

35th Annual Report 2009

Rockdale RSL Sub-Branch Club Ltd
ABN - 48 001 286 228

PRESIDENT'S REPORT

Ladies and Gentlemen,

I present to you the 35th annual report for Rockdale RSL Sub-branch Club Limited.

2009 was another difficult year, both for our own Club and the Club industry as a whole. There is no doubt the government's economic stimulus package had a positive effect on our 2008 trading figures, however, that stimulus could not be sustained in 2009. The global financial crisis, rising interest rates, tough domestic economic policies, the anti-gambling lobby, and increased taxes and costs are a few of the obstacles which confront all of us on a day to day basis.

Income for the year has reduced in the core areas of our operation, with both poker machine income and bar income down on the previous year. Use of our rental properties at Nelson Bay, Shoal Bay and Forster continue to prove popular, and income from that area was slightly ahead of the previous year. Our general expenditure (the cost of running the Club) increased by just under 5%, which is an outstanding effort by management to constrain costs. Whilst the result was disappointing, it was heartening to see that despite the loss, the Club continues to make a 'cash flow' profit. Our auditors will cover the financial operations of the Club in more detail in their report.

During the year, the outside smoking and gaming area was upgraded, which has proved extremely popular with our members and their guests. This revamp has allowed the main gaming area to be opened up, giving a larger and more inviting entrance area to the Club.

The coming years will be challenging for our Club - the anti-gambling lobby will continue to attack the industry and the prospect of increased taxes will continue to hang over us. Unfortunately, the Club industry is seen as a soft target, and the same amount of criticism is not directed to other forms of gambling. The advent of 'electronic' gambling poses a far greater threat to society, and appears to go unchecked. This trend means that we shall need to think outside the square to attract patronage and income.

Our promotions, entertainment and amenities are constantly reviewed to ensure they maintain their attraction, and our entertainment program are well patronised, and provides an excellent choice of music and groups to suit every taste.

To our Secretary Manager, Bill Campbell, his management team and staff, I thank them all for their support and efforts during a difficult year.

Henry and his team in the Bistro continue to serve up their culinary delights for the enjoyment of our members and their guests - look forward to some great monthly specials in the coming year.

Expert financial advice and guidance is provided by our auditor, Paul de Maria of Hales Redden Chartered Accountants, as is the legal advice and counselling from our solicitor John Walsh of John Walsh and Partners – our thanks to them both.

A big thank you to each and every one of our members for your continued support,
and I look forward to seeing you all in the Club in the near future.

Andrew Dale
President
Chairman of Directors

Secretary Manager's Report

Unfortunately, the worldwide economic turmoil affected trading in 2009, with the club posting a trading loss of \$264,361.00.

Gaming:

Net revenue from poker machine operations were \$2,502,635.00 compared to the 2008 figure of \$2,659,090.00; a downturn of \$156,455.00.

The installation is constantly upgraded giving players the latest combinations available.

Bar:

Sales of \$703,381.00 was a decrease of \$19,821.00 on the previous year's \$723,202.00.

Direct costs were reduced by \$17,672.00, which resulted in a loss of \$64,394.00 compared to \$65,730.00 last year.

While the board continues the policy of a generous members' discount, a profit in this area will be hard to obtain.

Properties:

Rentals at Nelson Bay, Shoal Bay and Tuncurry continue to be well supported by members. Net income from real estate increased from \$47,538.00 to \$56,633.00.

General Expenditure:

Increased expenditure of \$128,915.00 was in areas that could not be controlled, i.e. electricity and gas \$34,478.00 (usage was lower than 2008), repairs & maintenance \$63,000.00 and data monitory \$16,000.00.

Catering:

Henry and his staff continue to supply quality food at reasonable prices, thank you Henry.

To Christine, Bill, Jennean, Duty Managers, Mick, Steve, John, Paul and all other staff, thank you for your support.

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

Thank you members;

Rockdale RSL Club Ltd. is a great club and it is your support and loyalty that makes it great.

BILL CAMPBELL

NOTICE OF RESOLUTION

In accordance with part 10 (1) (i) of the Registered Clubs Act 1993 as amended, the following motion is submitted for consideration:

- (i) That in recompense for their time and services involved in conducting the business affairs of the club and related duties, the directors receive the same benefits as they presently enjoy.
- (ii) Directors be supplied with Club Directors Uniforms which can be worn at Board Meetings and when representing the Club in an official capacity;
- (iii) Directors be authorised to attend Registered Clubs Association and other education industry meetings or business related conferences and club related activities in order to be conversant with:
 - (a) Directors' responsibilities;
 - (b) Best club management practice;
 - (c) Latest developments in the club industry;
- (iv) All reasonable costs incurred by Directors be authorised to make grants to support sub-club sporting groups, charitable organizations and other intra-club bodies.

Each resolution must be passed as a whole and cannot be amended by motions from the floor of the meeting or divided into two or more separate resolutions.

ANNUAL ELECTIONS

Nominations for the Board of Directors open Monday 22nd March 2010 and close at 5.00 p.m. Friday 9th April 2010.

Voting: Thursday 15th, Friday 16th, Saturday 17th April 2010
Thursday 22nd, Friday 23rd, Saturday 24th April 2010
12.00 noon to 2.00 p.m. and 5 p.m. to 7.00 p.m. each day

HOLIDAY UNITS - CHRISTMAS PERIOD BALLOT FORMS

Ballot forms for the period listed below are available at Reception.

From: Saturday 27th November 2010
To: Saturday 29th January 2011

All ballot forms must be returned by 4 p.m. Friday 25th June 2010

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

DIRECTOR'S REPORT

The Directors of Rockdale RSL Sub-Branch Club Ltd present their report of the Financial Statements of the Company for the year ended 31 December 2009 and Auditors Report thereon.

DIRECTORS

The name of each person who has been a director during the year, or at the date of this report is as follows:

CAMPBELL	Edward
CHRISTIE	Robert James
COFFEY	John Peter
DALE	Andrew Phillip
HOOVER	Ronald William
LYONS	Peter John
WOOLNOUGH	Garry John

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.

PRINCIPAL ACTIVITIES

The Company has continued its principal activity as a licensed Club during the year ended 31 December 2009. No significant change in the nature of these activities occurred during the year.

REVIEW AND RESULTS OF OPERATIONS

The net loss after providing for income tax amounted to \$264,361, compared with the loss of \$9,689 the previous year.

REVIEW OF OPERATIONS

A review of operations discloses:

	2009	2008
Gross profit/(loss) from poker machine trading	2,502,635	2,659,090
Gross profit/(loss) from bar trading	(64,395)	(65,731)
Gross profit/(loss) from club keno & commissions	(14,041)	(8,746)
Net rent	65,724	58,244
Members' subscriptions	24,620	27,634
Interest received	11	184
Insurance recovery	36,482	25,270
Administration expenses	(2,815,398)	(2,686,483)
Operating profit/(loss) before income tax	(264,361)	9,461
Income tax expense	-	19,150
Net loss after income tax	(264,361)	(9,689)

MEMBERSHIP

The number of financial members at the end of the year was 4090 {2008: 4,584}.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the company during the year.

NON-AUDIT SERVICES

The following non-audit services were provided by the company's auditor, Hales Redden & Partners. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporation Act. The nature and scope of the non-audit services provided means that auditor independence was not compromised.

Tax Compliance, accounting assistance and
general business services

\$ 16,000

INFORMATION OF DIRECTORS

Board of Directors	Position & Other Information	Year joined Club Years	Period as a member of the Board
E. Campbell	RSL Director	1992	2
R. Christie	Associate Director	1984	9
J. Coffey	Associate Director	1972	36
A. Dale	President	1983	26
R. Hooper	Associate Director	1979	18
P. Lyons	RSL Director	1992	3
G. Woolnough	Associate Director	1970	18

DIRECTORS MEETINGS

The number of full directors and committee meetings attended by each of the Directors during the financial year were:

	Full Board Meetings		Committee	
	Number Attended	Number Held	Number Attended	Number Held
E. Campbell	13	13	0	0
R. Christie	8	13	0	0
J. Coffey	13	13	0	0
A. Dale	12	13	0	0
R. Hooper	13	13	0	0
P. Lyons	12	13	0	0
G. Woolnough	12	13	0	0

THE INDEMNIFICATION OF OFFICERS:

The Company paid during the year, an insurance premium to insure the Officers against liabilities that may arise from their positions as Directors or Officers of the Company. The agreement with the insurer prevents disclosing the details of the cover provided and premiums paid.

AFTER BALANCE DATE EVENTS

No matter or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect:-

- (a) The operations of the Company
- (b) The results of those operations; or
- (c) The state of affairs of the company in subsequent financial years.

LIKELY DEVELOPMENTS

It is intended that the Company's future activities will continue on a similar basis to the current operations. There are no likely developments of which the Directors are aware, which may significantly affect the operations of the Company.

ENVIRONMENTAL REGULATIONS

The Company's operations are subject to various environmental regulations under both Commonwealth and State legislation. The Directors are not aware of any significant breaches during the period covered by this report.

DIRECTORS BENEFITS

No director, or his firm, or a company of which he has a substantial interest has, since the previous Directors Report, received or become entitled to receive any benefit from a contract entered into with the company, other than

(a) A benefit included in the aggregate amount of emoluments received by the directors shown in the financial statements as "Directors Emoluments". The payment of Directors' allowances was approved by the members.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditors' independence declaration as required under section 307C of the Corporations Act 2001 is attached.

SIGNED in accordance with the resolution of the BOARD OF DIRECTORS



Chairman of Directors



Director

Dated this 15th day of

March 2010

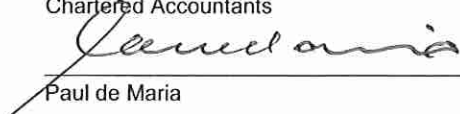
**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
ROCKDALE RSL SUB-BRANCH CLUB LTD**

We hereby declare, that to the best of our knowledge and belief, during the financial year ended 31 December 2009 there have been no:

- (i) contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: Hales Redden & Partners Pty Ltd
Chartered Accountants

Name of Director:


Paul de Maria

Address: 24 Bay Street Rockdale NSW 2216

Dated this 31ST **day of** MARCH 2010

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

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 \$	2008 \$
Revenue	2	5,671,223	5,771,481
Cost of sales		(367,515)	(371,000)
Gross profit		5,303,708	5,400,481
Other revenues	2	-	-
Other expenses		(5,568,069)	(5,391,020)
Profit/(Loss) before income tax		(264,361)	9,461
Income tax expense	4	-	19,150
Loss after income tax		(264,361)	(9,689)
Retained earnings at the beginning of the financial year		4,960,756	4,970,444
Profit attributable to members of the company		<u>4,696,395</u>	<u>4,960,756</u>

The accompanying notes form part of these financial statements.

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

BALANCE SHEET
AS AT 31 DECEMBER 2009

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash and cash equivalents	5	280,099	300,244
Trade and other receivables	6	124,655	84,870
Inventories	7	80,816	81,298
TOTAL CURRENT ASSETS		485,570	466,412
NON-CURRENT ASSETS			
Property, plant and equipment	8	5,766,031	5,531,805
TOTAL NON-CURRENT ASSETS		5,766,031	5,531,805
TOTAL ASSETS		6,251,601	5,998,217
CURRENT LIABILITIES			
Trade and other payables	9	625,107	373,447
Financial liabilities	10	675,958	413,791
Provisions	11	254,141	250,224
TOTAL CURRENT LIABILITIES		1,555,206	1,037,462
TOTAL LIABILITIES		1,555,206	1,037,462
NET ASSETS		4,696,395	4,960,756
EQUITY			
Retained earnings	12	4,696,395	4,960,756
TOTAL EQUITY		4,696,395	4,960,756

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 2009

	Note	Retained Earnings / (Accumulated losses) \$	Total \$
At 1 January 2008		4,970,444	4,970,444
Loss for the year		(9,688)	(9,688)
		(9,688)	(9,688)
At 31 December 2008		4,960,756	4,960,756
Loss for the year		(264,361)	(264,361)
		(264,361)	(264,361)
At 31 December 2009		4,696,395	4,696,395

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 2009

	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	5,672,459	5,766,874
Payments to suppliers and employees	(5,131,200)	(5,258,013)
Interest received	11	184
Income Taxes (Paid)/Refunds	(29,024)	-
Net cash provided by (used in) operating activities	<u>512,246</u>	<u>509,045</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	58,000	43,100
Proceeds from sale of property	-	-
Payments for property, plant and equipment	(852,559)	(401,966)
Net cash provided by (used in) investing activities	<u>(794,559)</u>	<u>(358,866)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Funds (to)/from borrowings	(511)	1,712
Net cash provided by (used in) financing activities	<u>(511)</u>	<u>1,712</u>
Net increase (decrease) in cash held	(282,824)	151,891
Cash at beginning of year	164,587	12,696
Cash at end of year	<u>(118,237)</u>	<u>164,587</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 2009

COMPANY INFORMATION

The financial report of Rockdale RSL Sub-Branch Club Limited for the year ended 31 December 2009 as authorised for issue in accordance with a resolution of directors on 15 February 2010.

The company is a company limited by guarantee under the Corporations Act and 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 by virtue of the company's Memorandum and Articles of Association.

The nature of the operations and principal activities of the company is a licensed club.

1 Statement of Significant Accounting Policies

Basis of Preparation

The financial statements constitute a general purpose financial report which has been drawn up in accordance with applicable Australian Accounting Standards, the Gaming Machine Tax Act 2001 and the Corporations Act 2001.

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.

The accounting policies have been applied consistently and except where there is a change in accounting policy, are consistent with those of the previous period.

Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards (AIFRS).

Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Revenue Recognition

Revenue for the sale of goods is recognised when control of the goods has passed to the buyer, the amount of revenue can be measured reliably and it is probable that it will be received by the company.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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.

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 balance sheet.

ROCKDALE RSL SUB-BRANCH CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

Inventories

Inventories are measured at the lower of cost and or net realisable value. Costs are allocated on either a first-in-first-out (FIFO) or average cost basis.

Payables

Trade accounts, other payables and accrued liabilities represent the principal amounts outstanding at balance date plus, where applicable, any accrued interest.

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.

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

Property, plant and equipment, other than freehold land, are depreciated on a straight line basis at rates calculated to allocate the cost less the estimated residual value over the estimated useful life of each asset.

The assets carrying values are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An asset's carrying account is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Profit and loss on disposal are determined by comparing proceeds with the carrying amount. These amounts are included in the income statement.

ROCKDALE RSL SUB-BRANCH CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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.

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 2009

	2009 \$	2008 \$
2 Revenue		
Operating Activities (Revenue);		
Bar Sales	703,381	723,203
Poker Machine Takings	4,567,389	4,676,329
Interest Received	11	184
Rental Income	199,722	188,780
Commissions	139,618	130,080
Insurance Recovery	36,482	25,270
Members Subscriptions	24,620	27,634
Total Revenue	<u>5,671,223</u>	<u>5,771,481</u>
3 Expenses from Ordinary Activities		
Expenses		
Cost of Sales - Bar	367,515	371,000
Depreciation & Amortisation	560,334	477,193
Employee Wages	1,067,353	1,049,088
Entertainment	712,497	689,805
Poker Machine Duty	862,909	884,821
Other expenses from ordinary activities	2,364,976	2,290,113
Total	<u>5,935,583</u>	<u>5,762,020</u>
4 Income Tax Expense		
The Prima Facie tax payable on the Profit/(Loss) from ordinary activities differs from the income tax provided in the financial statements as income derived from members is exempt based on the principal of mutuality. Income Tax is payable at normal company rates on the calculated non-member net income plus other specific income including interest.		
Income Tax on non-members proportion of Taxable	-	19,150
TOTAL INCOME TAX EXPENSE	<u>-</u>	<u>19,150</u>

ROCKDALE RSL SUB-BRANCH CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 \$	2008 \$
5 Cash and Cash Equivalents		
Current		
Cash on Hand	262,268	263,282
TAB Float	5,000	5,000
Gift Vouchers Control Account	12,830	31,960
National Australia Bank - Tab	1	2
	<u>280,099</u>	<u>300,244</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	262,268	263,282
TAB Float	5,000	5,000
Gift Vouchers Control Account	12,830	31,960
National Australia Bank	<u>(398,335)</u>	<u>(135,655)</u>
	<u>(118,237)</u>	<u>164,587</u>
6 Trade and Other Receivables		
Current		
Sundry Debtors	13,050	4,423
GST Clearing Account	15,428	-
Prepayments	96,177	80,447
	<u>124,655</u>	<u>84,870</u>
7 Inventories		
Current		
Trading Stock - at cost	80,816	81,298
	<u>80,816</u>	<u>81,298</u>

ROCKDALE RSL SUB-BRANCH CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 \$	2008 \$
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
8/ 19 The Strand Rockdale	154,181	154,181
10/ 19 The Strand Rockdale	133,055	133,055
15/ 10 Chapel Street Rockdale	146,595	146,595
17/ 10 Chapel Street Rockdale	154,654	154,654
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>3,322,981</u>	<u>3,322,981</u>
LEASEHOLD IMPROVEMENTS		
Property Leasehold Improvements	4,354,913	4,101,701
Less accumulated depreciation	<u>(3,341,225)</u>	<u>(3,149,450)</u>
	<u>1,013,688</u>	<u>952,252</u>
Total Land and Buildings	<u>4,336,670</u>	<u>4,275,233</u>
PLANT AND EQUIPMENT		
Plant and Equipment	1,652,817	1,682,191
Accumulated depreciation	<u>(1,248,817)</u>	<u>(1,254,670)</u>
	404,000	427,521
Motor Vehicles	35,966	48,389
Accumulated depreciation	<u>(7,686)</u>	<u>(35,271)</u>
	28,279	13,118
Poker Machines	2,803,089	2,620,939
Accumulated depreciation	<u>(2,005,471)</u>	<u>(2,020,463)</u>
	797,618	600,476
Bar Furniture & Fittings	344,237	350,377
Accumulated depreciation	<u>(314,318)</u>	<u>(312,786)</u>
	29,919	37,591
Unit Furniture & Fittings	87,626	79,563
Accumulated depreciation	<u>(58,140)</u>	<u>(54,386)</u>
	29,486	25,177

ROCKDALE RSL SUB-BRANCH CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 \$	2008 \$
Air Conditioning Plant	393,849	393,849
Accumulated depreciation	<u>(301,092)</u>	<u>(288,934)</u>
	92,757	104,915
Café Equipment	76,944	70,368
Accumulated depreciation	<u>(48,008)</u>	<u>(40,959)</u>
	28,936	29,409
Crockery, Cutlery & Utensils	<u>18,364</u>	<u>18,364</u>
Total Plant and Equipment	<u>1,429,361</u>	<u>1,256,572</u>
Total Property, Plant and Equipment	<u><u>5,766,031</u></u>	<u><u>5,531,805</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 2009

	2009 \$	2008 \$
9 Trade and Other Payables		
Trade Creditors	625,107	370,260
GST Clearing Account	-	3,187
	<u>625,107</u>	<u>373,447</u>
10 Financial Liabilities		
Current		
National Australia Bank	398,336	135,658
Eftpos/Brinks	199,376	199,376
Centrepont Finance-Insurance Loan	71,086	71,597
GST Rebate Scheme	7,160	7,160
	<u>675,958</u>	<u>413,791</u>
11 Provisions		
Provision for Holiday Pay	111,591	93,113
Provision for Long Service Leave	142,550	137,960
Provision for Income Tax	-	19,150
Total provisions	<u>254,141</u>	<u>250,224</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 2009

	2009 \$	2008 \$
12 Retained Earnings		
Retained earnings at the beginning of the financial year	4,960,756	4,970,444
Net profit/(loss) attributable to members of the company	(264,361)	(9,689)
Retained earnings at the end of the financial year	<u>4,696,395</u>	<u>4,960,756</u>
13 Cash Flow Information		
Reconciliation of net cash		
Operating profit (loss) after income tax	(264,361)	(9,689)
<u>Non Cash Flows in Operating Profit:</u>		
Amortisation	191,775	181,557
Depreciation	368,559	295,636
Non Cash Interest & Other Non Cash Charges:	0	0
Increase/ (Decrease) in Income Taxes Payable	(29,024)	19,150
Charges to Current Provisions	4,452	6,492
<u>Change in Assets & Liabilities:</u>		
(Increase)/Decrease in Current Inventories	482	3,925
Increase/(Decrease) in Sundry Creditors	0	(1,123)
Increase/(Decrease) in Trade Creditors	254,847	19,457
(Increase)/Decrease in Prepayments	(15,731)	(1,937)
(Increase)/Decrease in Sundry Debtors	1,247	(4,423)
Net Cash Provided by Operating Activities	<u>512,246</u>	<u>509,045</u>

14 Comparative Figures

Comparative figures have been adjusted to confirm to changes in presentation for the current financial year where required by Australian Accounting Standards or as a result of changes in accounting policy.

15 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 2009.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

16 Company Details

The company is incorporated in Australia as a company limited by guarantee under the Corporations Act. The principal place of business of the Club is 45 Bay Street Rockdale NSW 2216.

17 Capital Commitments

There are no capital expenditure commitments contracted for at balance date.

18 Special Reporting Requirements

The disclosures and returns made pursuant to Clause 47H of the "Registered Clubs Amendment Regulation 2007" are held with the Secretary of the Club. Such declarations, disclosures and returns are available for inspection by members on written application to the Secretary.

The following information is required to be disclosed pursuant to the 'Registered Clubs Amendment Act 2003' for the year ended 31 December 2009 and is important for Club Members.

(a) Details of Approved Contracts

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.

(b) Related Parties

There were no person(s) related to a director or top executive employed during the year.

(c) Payments to consultants exceeding \$30,000

The club did not pay any consultancy fees in excess of \$30,000.00 during the year.

(d) Payments to consultants - Other

The club paid consultancy fees totalling \$1,555 as follows:

Better Business Directions	Review & Update Accounting System
Metro Poll Pty Ltd	Supervise Election

(e) Legal Settlements

The club did not incur any legal fees on behalf of its directors, top executives or employees during the year.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

(f) 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 31st August 2009 was \$5,076,359

(g) 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 31st August 2009 was \$63,983.

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

DIRECTOR'S DECLARATION

In the opinion of the Directors the financial report:

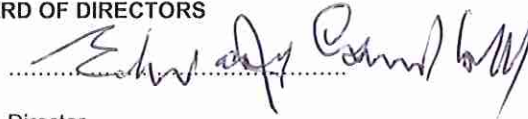
1. Presents fairly the financial position of the Rockdale RSL Sub-Branch Club Ltd as at 31 December 2009 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Rockdale RSL Sub-Branch Club Ltd will be able to pay its debts as and when they fall due.

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

15 MAR 10

**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 which comprises the balance sheet as at 31 December 2009, and the income statement, 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 and true and fair presentation of the financial report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Auditors' Approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

**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 presents a true and fair view in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of Rockdale RSL Sub-Branch Club Ltd as at 31 December 2009 and the results of its operations and its cash flows for the year then ended.

Name of Firm: Hales Redden & Partners Pty Ltd
Chartered Accountants

Name of Director: 
Paul de Maria

Address: 24 Bay Street Rockdale NSW 2216

Dated this day of 31ST MARCH 2010