



36th Annual Report 2010

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

PRESIDENTS REPORT

Dear Members,

On behalf of the Board of Directors of Rockdale RSL Sub Branch Club Limited, I present you the 36th Annual Report.

The Club had another difficult year with income in all areas of our operation down \$417,733 over the previous trading year. Our gaming area experienced the greatest reduction of more than \$380,000 and reflects the Club industry as a whole. Competition for the leisure dollar is difficult, and our trading mirrors the economy overall. Whilst trading 'Cash Flow positive' for the year, our positive Cash Flow was \$445,178 less than the previous year which also impacted on our result.

Reductions to our operating expenses continue to occupy the major focus of both the Board and Management. Overall expenditure for the year was \$235,058 less than the previous year, and whilst commendable in this environment, was still insufficient to match the fall in income. Attention is given to unnecessary expenditure; better work practices; constant review of promotion and entertainment; and members' facilities are just some of the examples of where expenditure is monitored.

The Board constantly reviews our members' amenities and facilities. There have been many changes in the past year – our out door gaming area has been completed, the gaming area has been revamped to provide more spacious surroundings. The TAB area has been expanded and provides first class facilities for our racing enthusiast members and their guests. The first floor restaurant has been redecorated and now houses an excellent Chinese restaurant known as Don1, and is open for lunch and dinner every day of the week. The Club Bistro in the upstairs lounge continues to go from strength to strength and is also open for lunch and dinner each day of the week.

Unfortunately during the year, our longstanding member, Vice President of the Club and director for many years, Eddie Campbell passed away. Eddie had battled illness for a number of years and finally succumbed. The Board extends their heartfelt sympathy to Eddie's family, and to the families of all our members who passed away during the year – Lest We Forget.

The Board appointed Mr. Alan Lyons to fill the Sub Branch vacancy, and Mr. Peter Lyons (no relation to Alan) has assumed the role of Club Vice President.

The forthcoming years in the Club industry will continue to be difficult. Our Federal government appears hell-bent on ruining a great industry by implementing legislation upon us to appease an insignificant newly elected independent Member of Parliament who only received 21% of first preference votes in his electorate at the last election, in an endeavour to hold onto power. If this legislation is enacted it will mean that our Club will need to spend approximately \$1,500,000 to convert our Poker Machines to comply with the legislation. Overseas experience where similar legislation has been introduced shows

there has been no marked reduction in 'problem gambling' and revenue has dropped by 30%. The possible fallout is that smaller clubs like ours will be swallowed up by the bigger clubs; there will be loss of jobs across the industry (clubs currently employ more people in NSW than any other industry); fringe industry (butchers, bakers, green grocers, etc) will suffer downturn; sporting groups will lose much needed support; and the needy and less fortunate in the community will not have the assistance and support they currently receive from Clubs. This legislation will have serious implications for our Club and will be a major influence in our strategies and planning over the next few years. This club wholeheartedly supports a Responsible Attitude to Gambling, but in our opinion this legislation in no way addresses that issue and is purely pandering to a Federal Member of Parliament in a state which does not have a Club industry such as ours. Whilst we are yet to see the final draft legislation, we shall continue to vehemently voice our concerns and objections with our local Federal and State members.

My thanks go to our Secretary Manager Bill Campbell and his staff for their dedication and hard work during the year. Thanks also to our solicitor John Walsh, and auditor Paul de Maria for their valued advice and counsel. I have been fortunate to have the support and dedication of the Board, who have worked tirelessly once again during testing and difficult times, my thanks for which I am sincerely grateful.

To all the members, thank you, for without your ongoing support and custom we would not have the Club that we have today. I look forward to seeing as many of you in the Club during the forthcoming year.

Andrew Dale
President & Chairman of the Board.

SECRETARY MANAGERS REPORT

Dear Members,

2010 has been a difficult year for both your Directors and Management. In the present day trading environment a number of clubs both large and small are struggling to survive. Increases in statutory costs ie: poker machine tax, electricity, gas, water, council rates and state land tax have affected the club and also have had an affect on you the member reducing your disposable income considerably. If the federal government continues on it's path of introducing a scheme of mandatory pre-commitment for poker machines then in order to conform your club would have to spend in the vicinity of \$1,500,000 to upgrade machines to meet the new requirements and there would also be an estimated downturn in revenue of \$1,740,000.00.

Gaming

Net revenue of \$2,198,896 compared to \$2,502,635 in 2009 a reduction of \$303,739 or 12.42%.

Bar

Sales of \$685,563 compared to \$703,381 last year is down \$17,818 or 2.54% resulting in a loss of \$60,836 compared to \$64,395 in 2009. Although sales were down the loss was reduced through a reduction of direct costs. As I have said previously that while your club continues to give generous discounts it will be hard to achieve a profit in this area.

Properties

Holiday properties at Nelson Bay, Shoal Bay and Tuncurry continue to be well supported by members.

Catering

Henry and his staff continue to supply quality food at reasonable prices at the Bay Rock Bistro. The club also has the Don 1 Chinese Restaurant. Any member who has not experienced the high quality of Chinese cuisine I recommend that you do so in the near future.

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

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

Rockdale RSL Sub-Branch Club Limited is a great club and it is the support and loyalty of all its members that make it so.

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 whilst on duty or representing the club to be borne by the Club.
- (v) The Board of 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.

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 Friday 29th April 2011 and close at 5.00 p.m. Sunday 8th May 2011.

Voting: Thursday 12th, Friday 13th, Saturday 14th May 2011
Thursday 19th, Friday 20th, Saturday 21st May 2011
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 26th November 2011
To: Saturday 28th January 2012

All ballot forms must be returned by 4 p.m. Friday 24th June 2011

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 2010 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
COFFEY	John Peter
DALE	Andrew Phillip
HOOPER	Ronald William
LYONS	Alan
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 2010. No significant change in the nature of these activities occurred during the year.

REVIEW AND RESULTS OF OPERATIONS

The net operating loss after providing for income tax amounted to \$517,572, compared with the loss of \$264,361 the previous year. Extraordinary revenue was derived during the year from the sale of poker machine entitlements and the transfer of an amount carried forward from the previous years in relation to eftpos transactions.

REVIEW OF OPERATIONS

A review of operations discloses:

	2010	2009
Gross profit/(loss) from poker machine trading	2,198,896	2,502,635
Gross profit/(loss) from bar trading	(60,836)	(64,395)
Gross profit/(loss) from club keno & commissions	25,027	(14,041)
Net rent	59,981	65,724
Members' subscriptions	16,642	24,620
Interest received	25	11
Insurance recovery	13,334	36,482
Administration expenses	(2,701,443)	(2,815,398)
Operating profit/(loss) before income tax	(448,374)	(264,361)
Income tax expense	69,199	-
Operating loss after income tax before extraordinary revenue	(517,572)	(264,361)
Extraordinary revenue	371,536	-
Net loss after income tax and extraordinary revenue	(146,036)	(264,361)

MEMBERSHIP

The number of financial members at the end of the year was 4078 {2009: 4,090}.

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.

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

\$ 22,000

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	3
J. Coffey	Associate Director	1972	37
A. Dale	President	1983	27
R. Hooper	Associate Director	1979	19
A. Lyons	RSL Director	2010	1
P. Lyons	RSL Director	1992	4
G. Woolnough	Associate Director	1970	19

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	4	4	0	0
J. Coffey	9	10	0	0
A. Dale	10	10	0	0
R. Hooper	9	10	0	0
A. Lyons	3	3	0	0
P. Lyons	9	10	0	0
G. Woolnough	10	10	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.

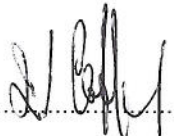
AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 31 December 2010 has been received and attached.

SIGNED in accordance with the resolution of the BOARD OF DIRECTORS



Chairman of Directors



Director

Dated this ^{28th} day of *April* 2011

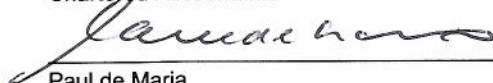
**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
ROCKDALE RSL SUB-BRANCH CLUB LTD**

We hereby declare, that to the best of our knowledge and belief, during the financial year ended 31 December 2010 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 & Partners Pty Ltd
Chartered Accountants

Name of Director:


Paul de Maria

Address: 24 Bay Street Rockdale NSW 2216

Dated this 19th **day of** April 2011

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 \$	2009 \$
Revenue	2	5,253,490	5,671,223
Cost of sales		(334,983)	(367,515)
Gross profit		4,918,507	5,303,708
Depreciation and amortisation expenses		(573,414)	(560,334)
Finance costs		(33,266)	(12,476)
Other expenses	3	(4,760,201)	(4,995,259)
Profit/(Loss) before income tax		(448,373)	(264,361)
Income tax expense	4	(69,199)	-
Loss after income tax		(517,572)	(264,361)
Other comprehensive income:			
Net gain on sale of Poker Machines Entitlements		172,160	-
Transfer from Eftpos Account		199,376	-
Other comprehensive income for the year, net of tax		371,536	-
Total comprehensive income attributable to members of the entity		(146,036)	(264,361)

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 2010

	Note	2010 \$	2009 \$
CURRENT ASSETS			
Cash and cash equivalents	5	288,703	280,099
Trade and other receivables	6	101,603	124,655
Inventories	7	74,601	80,816
TOTAL CURRENT ASSETS		<u>464,907</u>	<u>485,570</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	5,494,716	5,766,031
TOTAL NON-CURRENT ASSETS		<u>5,494,716</u>	<u>5,766,031</u>
TOTAL ASSETS		<u>5,959,623</u>	<u>6,251,601</u>
CURRENT LIABILITIES			
Trade and other payables	9	530,784	625,107
Financial liabilities	10	548,056	675,958
Provisions	11	330,424	254,141
TOTAL CURRENT LIABILITIES		<u>1,409,264</u>	<u>1,555,206</u>
TOTAL LIABILITIES		<u>1,409,264</u>	<u>1,555,206</u>
NET ASSETS		<u>4,550,359</u>	<u>4,696,395</u>
EQUITY			
Retained earnings	12	4,550,359	4,696,395
TOTAL EQUITY		<u>4,550,359</u>	<u>4,696,395</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 2010

Note	Retained Earnings / (Accumulated losses) \$	Total \$
At 1 January 2009	4,960,756	4,960,756
Loss for the year	(264,361)	(264,361)
At 31 December 2009	4,696,395	4,696,395
Loss for the year	(517,572)	(517,572)
Extraordinary Items	371,536	371,536
	(146,036)	(146,036)
At 31 December 2010	4,550,359	4,550,359

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 2010

	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	5,253,387	5,672,459
Payments to suppliers and employees	(5,196,218)	(5,131,200)
Interest received	25	11
Income Taxes (Paid)/Refunds	9,874	(29,024)
Net cash provided by (used in) operating activities	<u>67,068</u>	<u>512,246</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	224,608	58,000
Proceeds from sale of property	-	-
Payments for property, plant and equipment	(354,546)	(852,559)
Net cash provided by (used in) investing activities	<u>(129,938)</u>	<u>(794,559)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Funds (to)/from borrowings	6,771	(511)
Net cash provided by (used in) financing activities	<u>6,771</u>	<u>(511)</u>
Net increase (decrease) in cash held	(56,099)	(282,824)
Cash at beginning of year	(118,237)	164,587
Cash at end of year	<u>(174,336)</u>	<u>(118,237)</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 2010

COMPANY INFORMATION

The financial report of Rockdale RSL Sub-Branch Club Limited for the year ended 31 December 2010 as authorised for issue in accordance with a resolution of directors on 18 April 2011.

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

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 using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

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 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 2010

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.

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

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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.

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 2010

	2010 \$	2009 \$
2 Revenue		
Operating Activities (Revenue);		
Bar Sales	685,564	703,381
Poker Machine Takings	4,187,218	4,567,389
Interest Received	25	11
Rental Income	193,739	199,722
Commissions	156,968	139,618
Insurance Recovery	13,334	36,482
Members Subscriptions	16,642	24,620
Total Revenue	<u>5,253,490</u>	<u>5,671,223</u>
3 Expenses from Ordinary Activities		
Expenses		
Employee Wages	1,044,264	1,067,353
Entertainment	707,874	712,497
Poker Machine Duty	773,294	862,909
Other expenses from ordinary activities	2,234,769	2,352,500
Total	<u>4,760,201</u>	<u>4,995,259</u>
4 Income Tax Expense		
Income Tax Expense	69,199	-
TOTAL INCOME TAX EXPENSE	<u>69,199</u>	<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 2010

	2010 \$	2009 \$
5 Cash and Cash Equivalents		
Current		
Cash on Hand	260,092	262,268
TAB Float	5,000	5,000
Gift Vouchers Control Account	23,610	12,830
National Australia Bank - Tab	1	1
	<u>288,703</u>	<u>280,099</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	260,092	262,268
TAB Float	5,000	5,000
Gift Vouchers Control Account	23,610	12,830
National Australia Bank	<u>(463,038)</u>	<u>(398,335)</u>
	<u>(174,336)</u>	<u>(118,237)</u>
6 Trade and Other Receivables		
Current		
Sundry Debtors	3,253	13,050
GST Clearing Account	-	15,428
Prepayments	98,350	96,177
	<u>101,603</u>	<u>124,655</u>
7 Inventories		
Current		
Trading Stock - at cost	74,601	80,816
	<u>74,601</u>	<u>80,816</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 2010

	2010 \$	2009 \$
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	4,374,234	4,354,913
Less accumulated depreciation	<u>(3,542,485)</u>	<u>(3,341,225)</u>
	<u>831,749</u>	<u>1,013,688</u>
Total Land and Buildings	<u>4,154,730</u>	<u>4,336,670</u>
PLANT AND EQUIPMENT		
Plant and Equipment	1,694,736	1,652,817
Accumulated depreciation	<u>(1,343,466)</u>	<u>(1,248,817)</u>
	351,270	404,000
Motor Vehicles	35,966	35,966
Accumulated depreciation	<u>(14,756)</u>	<u>(7,686)</u>
	21,209	28,279
Poker Machines	2,603,275	2,803,089
Accumulated depreciation	<u>(1,902,348)</u>	<u>(2,005,471)</u>
	700,927	797,618
Bar Furniture & Fittings	376,597	344,237
Accumulated depreciation	<u>(321,649)</u>	<u>(314,318)</u>
	54,948	29,919
Unit Furniture & Fittings	147,449	87,626
Accumulated depreciation	<u>(62,960)</u>	<u>(58,140)</u>
	84,489	29,486

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
Air Conditioning Plant	393,160	393,849
Accumulated depreciation	<u>(307,536)</u>	<u>(301,092)</u>
	85,624	92,757
Café Equipment	76,944	76,944
Accumulated depreciation	<u>(53,790)</u>	<u>(48,008)</u>
	23,154	28,936
Crockery, Cutlery & Utensils	<u>18,364</u>	<u>18,364</u>
Total Plant and Equipment	<u>1,339,985</u>	<u>1,429,361</u>
Total Property, Plant and Equipment	<u><u>5,494,716</u></u>	<u><u>5,766,031</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 2010

	2010 \$	2009 \$
9 Trade and Other Payables		
Trade Creditors	528,429	625,107
GST Clearing Account	2,355	-
	<u>530,784</u>	<u>625,107</u>
10 Financial Liabilities		
Current		
National Australia Bank	463,039	398,336
Eftpos/Brinks	-	199,376
Centrepont Finance-Insurance Loan	77,857	71,086
GST Rebate Scheme	7,160	7,160
	<u>548,056</u>	<u>675,958</u>
11 Provisions		
Provision for Holiday Pay	113,748	111,591
Provision for Long Service Leave	147,478	142,550
Provision for Income Tax	69,199	-
Total provisions	<u>330,424</u>	<u>254,141</u>
12 Retained Earnings		
Retained earnings at the beginning of the financial year	4,696,395	4,960,756
Net profit/(loss) attributable to members of the company	(146,036)	(264,361)
Retained earnings at the end of the financial year	<u>4,550,359</u>	<u>4,696,395</u>
13 Cash Flow Information		
Reconciliation of net cash		
Operating profit (loss) after income tax	(146,036)	(264,361)
<u>Non Cash Flows in Operating Profit:</u>		
Amortisation	201,260	191,775
Depreciation	372,154	368,559
Non Cash Interest & Other Non Cash Charges:		
Increase/ (Decrease) in Income Taxes Payable	79,073	(29,024)
Changes to Current Provisions	24,865	4,451
Extraordinary Revenue	(371,536)	0
<u>Change in Assets & Liabilities:</u>		
(Increase)/Decrease in Current Inventories	6,215	482
Increase/(Decrease) in Sundry Creditors	0	0
Increase/(Decrease) in Trade Creditors	(96,677)	254,847
(Increase)/Decrease in Prepayments	(2,173)	(15,730)
(Increase)/Decrease in Sundry Debtors	(77)	1,247
Net Cash Provided by Operating Activities	<u>67,068</u>	<u>512,246</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 2010

	2010 \$	2009 \$				
<hr/>						
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 2010.						
15 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.						
16 Capital Commitments						
There are no capital expenditure commitments contracted for at balance date.						
17 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 2010 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 \$1,790 as follows:						
<table><tr><td>Better Business Directions</td><td>Review & Update Accounting System</td></tr><tr><td>Metro Poll Pty Ltd</td><td>Supervise Election</td></tr></table>			Better Business Directions	Review & Update Accounting System	Metro Poll Pty Ltd	Supervise Election
Better Business Directions	Review & Update Accounting System					
Metro Poll Pty Ltd	Supervise Election					

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$

(e) Legal Settlements

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

(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 31 August 2010 was \$4,648,943.

(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 31 August 2010 was \$60,437

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:

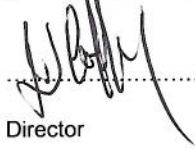
1. Presents fairly the financial position of the Rockdale RSL Sub-Branch Club Ltd as at 31 December 2010 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the 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

28th April 2011

**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 statement of financial position as at 31 December 2010, 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 and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report 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 have complied with the 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:

- (a) 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 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001
- (b) The financial report also complies with International Financial Reporting Standards as disclosed in Note

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 19th **day of** APRIL 2011

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
17/10 Chapel Street Rockdale
8/19 The Strand Rockdale
10/19 The Strand Rockdale
41 Bay Street Rockdale