



37th Annual Report 2011

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

Dear Members

The year has once again presented many challenges to your club and the club industry.

As most members are aware there has been constant negativity published by the media and highlighted by anti-gambling identities on problem gambling and club activities in general. Woolworths and Wesfarmers are among the largest owners of gaming machines in Australia but these companies have avoided the criticism that has been leveled directly against the Club industry by the vociferous anti-gambling lobby.

Revenue for 2011 decreased by 6.26% over 2010 while total expenses were reduced by 5.4% over the previous year.

Bar

Sales of \$678,049 were 1.10% less than last year. However with a reduction in direct costs of 3.21% the loss for 2011 was \$42,447 compared to \$60,836 in 2010. As I have stated previously while your club continues to give members generous discounts it will be hard to achieve a profit in this area.

Gaming

Poker Machine takings decreased by 7.46% to \$3,874,666 compared to \$4,187,218 in 2010.

Properties

Members have continued to take advantage of holiday properties situated in Nelson Bay, Shoal Bay and Tuncurry. Check our prices with similar sized properties and you will be pleasantly surprised.

Catering

Check out the daily specials at The Bay Rock Bistro. Don 1 Chinese Restaurant is currently offering 20% off food and 10% off beverages so make sure you take advantage of the discounts when next enjoying a meal.

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

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

Club Rocky's (Rockdale RSL Sub-Branch Club Ltd) is a great club and it is the support and loyalty of all members that make it so.

Bill Campbell
Secretary Manager

2011 PRESIDENTS REPORT

Members,

I present to you the 37th Annual Report and Financial Position for 2011 on behalf of the Board of Directors of Rockdale RSL Sub-branch Club Limited.

Trading continues to be difficult in the current economic climate, and despite all the efforts of the Board and management to stimulate and increase patronage, the Club traded at a loss for the year. Income in our core operating areas of Bar Trading and Gaming were down on previous years, whilst our expenses in those areas were less than the previous year. This demonstrates that our commitment to reduce expenditure has been successful and has had an impact on our bottom line. Net Gaming income fell by approximately 6.9% or \$151,474, whilst on a better note, the net loss in our Bar Trading reduced by approximately 30.2%.

Net income from our rental income was less than the previous year due to some one off Repairs and Maintenance requirements (which also resulted in increased depreciation). These amenities continue to prove popular with our members and are located in prime holiday locations north of Sydney.

Our overall expenses for the year were approximately 5.66% less than the previous year. With the advent of the Carbon Tax from 1 Jul 12, our expenses will increase substantially, and forecast modeling carried out within the industry shows a potential increase of around \$130,000 in our future costs. We are already seeing substantial increases in our electricity, gas and water accounts and a general upward creep in other expenses.

The forecast for the Club industry is one of continuing and difficult trading conditions. Uncertainty in the economy, has a flow on effect to the leisure dollar, and is the environment in which we currently trade. The recent change of government in NSW has seen them honour an election promise and reduce the State Gaming duties. The proposed demands of the 'Wilkie' legislation on gaming and gaming machines at the Federal Government level has not occurred due to the lack of support by many Federal members on both sides of politics. Whilst the Federal government has a majority in parliament without the need to rely on all the independent members, this is a day to day changing landscape. In the event of the government losing a sitting member, the emphasis and demands of Mr. Wilkie will most certainly re-ignite the gaming legislation. There has been great debate on the huge gambling problems in this country brought about by the despicable clubs. Nothing has been said about the effects of the casinos, with their trawling busses; no talk of set limits on how one can bet on the races, lotteries, etc; major NRL football teams sponsored by betting organizations, betting on sporting events whilst the game progresses, with constant betting odds being shown during the games when our children are watching their favourite team play. This Club is committed to a responsible attitude to gambling and is ready and willing to provide assistance to any member who feels they have a gambling problem. The Club industry does not consist of gambling dens, but are a vital part of the NSW economy. We are one of the largest employers in NSW, and we generously support local communities, charities and sporting bodies (contrary to some journalists and others within the community).

I take this opportunity to thank Bill Campbell and his management team and staff for their hard work and efforts during the year. Our auditor Paul de Maria and legal advisor John Walsh continue to provide timely and expert advice which is greatly appreciated. Thank you to all our members who continue to support the Club, and I look forward to seeing you in the Club in the coming year.

Andrew P. Dale
President
Chairman of Directors

Your Board and management will continue to look at innovative and fresh ideas in an endeavour to generate income and make the Club a venue of first choice for entertainment and facilities for our members and their guests.

ROCKDALE RSL SUB-BRANCH CLUB LTD

A.B.N: 48 001 286 228

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

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 2011 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:

Coffey, John Peter

Position - Associate Director and member of all Sub committees
Director - Appointed 6 April 1992
Club membership - Joined 1972
Qualifications - Retired security guard
Special Responsibilities

Dale, Andrew Phillip

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

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
Special Responsibilities

Johansen, Keith William

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

Lyons, Alan

Position - RSL Director and member of all Sub committees

Director - Appointed 20 September 2010

Club membership - Joined 2010

Qualifications - Retired bank IT systems manager

Special Responsibilities

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

Special Responsibilities

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

Special Responsibilities

COMPANY SECRETARY

William Richard CAMPBELL held the position of Company Secretary at the end of the financial year.

William Richard CAMPBELL was appointed Company Secretary on 29 May 2006.

DIRECTORS MEETINGS

The number of directors' meetings (including meetings of committees of directors) attended by each of the directors and number of meetings of the Company during the financial year are:

	Board Meetings		Committee Meetings	
	Number of meetings attended	Number of meetings held*	Number of meetings attended	Number of meetings held*
J Coffey	12	13	-	-
A Dale	12	13	-	-
R Hooper	13	13	-	-
K Johansen	7	7	-	-
A Lyons	11	13	-	-
P Lyons	12	13	-	-
G Woolnough	12	13	-	-

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

OBJECTIVES AND STRATEGIES

Short term objectives:

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

Long term objectives:

To ensure that the Company strives to be financially viable and relevant in its community by increasing revenue whilst providing and ensuring excellence in service, product, environment, teamwork focus and consistency.

The long term vision is linked to profit levels and maintaining a competitive advantage. Customer and member loyalty is of utmost importance in terms of long term survival, therefore the long term goal is to increase loyalty with more visitors converting to members of the Club.

As a non-profit organisation, the Company re-invests in itself to ensure that its premises and facilities are modern and attractive to members, visitors and the community.

Strategies

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

PRINCIPAL ACTIVITIES

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

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

OPERATING AND FINANCIAL REVIEW

The net operating loss after providing for income tax amounted to \$534,677 less profit on sale of non-current asset of \$380,590, resulted in an overall loss for the year of \$154,088, compared with the ordinary loss of \$517,572 the previous year (excluding extraordinary items totalling \$371,536).

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

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

MEMBERSHIP

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

The number of financial members at the end of the year was 3,479 {2010: 4078}

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

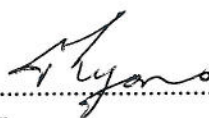
AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is attached and forms part of the Directors' Report for the financial year ended 31 December 2011.

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



.....
Chairman of Directors



.....
Director

Dated this 25th day of April 2012

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

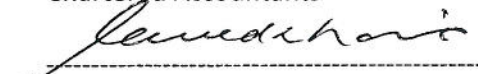
**TO THE DIRECTORS OF
ROCKDALE RSL SUB-BRANCH CLUB LTD**

We hereby declare that, to the best of our knowledge and belief, during the financial year ended 31 December 2011 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 24th day of APRIL 2012

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 \$	2010 \$
Revenue	2	4,924,222	5,253,490
Cost of sales		(322,305)	(334,983)
Gross profit		4,601,917	4,918,507
Depreciation and amortisation expenses		(568,683)	(573,414)
Finance costs		(33,266)	(33,266)
Other expenses	3	(4,502,465)	(4,760,201)
Profit/(Loss) before income tax		(502,497)	(448,373)
Income tax expense	4	(32,181)	(69,199)
Loss after income tax		(534,677)	(517,572)
Other comprehensive income:			
Net gain on sale of Property		380,590	-
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		380,590	371,536
Total comprehensive income attributable to members of the entity		(154,088)	(146,036)

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 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	5	269,132	288,703
Trade and other receivables	6	121,459	101,603
Inventories	7	81,955	74,601
TOTAL CURRENT ASSETS		<u>472,546</u>	<u>464,907</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	5,092,905	5,494,716
TOTAL NON-CURRENT ASSETS		<u>5,092,905</u>	<u>5,494,716</u>
TOTAL ASSETS		<u>5,565,451</u>	<u>5,959,623</u>
CURRENT LIABILITIES			
Trade and other payables	9	514,450	530,784
Financial liabilities	10	383,706	548,056
Provisions	11	271,023	330,424
TOTAL CURRENT LIABILITIES		<u>1,169,180</u>	<u>1,409,264</u>
TOTAL LIABILITIES		<u>1,169,180</u>	<u>1,409,264</u>
NET ASSETS		<u>4,396,271</u>	<u>4,550,359</u>
EQUITY			
Retained earnings	12	4,396,271	4,550,359
TOTAL EQUITY		<u>4,396,271</u>	<u>4,550,359</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 2011

	Note	Retained Earnings / (Accumulated losses) \$	Total \$
At 1 January 2009		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
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
Loss for the year		(154,088)	(154,088)
		(154,088)	(154,088)
At 31 December 2011		4,396,271	4,396,271

The accompanying notes form part of these financial statements.

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

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	4,930,742	5,253,387
Payments to suppliers and employees	(4,909,249)	(5,196,218)
Interest received	301	25
Income Taxes (Paid)/Refunds	(90,733)	9,874
Net cash provided by (used in) operating activities	<u>(68,939)</u>	<u>67,068</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	723,625	224,608
Proceeds from sale of property	-	-
Payments for property, plant and equipment	(509,908)	(354,546)
Net cash provided by (used in) investing activities	<u>213,717</u>	<u>(129,938)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Funds (to)/from borrowings	7,151	6,771
Net cash provided by (used in) financing activities	<u>7,151</u>	<u>6,771</u>
Net increase (decrease) in cash held	151,929	(56,099)
Cash at beginning of year	(174,336)	(118,237)
Cash at end of year	<u>(22,407)</u>	<u>(174,336)</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 2011

Corporate Information

The financial statements of the Rockdale RSL Sub-Branch Club Ltd (the Company) for the year ended 31 December 2011 were authorised for issue in accordance with a resolution of directors on 21 April 2012.

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 Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASBs) adopted by the Australian Accounting Standards Board (AASB), the Corporations Act 2001, the Registered Clubs Amendment Act 2006 and the Gaming Machines Tax Act 2001.

The Company early adopted AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Standards arising from Reduced Disclosure Requirements for the financial year beginning on 1 January 2011 to prepare Tier 2 general purpose financial statements.

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

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

Revenue Recognition

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

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

Expenditure

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

Cash and Cash Equivalents

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

ROCKDALE RSL SUB-BRANCH CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Inventories

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

Property, Plant and Equipment

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

Property

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

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

Plant and equipment

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

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

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

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

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

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

ROCKDALE RSL SUB-BRANCH CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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

Trade Creditors and Other Payables

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

Employee Benefits

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

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

Provisions

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

Income Tax

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

Goods and Services Tax (GST)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
2 Revenue		
Operating Activities (Revenue);		
Bar Sales	678,049	685,564
Poker Machine Takings	3,874,666	4,187,218
Interest Received	301	25
Rental Income	187,521	193,739
Commissions	151,854	156,968
Insurance Recovery	15,914	13,334
Members Subscriptions	15,917	16,642
	<u>4,924,222</u>	<u>5,253,490</u>
Non operating		
Capital Profit on sale of properties	380,590	-
Total Revenue	<u><u>5,304,812</u></u>	<u><u>5,253,490</u></u>
3 Expenses from Ordinary Activities		
Expenses		
Employee Wages	1,052,980	1,044,264
Entertainment	583,449	707,874
Poker Machine Duty	690,432	773,294
Other expenses from ordinary activities	2,175,603	2,234,769
Total	<u><u>4,502,465</u></u>	<u><u>4,760,201</u></u>
4 Income Tax Expense		
Income Tax Expense	32,181	69,199
TOTAL INCOME TAX EXPENSE	<u><u>32,181</u></u>	<u><u>69,199</u></u>

ROCKDALE RSL SUB-BRANCH CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
5 Cash and Cash Equivalents		
Current		
Cash on Hand	259,221	260,092
TAB Float	5,000	5,000
Gift Vouchers Control Account	4,910	23,610
National Australia Bank - Tab	1	1
	<u>269,132</u>	<u>288,703</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	259,221	260,092
TAB Float	5,000	5,000
Gift Vouchers Control Account	4,910	23,610
National Australia Bank	<u>(291,538)</u>	<u>(463,038)</u>
	<u>(22,407)</u>	<u>(174,336)</u>
6 Trade and Other Receivables		
Current		
Sundry Debtors	1,615	3,253
GST Clearing Account	14,548	-
Prepayments	<u>105,296</u>	<u>98,350</u>
	<u>121,459</u>	<u>101,603</u>
7 Inventories		
Current		
Trading Stock - at cost	<u>81,955</u>	<u>74,601</u>
	<u>81,955</u>	<u>74,601</u>

ROCKDALE RSL SUB-BRANCH CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
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
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
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>3,014,146</u>	<u>3,322,981</u>
LEASEHOLD IMPROVEMENTS		
Property Leasehold Improvements	4,418,287	4,374,234
Less accumulated depreciation	<u>(3,738,092)</u>	<u>(3,542,485)</u>
	<u>680,195</u>	<u>831,749</u>
Total Land and Buildings	<u>3,694,341</u>	<u>4,154,730</u>
PLANT AND EQUIPMENT		
Plant and Equipment	1,729,263	1,694,736
Accumulated depreciation	<u>(1,411,894)</u>	<u>(1,343,466)</u>
	317,368	351,270
Motor Vehicles	35,966	35,966
Accumulated depreciation	<u>(20,058)</u>	<u>(14,756)</u>
	15,907	21,209
Poker Machines	2,661,302	2,603,275
Accumulated depreciation	<u>(1,867,979)</u>	<u>(1,902,348)</u>
	793,323	700,927
Bar Furniture & Fittings	363,978	376,597
Accumulated depreciation	<u>(314,563)</u>	<u>(321,649)</u>
	49,415	54,948
Unit Furniture & Fittings	157,921	147,449
Accumulated depreciation	<u>(48,112)</u>	<u>(62,960)</u>
	109,809	84,489

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
Air Conditioning Plant	393,160	393,160
Accumulated depreciation	<u>(317,396)</u>	<u>(307,536)</u>
	75,764	85,624
Café Equipment	76,944	76,944
Accumulated depreciation	<u>(58,331)</u>	<u>(53,790)</u>
	18,613	23,154
Crockery, Cutlery & Utensils	<u>18,364</u>	<u>18,364</u>
Total Plant and Equipment	<u>1,398,564</u>	<u>1,339,985</u>
Total Property, Plant and Equipment	<u><u>5,092,905</u></u>	<u><u>5,494,716</u></u>
 9 Trade and Other Payables		
Current		
Sundry Creditors - Keno	2,145	-
Trade Creditors	507,122	528,429
GST Clearing Account	-	2,355
Income in Advance	<u>5,184</u>	<u>-</u>
	<u><u>514,450</u></u>	<u><u>530,784</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 2011

	2011 \$	2010 \$
10 Financial Liabilities		
Current		
National Australia Bank	291,538	463,039
Hunter Premium Funding	85,008	77,857
GST Rebate Scheme	7,160	7,160
	<u>383,706</u>	<u>548,056</u>
11 Provisions		
Provision for Holiday Pay	112,704	113,748
Provision for Long Service Leave	147,673	147,478
Provision for Income Tax	10,647	69,199
Total provisions	<u>271,023</u>	<u>330,424</u>
12 Retained Earnings		
Retained earnings at the beginning of the financial year	4,550,359	4,696,395
Net profit/(loss) attributable to members of the company	<u>(154,088)</u>	<u>(146,036)</u>
Retained earnings at the end of the financial year	<u>4,396,271</u>	<u>4,550,359</u>
13 Cash Flow Information		
Reconciliation of net cash		
Operating profit (loss) after income tax	(154,088)	(146,036)
<u>Non Cash Flows in Operating Profit:</u>		
Amortisation	195,607	201,260
Depreciation	373,076	372,154
Net gain on disposal of property	(380,590)	-
Extraordinary Revenue	-	(371,536)
<u>Change in Assets & Liabilities:</u>		
(Increase)/Decrease in Sundry Debtors	1,638	(77)
(Increase)/Decrease in Current Inventories	(7,354)	6,215
(Increase)/Decrease in Prepayments	(6,946)	(2,173)
Increase/(Decrease) in Sundry Creditors	2,145	-
Increase/(Decrease) in Trade Creditors	(21,308)	(96,677)
Increase/(Decrease) in Income in Advance	5,184	-
Increase/ (Decrease) in Provisions	(17,751)	24,865
Increase/ (Decrease) in Tax Liability	<u>(58,552)</u>	<u>79,073</u>
Net Cash Provided by Operating Activities	<u>(68,939)</u>	<u>67,068</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 2011

	2011 \$	2010 \$
<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 2011.		
15 Capital Commitments		
There are no capital expenditure commitments contracted for at balance date.		
16 Related Parties and Related-Party transactions		
(a) As authorised at the Company's Annual General Meeting, the President received a \$3,500 honorarium {2010: \$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 \$7,209 {2010: \$7,809} incurred by directors in fulfilling their role were reimbursed.		
There were no person(s) related to a director or top executive employed during the year.		
(b) The club did not enter into any contract with any of the directors or top executives during the year, or in any contract in which a director or top executive had an interest.		
(c) The club did not incur any legal fees on behalf of its directors, top executives or employees during the year.		
17 Net Revenue from Poker Machine Takings		
The total amount of profits (within the meaning of the Gaming Machines Act 2001) from the operations of approved gaming machines in the club during the 12 month gaming machine tax period ending on 31 August 2011 was \$4,385,313.		
18 Community Development and Support		
The amount applied by the Club to the Community Development and Support under part 4 of the Gaming Machine Tax Act 2001 for the year ended 31 August 2011 was \$55,324		

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 2011 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 ^{25th} day of April 2012

**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 2011, 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 - Reduced Disclosure Requirements 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. 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 performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards - Reduced Disclosure Requirements, a true and fair view which is consistent with our understanding of the Company's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we are complied with the independence requirements of the Corporations Act 2001.

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

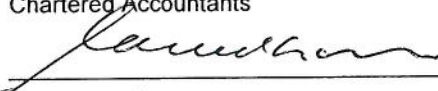
Auditors' Opinion

In our opinion:

- (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 2011 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
- (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 24th **day of** April 2012

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
41 Bay Street Rockdale