



# **Bathurst RSL Club Limited**

ABN: 66 001 031 947

## **Concise Financial Report**

For the Year Ended 31 December 2008

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## DIRECTORS REPORT

The directors present their report together, with the financial report of Bathurst RSL Club Limited ('the Club') for the year ended 31 December 2008.

### Directors

The names of the directors in office at any time during, or since the end of the year are:

<b>Names</b>	<b>Appointed/Resigned</b>
William James McFerran	
Brian Maxwell Tobin	
John Leslie Faulkner	
Raymond Francis Reynolds	
Ian Maxwell Miller	
Ronald Laurence Hollebhone	
Jim Porter	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### General Manager

The following person held the position of company secretary at the end of the financial year:

David Veness was Company Secretary of the Club for the whole of the financial year and continues in office at the date of this report.

David Veness joined the Club in January 2002 and has been Secretary Manager since that date. David is a member of the Club Directors Institute.

### Principal Activities

The principal activity of the Club during the financial year was the conduct and promotion of a licensed social club for the members of the Club.

No significant change in the nature of these activities occurred during the year.

### Financial Performance

The net profit attributable to members of the Club after income tax benefit/expense amounted to \$192,980 (2007: \$470,843).

## **DIRECTORS REPORT (cont)**

### **Review of Operations**

The Club earned an operating profit of \$1,502,760 (2007: \$1,609,899) before depreciation of \$1,258,866 (2007: \$1,117,841), interest expense of \$57,977 (2007: \$19,519) and income tax (expense)/benefit of \$7,063 (2007: (\$1,696)).

### **Dividends Paid, Recommended, and Declared**

The Club is precluded from paying dividends to its members and as such, no dividend has been paid or recommended during or since the financial year.

### **Significant Changes in State of Affairs**

No significant changes in the Club's state of affairs occurred during the financial year.

### **Likely Developments**

There are no likely developments in the operations of the Club and the expected results of those operations in future financial years.

### **After Balance Date Events**

A valuation of the Clubs premises is being undertaken.

Subsequent to the end of the financial year the Club has sought advice regarding the purchase of the Club premises from the RSL Sub Branch. A valuation of the Club's premises is being undertaken, however no commitments have been made as at the date of this financial report.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

### **Environmental Issues**

The Club's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

## DIRECTORS REPORT (cont)

### Information on Directors

	<b>Occupation/ Qualifications</b>	<b>Position/Special Responsibilities</b>	<b>Years as Director of Club</b>
William James McFerran	Administration Officer	President	7
Brian Maxwell Tobin	Retired Apiarist	Vice President	10
John Leslie Faulkner	Retired	Director	10*
Raymond Francis Reynolds	Retired Business Proprietor	Director	14
Ian Maxwell Miller	Retired Storeman	Director	5
Ronald Laurence Hollebhone	Salvation Army Chaplin	Director	3
Jim Porter	Retired	Vice President / Treasurer	9*

\* includes period of broken service.

### Meetings of Directors

During the financial year, 16 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	<b>Directors' Meetings</b>		<b>Special Meetings</b>	
	<b>Eligible to attend</b>	<b>Number attended</b>	<b>Eligible to attend</b>	<b>Number attended</b>
William James McFerran	12	12	4	3
Brian Maxwell Tobin	12	10	4	3
John Leslie Faulkner	12	12	4	4
Raymond Francis Reynolds	12	8	4	3
Ian Maxwell Miller	12	10	4	4
Ronald Laurence Hollebhone	12	11	4	4
Jim Porter	12	12	4	4

### Indemnifying Officers and Auditors

The Club has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Club or of a related body corporate:

- (i) indemnified or made any relevant agreement for indemnifying against a liability including costs and expenses in successfully defending legal proceedings; or
- (ii) paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs

with the exception of the payment of a premium to insure the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Club, other than wilful breach of duty in relation to the Club. The amount of insurance premium paid was \$4,665 (2007: \$4,663).

## DIRECTORS REPORT (cont)

### Proceedings on Behalf of Club

No person has applied for leave of Court to bring proceedings on behalf of the Club or intervene in any proceedings to which the Club is a party for the purpose of taking responsibility on behalf of the Club for all or any part of those proceedings.

The Club was not a party to any such proceedings during the year.

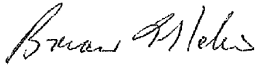
### Auditors Independence Declaration

The lead auditors independence declaration for the year ended 31 December 2008 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:



Director  
**William James McFerran**



Director  
**Brian Maxwell Tobin**

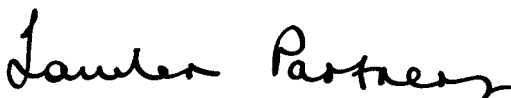
Place: Bathurst

Dated: 19 March 2009

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

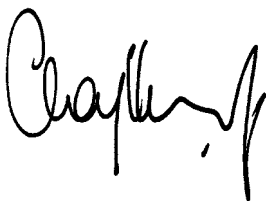
I declare that, to the best of my knowledge and belief, during the year ended 31 December 2008 there have been:

- (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.



**LAWLER PARTNERS**

Chartered Accountants



**CLAYTON HICKEY**

Partner

Place: Sydney

Date: 20 March 2009

# **DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008**

## **INFORMATION ON CONCISE FINANCIAL REPORT**

The concise financial report is an extract from the full financial report for the year ended 31 December 2008. The financial statements and disclosures in the concise financial report have been derived from the 31 December 2008 full financial report of Bathurst RSL Club Limited.

A copy of the full financial report and auditors report is available, free of charge, upon request from the Club. A copy may be requested by contacting the Club and can be collected from the Club's premises at 114 Rankin St Bathurst NSW 2795.

The discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on the full financial report of Bathurst RSL Club Limited for the financial year ended 31 December 2008.

## **INCOME STATEMENT**

The operating result for the year was a net profit after income tax (expense)/benefit of \$192,980 compared to a net profit of \$470,843 in the previous year.

Total revenue from continuing activities decreased by \$64,908 (0.50%) to \$12,934,036. The majority of the net decrease in revenue was due to a decrease in poker machine revenue of \$200,445 (2.68%). This decrease was caused by the Club experiencing the effect of the smoking ban legislation introduced on 1 July 2007 for a full 12 month period.

The overall impact of the downturn in poker machine trading on the Club's total revenue for the financial year has been minimised by an increase in revenue in the following areas:

- Beverage and catering sales increased by \$57,329 (1.20%) to \$4,830,647.
- Interest received during the financial year increased by \$29,133 (20.68%) to \$169,981.
- Membership subscriptions increased by \$13,552 (19.70%) to \$82,330.

Total expenses increased by \$221,714 to \$12,748,119. Expense items impacting the net increase were:

- An increase in employee costs of \$84,265 (2.19%) arising from a general increase in wage rates and on-costs, and an increase in the number of employees.
- An increase in consulting and professional fees of \$50,012 (36.61%) to \$186,602 due to further legal advice and consultants required for the purchase of additional poker machine entitlements and reports regarding the outdoor smoking/gaming area.

## **DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (cont)**

- An increase in the cost of sales of beverage and catering of \$43,981 (1.58%) to \$2,834,932.
- An increase in insurance premiums of \$35,403 (24.60%) to \$179,345.
- A decrease in advertising and promotions of \$51,483 (6.38%) to \$755,242.
- A decrease in poker machine tax of \$44,123 (2.80%) to \$1,529,172 due to an overall decrease in poker machine revenue. The decrease in poker machine revenue also resulted in an overall decrease in gaming expenses of \$49,202 (10.99%) to \$398,471.

### **BALANCE SHEET**

Total assets have increased by \$370,492 (3.34%) to \$11,475,564. The increase in total assets was due to:

- The acquisition of plant and equipment of \$1,395,137, including assets under hire purchase totalling \$418,617.
- The acquisition of additional poker machine entitlements during the year of \$61,345.
- A revaluation in investment properties of \$55,000 to \$1,140,000 (2007: \$1,085,000).
- An increase in inventories held by the club of \$41,457 (17.83%) to \$274,028.

Commentary on the increase in cash and cash equivalents asset has been provided as part of the discussion and analysis on the cash flow statement below.

Total liabilities have increased by \$139,012 (7.31%) to \$2,039,772. The increase in total liabilities was due to:

- An increase in finance liabilities by \$218,258 (79.19%), arising from the purchase of additional assets by way of finance arrangements during the financial year.
- A decrease in trade payables and accruals by \$180,587 (22.52%) to \$621,319.
- An increase in provision for employee benefits of \$53,385 (8.59%) arising from a general increase in wage rates and number of employees.

### **STATEMENT OF CASH FLOWS**

Cash flow from operating activities decreased by \$672,175 (34.68%) to \$1,266,279 mainly due to an increase in receipts from customers by \$67,264 (0.48%), an increase in payments to suppliers and employees of \$736,448 (5.97%) and an increase in interest paid by \$38,458

## **DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (cont)**

(197%). Commentary on revenue and expenses are outlined in the above discussion and analysis on the Income Statement.

Cash flow from investing activities was used to purchase plant and equipment totalling \$973,560, as well as the purchase of poker machine entitlements for \$61,345.

Cash flow from financing activities was used in the repayment of finance leases of \$218,258.

Overall cash levels increased by \$59,361 (2.12%) to \$2,853,962.

### **STATEMENT OF CHANGES IN EQUITY**

Total equity increased by \$231,480 (2.51%) to \$9,435,792. The increase is due to a net profit after income tax earned for the year ended 31 December 2008 of \$192,980 and an increase in the asset revaluation reserve of \$38,500.

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 \$	2007 \$
Revenue	2	12,934,036	12,998,944
Changes in inventories of finished goods		(41,457)	41,523
Cost of goods sold		(2,793,475)	(2,832,474)
Advertising and promotions		(755,242)	(806,725)
Employee benefits expense		(3,936,713)	(3,852,448)
Consulting and professional fees		(186,602)	(136,590)
Donations and sponsorship		(173,388)	(197,211)
Members amenities		(371,658)	(365,076)
Repairs and maintenance		(202,755)	(219,985)
Rates and utilities		(247,900)	(231,127)
Lease rentals on operating lease		(57,558)	(54,886)
Poker machine duty		(1,529,172)	(1,573,295)
Gaming expenses		(413,779)	(468,073)
Insurance		(179,345)	(143,942)
Depreciation, amortisation and impairments		(1,258,866)	(1,117,841)
Loss on disposal of equipment		-	(18,726)
Finance costs		(57,977)	(19,519)
Other expenses		(542,232)	(530,010)
<b>Profit before income tax</b>		<b>185,917</b>	<b>472,539</b>
Income tax (expense) / benefit		<b>7,063</b>	<b>(1,696)</b>
<b>Profit attributable to members</b>		<b>192,980</b>	<b>470,843</b>

**BALANCE SHEET**  
**31 DECEMBER 2008**

	Note	2008 \$	2007 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		2,853,962	2,794,601
Trade and other receivables		29,816	21,727
Inventories		274,028	232,571
Current tax receivable		1,942	8,276
Other current assets		172,179	152,470
<b>Total current assets</b>		<b>3,331,927</b>	<b>3,209,645</b>
<b>Noncurrent assets</b>			
Financial assets		816	816
Investment property		1,140,000	1,085,000
Property, plant and equipment		6,667,303	6,554,827
Deferred tax assets		57,760	38,371
Intangible assets		277,758	216,413
<b>Total noncurrent assets</b>		<b>8,143,637</b>	<b>7,895,427</b>
<b>TOTAL ASSETS</b>		<b>11,475,564</b>	<b>11,105,072</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		621,319	801,906
Finance lease obligation		193,666	88,955
Provisions		610,065	552,973
Current tax liabilities		13,304	-
Other current liabilities		107,243	101,426
<b>Total current liabilities</b>		<b>1,545,597</b>	<b>1,545,260</b>
<b>Noncurrent liabilities</b>			
Financial liabilities		300,197	186,650
Deferred tax liabilities		129,406	100,571
Provisions		64,572	68,279
<b>Total noncurrent liabilities</b>		<b>494,175</b>	<b>355,500</b>
<b>TOTAL LIABILITIES</b>		<b>2,039,772</b>	<b>1,900,760</b>
<b>NET ASSETS</b>		<b>9,435,792</b>	<b>9,204,312</b>
<b>EQUITY</b>			
Revaluation reserve		151,168	112,668
Retained earnings		9,284,624	9,091,644
<b>TOTAL EQUITY</b>		<b>9,435,792</b>	<b>9,204,312</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Opening balance 1 January 2008	9,091,644	112,668	9,204,312
Profit for the year	192,980	-	192,980
Revaluation increment (decrement)	-	38,500	38,500
<b>Balance at 31 December 2008</b>	<b>9,284,624</b>	<b>151,168</b>	<b>9,435,792</b>
Opening balance 1 January 2007	8,620,801	112,668	8,733,469
Profit for the year	470,843	-	470,843
<b>Balance at 31 December 2007</b>	<b>9,091,644</b>	<b>112,668</b>	<b>9,204,312</b>

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 \$	2007 \$
<b>Cash from operating activities</b>			
Cash receipts from customers		14,226,335	14,159,071
Cash paid to suppliers and employees		(13,070,118)	(12,333,670)
Interest received		169,981	140,848
Interest paid		(57,977)	(19,519)
Income taxes paid		(1,942)	(8,276)
<b>Net cash from operating activities</b>	3	<b>1,266,279</b>	<b>1,938,454</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of plant and equipment		46,245	22,258
Acquisition of property, plant and equipment		(973,560)	(1,620,901)
Acquisition of intangible assets		(61,345)	(216,413)
<b>Net cash used in investing activities</b>		<b>(988,660)</b>	<b>(1,815,056)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(218,258)	(91,107)
<b>Net cash used in financing activities</b>		<b>(218,258)</b>	<b>(91,107)</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>59,361</b>	<b>32,291</b>
Cash and cash equivalents at beginning of year		2,794,601	2,762,310
<b>Cash and cash equivalents at end of financial year</b>		<b>2,853,962</b>	<b>2,794,601</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**Note 1 Statement of Significant Accounting Policies**

The concise financial report is an extract for the full financial report for the year ended 31 December 2008. The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports and the Corporations Act 2001. The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full financial report of Bathurst RSL Club Limited. The concise financial report can not be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Bathurst RSL Club Limited as the full financial report.

The financial report of Bathurst RSL Club Limited complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. The presentation currency used in the concise financial report is Australian dollars.

<b>Note 2 Revenue</b>	<b>2008 \$</b>	<b>2007 \$</b>
<b>Operating activities</b>		
- Sale of goods, beverage, catering and other income	<b>4,830,647</b>	4,773,318
- Poker machine revenue	<b>7,268,347</b>	7,468,792
- Promotions	<b>320,806</b>	319,416
- Gaming tax rebate	<b>17,180</b>	12,882
- Commission received	<b>113,216</b>	111,673
- Member subscriptions	<b>82,330</b>	68,778
- Rebates received	<b>16,653</b>	-
<b>Other revenue</b>		
- Rent received	<b>23,519</b>	27,784
- Interest received	<b>169,981</b>	140,848
- Profit on disposal of non current assets	<b>24,011</b>	-
- Other revenue	<b>48,483</b>	75,453
- Workers compensation recovery	<b>18,863</b>	-
<b>Total Revenue</b>	<b>12,934,036</b>	<b>12,998,944</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008 (cont)**

**Note 3 Cash Flow Information**

**(a) Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax**

	2008 \$	2007 \$
Net profit for the period	192,980	470,843
<i>Noncash flows in profit from ordinary activities:</i>		
Loss on sale of plant and equipment	-	18,726
Gain on sale of plant and equipment	(24,011)	-
Depreciation and amortisation	1,258,866	1,117,841
<i>Changes in assets and liabilities:</i>		
Decrease in receivables	(8,089)	13,786
Decrease/(increase) in prepayments	(19,709)	64,284
Decrease/(increase) in inventories	(41,457)	41,523
Increase/(decrease) in payables and accruals	(180,587)	134,398
Increase/(decrease) in provisions	53,385	74,058
(Increase)/decrease in deferred tax asset	(19,389)	(3,345)
Decrease/(increase) in deferred tax liability	28,835	(654)
(Increase)/decrease in current tax asset	19,638	(2,580)
Increase/(decrease) in other liabilities	5,817	9,574
<b>Net cash provided by operating activities</b>	<b>1,266,279</b>	<b>1,938,454</b>

**(b) Credit Standby Arrangements and Loan Facilities**

The Club has the following credit standby arrangements and facilities:

National Australia Bank overdraft facility	100,000	-
National Australia Bank Asset financing facility	500,000	500,000
Commonwealth Bank of Australia business card	20,000	20,000
<b>Total facility available</b>	<b>620,000</b>	<b>520,000</b>

Facilities utilised during the financial year amount to \$78,325 (asset financing facility).

Finance will be provided under all facilities provided the Club has not breached any borrowing requirements and the required financial ratios are met.

**(c) Noncash Financing and Investing Activities**

The Club acquired plant and equipment on hire purchase for the year which amounted to \$307,214 (2007: \$115,263).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008 (cont)**

**Note 4 Segment Reporting**

The Club operates predominately in one business and geographical segment being in Bathurst, New South Wales. It provides amenities consistent with those of a licensed Club to its members and visitors.

**Note 5 Events After the Balance Sheet Date**

A valuation of the Clubs premises is being undertaken.

Subsequent to the end of the financial year the Club has sought advice regarding the purchase of the Club premises from the RSL Sub Branch. A valuation of the Club's premises is being undertaken, however no commitments have been made as at the date of this financial report.

Except for the above no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

## DIRECTORS DECLARATION

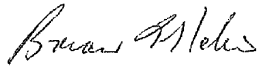
The directors of the Club declare that:

1. The financial statements and notes, as set in the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, Notes to the Financial Statements and Discussion and Analysis, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporations Act 2001; and
  - (b) give a true and fair view of the financial position as at 31 December 2008 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director  
**William James McFerran**



Director  
**Brian Maxwell Tobin**

Dated: 19 March 2009

# AUDITOR'S REPORT

## Scope

### The financial report and directors' responsibility

We have audited the concise financial report of Bathurst RSL Club Limited for the year ended 31 December 2008, comprising the income statement, balance sheet, cash flow statement, statement of changes in equity, discussion and analysis of and notes to the financial statements, and the directors' declaration. The Clubs' directors are responsible for the preparation and presentation of the concise financial report.

### Audit approach

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

We also performed an independent audit of the full financial report of the Club for the financial year ended 31 December 2008. Our audit report on the full financial report was signed on 19 March 2009, and was not subject to any qualification.

In conducting our audit of the concise financial report, we performed procedures to assess whether in all material respects the concise financial report is presented fairly in accordance with Australian Accounting Standards AASB 1039: Concise Financial Reports.

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

- testing that the information included in the concise financial report is consistent with the information in the full financial report, and
- examining, on a test basis, information to provide evidence supporting the amounts, discussion and analysis, and other disclosures in the concise financial report which were not directly derived from the full financial report.

When this audit report is included in an Annual Report, our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

### Independence

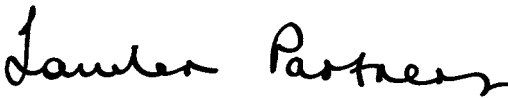
In conducting our audit, we followed the applicable independence requirements of Australian professional and ethical pronouncements and the Corporations Act 2001.

## AUDITOR'S REPORT (cont)

In accordance with ASIC Class order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration as set out in the financial report has not changed as at the date of providing our audit opinion.

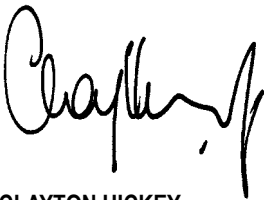
### Audit Opinion

In our opinion the concise financial report of Bathurst RSL Club Limited complies with Accounting Standard AASB 1039 "Concise Financial Reports".

A handwritten signature in black ink that reads "Lawler Partners". The signature is written in a cursive, flowing style.

### LAWLER PARTNERS

Chartered Accountants

A handwritten signature in black ink that reads "Clayton Hickey". The signature is written in a cursive, flowing style.

### CLAYTON HICKEY

Partner

Place: Sydney

Date: 20 March 2009