,221 |
| TAB Float | 5,000 | 5,000 |
| Gift Vouchers Control Account | 17,215 | 4,910 |
| National Australia Bank - Tab | - | 1 |
| National Australia Bank - Card IT | 3,980 | - |
| | <u>271,195</u> | <u>269,132</u> |
| Reconciliation of cash | | |
| Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows: | | |
| Cash on Hand | 245,000 | 259,221 |
| TAB Float | 5,000 | 5,000 |
| Gift Vouchers Control Account | 17,215 | 4,910 |
| National Australia Bank Accounts | (278,909) | (291,537) |
| | <u>(11,694)</u> | <u>(22,407)</u> |
| 6 Trade and Other Receivables | | |
| Current | | |
| Sundry Debtors | 7,765 | 1,615 |
| GST Clearing Account | 29,782 | 14,548 |
| Tax Refundable | 12,144 | - |
| Prepayments | 105,634 | 105,296 |
| Total Trade and Other Receivables | <u>155,325</u> | <u>121,459</u> |
| 7 Inventories | | |
| Current | | |
| Trading Stock - at cost | 76,846 | 81,955 |
| Total Inventories | <u>76,846</u> | <u>81,955</u> |

ROCKDALE RSL SUB-BRANCH CLUB LTD
A.B.N: 48 001 286 228

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

| | 2012 \$ | 2011 \$ |
|--|-------------|-------------|
| 8 Property, Plant and Equipment | | |
| FREEHOLD PROPERTY | | |
| 8/10 Chapel Street Rockdale | 147,848 | 147,848 |
| 7/10 Chapel Street Rockdale | 150,760 | 150,760 |
| 10/ 19 The Strand Rockdale | - | 133,055 |
| 15/ 10 Chapel Street Rockdale | 146,595 | 146,595 |
| Lot 10 Catalina Close Nelsons Bay | 296,913 | 296,913 |
| 18 Rigney St Shoal Bay | 309,564 | 309,564 |
| 41 Bay Street Rockdale | 1,309,892 | 1,309,892 |
| 7 Palm Street Tuncurry | 519,519 | 519,519 |
| | 2,881,091 | 3,014,146 |
| LEASEHOLD IMPROVEMENTS | | |
| Property Leasehold Improvements | 4,462,258 | 4,418,287 |
| Less accumulated depreciation | (3,887,553) | (3,738,092) |
| | 574,705 | 680,195 |
| Total Land and Buildings | 3,455,796 | 3,694,341 |
| PLANT AND EQUIPMENT | | |
| Plant and Equipment | 1,760,571 | 1,729,263 |
| Accumulated depreciation | (1,482,830) | (1,411,894) |
| | 277,741 | 317,368 |
| Motor Vehicles | 35,966 | 35,966 |
| Accumulated depreciation | (24,047) | (20,058) |
| | 11,919 | 15,907 |
| Poker Machines | 2,906,861 | 2,661,302 |
| Accumulated depreciation | (2,003,717) | (1,867,979) |
| | 903,144 | 793,323 |
| Bar Furniture & Fittings | 362,866 | 363,978 |
| Accumulated depreciation | (323,514) | (314,563) |
| | 39,352 | 49,415 |
| Unit Furniture & Fittings | 134,139 | 157,921 |
| Accumulated depreciation | (54,322) | (48,112) |
| | 79,817 | 109,809 |

ROCKDALE RSL SUB-BRANCH CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

| | 2012 | 2011 |
|---|------------------|------------------|
| | \$ | \$ |
| Air Conditioning Plant | 393,160 | 393,160 |
| Accumulated depreciation | <u>(326,125)</u> | <u>(317,396)</u> |
| | 67,035 | 75,764 |
| Café Equipment | 76,944 | 76,944 |
| Accumulated depreciation | <u>(61,973)</u> | <u>(58,331)</u> |
| | 14,971 | 18,613 |
| Crockery, Cutlery & Utensils | <u>18,364</u> | <u>18,364</u> |
| Total Plant and Equipment | <u>1,412,343</u> | <u>1,398,564</u> |
| Total Property, Plant and Equipment | <u>4,868,139</u> | <u>5,092,905</u> |
| | | |
| 9 Trade and Other Payables | | |
| Current | | |
| Sundry Creditors - Keno | 935 | 2,145 |
| Trade Creditors | 552,727 | 507,122 |
| Income in Advance | - | 5,184 |
| Current Trade and Other Payables | <u>553,662</u> | <u>514,450</u> |
| Non-Current | | |
| Trade Creditors | 68,978 | - |
| Non Current Trade and Other Payables | <u>68,978</u> | <u>-</u> |
| Total Trade and Other Payables | <u>622,640</u> | <u>514,450</u> |

ROCKDALE RSL SUB-BRANCH CLUB LTD
A.B.N: 48 001 286 228

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

| | 2012 \$ | 2011 \$ |
|--|------------------|------------------|
| 10 Financial Liabilities | | |
| Current | | |
| National Australia Bank | 282,889 | 291,538 |
| Hunter Premium Funding | 84,154 | 85,008 |
| GST Rebate Scheme | 7,160 | 7,160 |
| Total Financial Liabilities | <u>374,203</u> | <u>383,706</u> |
| 11 Provisions | | |
| Provision for Holiday Pay | 121,778 | 112,704 |
| Provision for Long Service Leave | 154,694 | 147,673 |
| Provision for Income Tax | - | 10,647 |
| Total Provisions | <u>276,472</u> | <u>271,023</u> |
| 12 Retained Earnings | | |
| Retained earnings at the beginning of the financial year | 4,396,271 | 4,550,359 |
| Net profit/(loss) attributable to members of the company | <u>(298,081)</u> | <u>(154,088)</u> |
| Retained earnings at the end of the financial year | <u>4,098,190</u> | <u>4,396,271</u> |
| 13 Cash Flow Information | | |
| Reconciliation of net cash | | |
| Operating profit (loss) after income tax | (298,081) | (154,088) |
| <u>Non Cash Flows in Operating Profit:</u> | | |
| Amortisation | 149,462 | 195,607 |
| Depreciation | 346,079 | 373,076 |
| Net gain on disposal of property | (238,213) | (380,590) |
| <u>Change in Assets & Liabilities:</u> | | |
| (Increase)/Decrease in Sundry Debtors | (6,150) | 1,638 |
| (Increase)/Decrease in Current Inventories | 5,109 | (7,354) |
| (Increase)/Decrease in Prepayments | (338) | (6,946) |
| Increase/(Decrease) in Sundry Creditors | (1,210) | 2,145 |
| Increase/(Decrease) in Trade Creditors | 114,583 | (21,308) |
| Increase/(Decrease) in Income in Advance | (5,184) | 5,184 |
| Increase/ (Decrease) in Provisions | 861 | (17,751) |
| Increase/ (Decrease) in Tax Liability | (22,791) | (58,552) |
| Net Cash Provided by Operating Activities | <u>44,127</u> | <u>(68,939)</u> |

ROCKDALE RSL SUB-BRANCH CLUB LTD
A.B.N: 48 001 286 228

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

| | 2012 | 2011 |
|--|------|------|
| | \$ | \$ |
| 14 Financial Instruments | | |
| Financial Risk Management | | |
| The company's financial instruments consists primarily of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills and leases. | | |
| The company does not have any derivative instruments at 31 December 2012. | | |
| 15 Capital Commitments | | |
| There are no capital expenditure commitments contracted for at balance date. | | |
| 16 Related Parties and Related-Party transactions | | |
| (a) As authorised at the Company's Annual General Meeting, the President received a \$3,500 honorarium {2011: \$3,500}. With the exception of this, no other director received any remuneration during the year, or in prior year. | | |
| During the year, conference and seminar expenses totalling \$425 {2011: \$7,209} incurred by directors in fulfilling their role were reimbursed. | | |
| There were no person(s) related to a director or top executive employed during the year. | | |
| (b) The club did not enter into any contract with any of the directors or top executives during the year, or in any contract in which a director or top executive had an interest. | | |
| (c) The club did not incur any legal fees on behalf of its directors, top executives or employees during the year. | | |
| 17 Net Revenue from Poker Machine Takings | | |
| The total amount of profits (within the meaning of the Gaming Machines Act 2001) from the operations of approved gaming machines in the club during the 12 month gaming machine tax period ending on 31 August 2012 was \$3,879,832. | | |
| 18 Community Development and Support | | |
| The amount applied by the Club to the Community Development and Support under part 4 of the Gaming Machine Tax Act 2001 for the year ended 31 August 2012 was \$58,216. | | |

**ROCKDALE RSL SUB-BRANCH CLUB LTD
A.B.N: 48 001 286 228**

DIRECTOR'S DECLARATION

In the opinion of the Directors of Rockdale RSL Sub-Branch Club Ltd (the Company):

(a) the financial statements and notes that are attached 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 December 2012 and of its performance for the financial year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:

SIGNED in accordance with the resolution of the BOARD OF DIRECTORS



Chairman of Directors



Director

Dated this ^{15th} day of April 2013

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ROCKDALE RSL SUB-BRANCH CLUB LTD
A.B.N: 48 001 286 228**

Report on the Financial Report

We have audited the accompanying financial report of Rockdale RSL Sub Branch Club Ltd (the "Company") which comprises the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the director's declaration.

Director's 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 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 is free from material misstatement whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with the 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 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 auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the director, 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 are complied with the independence requirements of the Corporations Act 2001.


**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ROCKDALE RSL SUB-BRANCH CLUB LTD
A.B.N: 48 001 286 228**

Auditors' Opinion

In our opinion the financial report of Rockdale RSL Sub-Branch Club Ltd is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2012 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001

Name of Firm: Hales Redden
Chartered Accountants

Name of Director: 
Paul de Maria

Address: 24 Bay Street Rockdale NSW 2216

Dated this 16th **day of** April 2013.

ROCKDALE RSL SUB-BRANCH CLUB LIMITED

Core and Non Core Properties

Core Properties

Lot 10 Catalina Close Nelson Bay
18 Rigney Street Shoal Bay
7 Palm Street Tuncurry

Non Core Properties

8/10 Chapel Street Rockdale
7/10 Chapel Street Rockdale
15/10 Chapel Street Rockdale
41 Bay Street Rockdale