



# 39th Annual Report 2013

**Rockdale RSL Sub-Branch Club Ltd**

## **PRESIDENT'S REPORT**

Dear Members,

On behalf of the Board of Directors of Rockdale RSL Sub-Branch Club Limited (the Club), I present to you the 39th Annual Report.

The Club made a trading loss of \$754,131 before the net sale price of poker machine entitlements of \$145,000, to show an overall loss of \$609,131. This is an increase of 40.6% over the previous year, and is a result which can only be described as totally unsatisfactory.

When we look at the results in detail, our net Poker Machine declined by \$368,480 or 10.6%; our Bar trading resulted in a loss of \$40,992 on slightly decreased sales of only \$632 over the previous year, and was an improvement of 58.5% over the previous year; and, and income from all other sources declined by \$16,208 or 4%.

On a more positive note, our expenses reduced by \$192,065 or 4.56%.

This disappointing result came about despite the various initiatives put in place by the Board and Management during the year in an endeavour to stem the ongoing deficiencies. Clearly, our gaming income has been the area which has recorded the biggest decrease in income.

When trading profitably, the Club purchased properties in the local area with the intention they be used for a rainy day when the Club may not be trading as profitably. Unfortunately, a number of these properties have needed to be sold over the past years, to cover previous losses, and it is fairly certain that further properties will need to be sold in the future to inject the sale funds into the Club.

Action needs to be taken now, and will be taken, to ensure the Club is returned to profitability. This will require some hard decisions to be made on all aspects of the Club's operations, to ensure we become more efficient, and as a minimum, achieve a break even result. Trading at a loss does not allow us the luxury of ongoing improvements to member's amenities, which in turn detracts from enticing our members and their guests into the Club. More importantly, the Board and Management have a legal requirement to ensure the Club remains solvent, which means we cannot spend more than we earn.

I see the Club at a pivotal point in it's history, because unless the trading results improve, there is the distinct possibility the Club may not be operating in a very few years. The Board is currently in negotiations with the Sub-Branch to acquire the property on which the Club is located. It is in the interests of both parties to agree on an amicable sale price, but the Sub-branch has an obligation to achieve the best result for it's members. The outcome of these negotiations will have an important bearing on the future of the Club, and I will keep you all informed of the outcome.

Thank you to my fellow Directors, Management and staff for their support and efforts during the year. The forthcoming year will be difficult and challenging, but I am confident we can all work together to ensure the Club becomes profitable once again.

Thank you to all our members for your support during the year, and your ongoing support and patronage will greatly assist us in our revitalisation.

Andrew Dale  
President/Chairman

Board of Directors

## **SECRETARY MANAGERS REPORT**

Dear Members

Once again the past year has proved to be a challenging one for Directors, Management and Staff. The trading loss of \$609,131 is a disaster which will be addressed and steps to rectify this will be implemented.

A downturn of net Poker Machine earnings of \$368,480 or 10.6% is disappointing considering the installation is constantly upgraded to provide Members and Visitors with the latest machines available.

To try and arrest the decline in earnings from this area there will be several new initiatives, including the installation of a new link offering additional cash returns.

Although Bar sales were down slightly on last year there was an improvement of 58.5% in this area.

Income from all other operations declined by 4% to an amount of \$16,208.

Expenses were reduced by \$192,065. There will be further reductions in this area during the year.

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

Directors and Management realize that good service and support from members is vital in the day to day performance of the club. Your staff are certainly aware of this.

It is disturbing that a few members continually bag staff in regard to their work ethics.

To all staff members for your help and support throughout the year THANK YOU.

President Andrew and the Board of Directors thank for your support throughout the year.

Kathy Lynch thank you for your input while on the board.

Bill Campbell  
**Secretary Manager**

**ROCKDALE RSL SUB-BRANCH CLUB LTD**

**A.B.N: 48 001 286 228**

**DIRECTOR'S REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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 2013 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 2012  
Club membership - Joined 1960  
Qualifications - Retired bank manager

**Johnson, Barry Robert**

Position - Associate Director and member of all Sub committees  
Director - Appointed 19 May 2013  
Club membership - Joined 1998  
Qualifications - Retired sheet metal worker

**Lynch, Kathryn Joy**

Position - RSL Director and member of all Sub committees  
Director - Appointed 20 May 2013  
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 2013  
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*
A Dale	8	10	-	-
R Hooper	10	10	-	-
K Johansen	8	10	-	-
B Johnston	7	7	-	-
K Lynch	8	10	-	-
P Lyons	10	10	-	-
W Moore	8	10	-	-
G Woolnough	2	2	-	-

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

## OBJECTIVES AND STRATEGIES

### Short term objectives:

To turn the Clubs results into profit to then reduce debt in order to have the ability to provide for the use of members and their guests a welcoming Community Club with modern facilities and amenities. To continue to support the wider local community and foster a relationship to maximise our exposure and involvement with our local area.

### 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 Club's Strategic Plans are reviewed on a regular basis to ensure relevance in achieving our goals. Through the use of professional finance management and key performance indicators combined with proactive culture these strategies are achieved.

## PRINCIPAL ACTIVITIES

The principal activity of the Company during the year has continued to be that of a licensed social club for its members and non-member visitors.

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 \$754,131 less profit on sale of 15 poker machine entitlements for \$145,000, thus resulting in an overall loss for the year of \$609,131, compared with the ordinary operating loss of \$536,294 the previous year 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.

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.

## 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 2,986 {2012: 4,144}

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

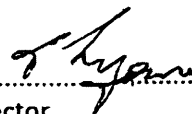
Rockdale RSL Sub-branch Club Limited (the Club) has entered into negotiations with Rockdale RSL Sub-branch (the Sub-branch) for the purchase of the property known as 45 Bay Street, Rockdale, being the property upon which the Club is situated.

## 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 2013.

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

  
.....  
Chairman of Directors

  
.....  
Director

Dated this *18th* day of *April* 2014



**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 2013 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 28<sup>th</sup> day of April 2014.

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

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 \$	2012 \$
Revenue	2	4,171,929	4,557,247
Cost of sales		(308,784)	(332,809)
Gross profit		3,863,145	4,224,438
Depreciation and amortisation expenses		(568,673)	(495,541)
Finance costs		(29,693)	(26,089)
Other expenses	3	(4,018,909)	(4,210,974)
<b>Profit/(Loss) before income tax</b>		(754,131)	(508,166)
Income tax expense	4	-	(28,128)
<b>Loss after income tax</b>		(754,131)	(536,294)
<b>Other comprehensive income:</b>			
Net gain on sale of Property		-	238,213
Net gain on sale of Poker Machines Entitlements		145,000	-
<b>Other comprehensive income for the year, net of tax</b>		145,000	238,213
<b>Total comprehensive income attributable to members of the entity</b>		(609,131)	(298,081)

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 2013**

	Note	2013 \$	2012 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	215,643	271,195
Trade and other receivables	6	184,233	155,325
Inventories	7	66,695	76,846
<b>TOTAL CURRENT ASSETS</b>		<u>466,571</u>	<u>503,366</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	4,473,719	4,868,139
<b>TOTAL NON-CURRENT ASSETS</b>		<u>4,473,719</u>	<u>4,868,139</u>
<b>TOTAL ASSETS</b>		<u>4,940,290</u>	<u>5,371,505</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	540,265	553,662
Financial liabilities	10	573,755	374,203
Provisions	11	286,609	276,472
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,400,630</u>	<u>1,204,337</u>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	9	50,600	68,978
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>50,600</u>	<u>68,978</u>
<b>TOTAL LIABILITIES</b>		<u>1,451,230</u>	<u>1,273,315</u>
<b>NET ASSETS</b>		<u>3,489,060</u>	<u>4,098,190</u>
<b>EQUITY</b>			
Retained earnings	12	3,489,060	4,098,190
<b>TOTAL EQUITY</b>		<u>3,489,060</u>	<u>4,098,190</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 CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	Retained Earnings / (Accumulated losses) \$	Total \$
<b>At 1 January 2012</b>		4,396,271	4,396,271
Loss for the year		(298,081)	(298,081)
<b>At 31 December 2012</b>		4,098,190	4,098,190
Loss for the year		(609,131)	(609,131)
		(609,131)	(609,131)
<b>At 31 December 2013</b>		3,489,060	3,489,060

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 2013**

	2013 \$	2012 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	4,187,345	4,545,896
Payments to suppliers and employees	(4,425,345)	(4,450,868)
Interest received	4	18
Income Taxes (Paid)/Refunds	12,144	(50,919)
<b>Net cash provided by (used in) operating activities</b>	<u>(225,852)</u>	<u>44,127</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	21,000	445,884
Proceeds from sale of poker machine entitlements	145,000	-
Payments for property, plant and equipment	(195,252)	(478,444)
<b>Net cash provided by (used in) investing activities</b>	<u>(29,252)</u>	<u>(32,560)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Funds (to)/from borrowings	966	(854)
<b>Net cash provided by (used in) financing activities</b>	<u>966</u>	<u>(854)</u>
Net increase (decrease) in cash held	(254,138)	10,713
Cash at beginning of year	(11,694)	(22,407)
Cash at end of year	<u><u>(265,832)</u></u>	<u><u>(11,694)</u></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 2013**

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## **Corporate Information**

The financial statements of the Rockdale RSL Sub-Branch Club Ltd (the Company) for the year ended 31 December 2013 were authorised for issue in accordance with a resolution of directors on 17 March 2014

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) and Interpretations issued by the Australian Accounting Standards Board (AASB), the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

### **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**  
**A.B.N: 48 001 286 228**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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**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**  
**A.B.N: 48 001 286 228**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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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 with 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 2013**

	2013 \$	2012 \$
<b>2 Revenue</b>		
<b>Operating Activities (Revenue);</b>		
Bar Sales	673,374	674,006
Poker Machine Takings	3,103,057	3,471,537
Interest Received	4	18
Rental Income	204,788	199,542
Commissions	146,210	177,567
Insurance Recovery	13,680	11,284
Sundry Income	19,237	6,000
Members Subscriptions	11,577	17,293
	<u>4,171,929</u>	<u>4,557,247</u>
<b>Non operating</b>		
Capital Profit on Sale of Properties	-	238,213
Capital Profit on Sale of Poker Machine Entitlements	145,000	-
<b>Total Revenue</b>	<u><u>4,316,929</u></u>	<u><u>4,795,460</u></u>
<b>3 Expenses from Ordinary Activities</b>		
<b>Expenses</b>		
Employee Wages	1,069,784	1,016,977
Entertainment	530,852	530,541
Poker Machine Duty	509,843	569,125
Other expenses from ordinary activities	1,908,430	2,094,331
<b>Total Expenses</b>	<u><u>4,018,909</u></u>	<u><u>4,210,974</u></u>
<b>4 Income Tax Expense</b>		
Income Tax Expense	-	28,128
<b>Total Income Tax Expense</b>	<u><u>-</u></u>	<u><u>28,128</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 2013**

	2013 \$	2012 \$
<b>5 Cash and Cash Equivalents</b>		
<b>Current</b>		
Cash on Hand	202,113	245,000
TAB Float	5,000	5,000
Gift Vouchers Control Account	4,670	17,215
National Australia Bank - Tab	-	-
National Australia Bank - Card IT	3,860	3,980
	<u>215,643</u>	<u>271,195</u>
<b>Reconciliation of cash</b>		
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	202,113	245,000
TAB Float	5,000	5,000
Gift Vouchers Control Account	4,670	17,215
National Australia Bank Accounts	(477,615)	(278,909)
	<u>(265,832)</u>	<u>(11,694)</u>
<b>6 Trade and Other Receivables</b>		
<b>Current</b>		
Sundry Debtors	5,847	7,765
GST Clearing Account	23,708	29,782
Tax Refundable	-	12,144
Prepayments	154,678	105,634
<b>Total Trade and Other Receivables</b>	<u>184,233</u>	<u>155,325</u>
<b>7 Inventories</b>		
<b>Current</b>		
Trading Stock - at cost	66,695	76,846
<b>Total Inventories</b>	<u>66,695</u>	<u>76,846</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 2013**

	2013 \$	2012 \$
<b>8 Property, Plant and Equipment</b>		
<b>FREEHOLD PROPERTY</b>		
8/10 Chapel Street Rockdale	147,848	147,848
7/10 Chapel Street Rockdale	150,760	150,760
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
	<u>2,881,091</u>	<u>2,881,091</u>
<b>LEASEHOLD IMPROVEMENTS</b>		
Property Leasehold Improvements	4,477,510	4,462,258
Less accumulated depreciation	<u>(4,038,254)</u>	<u>(3,887,553)</u>
	<u>439,256</u>	<u>574,705</u>
<b>Total Land and Buildings</b>	<u>3,320,347</u>	<u>3,455,796</u>
<b>PLANT AND EQUIPMENT</b>		
Plant and Equipment	1,771,060	1,760,571
Accumulated depreciation	<u>(1,534,369)</u>	<u>(1,482,830)</u>
	236,691	277,741
Motor Vehicles	35,966	35,966
Accumulated depreciation	<u>(27,027)</u>	<u>(24,047)</u>
	8,939	11,919
Poker Machines	2,698,781	2,906,861
Accumulated depreciation	<u>(1,985,035)</u>	<u>(2,003,717)</u>
	713,746	903,144
Bar Furniture & Fittings	362,866	362,866
Accumulated depreciation	<u>(331,300)</u>	<u>(323,514)</u>
	31,566	39,352
Unit Furniture & Fittings	134,139	134,139
Accumulated depreciation	<u>(61,492)</u>	<u>(54,322)</u>
	72,647	79,817

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 \$	2012 \$
Air Conditioning Plant	393,160	393,160
Accumulated depreciation	<u>(333,810)</u>	<u>(326,125)</u>
	59,350	67,035
Café Equipment	76,944	76,944
Accumulated depreciation	<u>(64,876)</u>	<u>(61,973)</u>
	12,068	14,971
Crockery, Cutlery & Utensils	<u>18,364</u>	<u>18,364</u>
<b>Total Plant and Equipment</b>	<u>1,153,372</u>	<u>1,412,343</u>
<b>Total Property, Plant and Equipment</b>	<u><u>4,473,719</u></u>	<u><u>4,868,139</u></u>
<b>9 Trade and Other Payables</b>		
<b>Current</b>		
Sundry Creditors - Keno	-	935
Trade Creditors	526,762	552,727
Income in Advance	13,503	-
<b>Current Trade and Other Payables</b>	<u>540,265</u>	<u>553,662</u>
<b>Non-Current</b>		
Trade Creditors	50,600	68,978
<b>Non Current Trade and Other Payables</b>	<u>50,600</u>	<u>68,978</u>
<b>Total Trade and Other Payables</b>	<u><u>590,865</u></u>	<u><u>622,640</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 2013**

	2013 \$	2012 \$
<b>10 Financial Liabilities</b>		
<b>Current</b>		
National Australia Bank	481,475	282,889
Hunter Premium Funding	85,120	84,154
GST Rebate Scheme	7,160	7,160
	<u>573,755</u>	<u>374,203</u>
<b>Total Financial Liabilities</b>		
<b>11 Provisions</b>		
Provision for Holiday Pay	131,912	121,778
Provision for Long Service Leave	154,697	154,694
	<u>286,609</u>	<u>276,472</u>
<b>Total Provisions</b>		
<b>12 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	4,098,190	4,396,271
Net profit/(loss) attributable to members of the company	<u>(609,131)</u>	<u>(298,081)</u>
Retained earnings at the end of the financial year	<u>3,489,060</u>	<u>4,098,190</u>
<b>13 Cash Flow Information</b>		
<b>Reconciliation of net cash</b>		
Operating profit (loss) after income tax	(609,131)	(298,081)
<u>Non Cash Flows in Operating Profit:</u>		
Amortisation	150,700	149,462
Depreciation	417,973	346,079
Net gain on disposal of Property	0	(238,213)
Net gain on disposal of Poker Machine Entitlements	(145,000)	-
<u>Change in Assets &amp; Liabilities:</u>		
(Increase)/Decrease in Sundry Debtors	1,918	(6,150)
(Increase)/Decrease in Current Inventories	10,151	5,109
(Increase)/Decrease in Prepayments	(49,044)	(338)
Increase/(Decrease) in Sundry Creditors	(935)	(1,210)
Increase/(Decrease) in Trade Creditors	(44,342)	114,583
Increase/(Decrease) in Income in Advance	13,503	(5,184)
Increase/ (Decrease) in Provisions	16,211	861
Increase/ (Decrease) in Tax Liability	<u>12,144</u>	<u>(22,791)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>(225,852)</u>	<u>44,127</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 2013**

	2013 \$	2012 \$
<hr/>		
<b>14 Financial Instruments</b>		
<b>Financial Risk Management</b>		
The company's financial instruments consists primarily of deposits with banks, cash on hand, core and non core real estate assets, accounts receivable and payable, finance arrangements and leases.		
The company does not have any derivative instruments at 31 December 2013.		
<b>15 Capital Commitments</b>		
There are no capital expenditure commitments contracted for at balance date.		
<b>16 Related Parties and Related-Party transactions</b>		
(a)		
As authorised at the Company's Annual General Meeting, the President received a \$3,500 honorarium {2012: \$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 \$289 {2012: \$425} 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.		
<b>17 Net Revenue from Poker Machine Takings</b>		
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 2013 was \$3,154,434.		
<b>18 Community Development and Support</b>		
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 2013 was \$52,488.73		

**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 2013 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 26 day of April 2014

**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 2013, 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Rockdale RSL Sub-Branch Club Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.



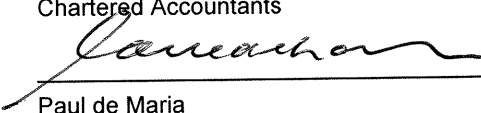
**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF ROCKDALE RSL SUB-BRANCH CLUB LTD  
A.B.N: 48 001 286 228**

**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 2013 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 day of** 28<sup>th</sup> April 2014.

## **ROCKDALE RSL SUB-BRANCH CLUB LIMITED**

### **Core and Non Core Properties 2013**

#### **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