Windsor & District RSL Sub-Branch Club Limited

ACN 000 811 290

Annual Financial Report
31 March 2008

Directors' Report

Directors

Your directors present their report together with the financial report of Windsor & District RSL Sub-Branch Club Limited (the company) for the year ended 31 March 2008 and the auditor's report thereon.

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

Surname	Christian Names	Position
Crouch	William James	Chairman
Williams	Herbert Charles	Vice Chairman
Ryan	Ross Eric	Vice Chairman
Butler	Keith William	Director
Duclos	Albert Sutton	Director
Slee	Andrew Brian	Director
Wilson	Colin	Treasurer
Williamson	Robert Edward	Director

Information on Directors

William James Crouch
Age: 60
Retired
25 years Chairman

Herbert Charles Williams
Age: 73
Retired
19 years Vice Chairman
19 years Director

Ross Eric Ryan
Age: 67
Driver
8 years Director
6 years Vice Chairman

Keith William Butler
Age: 66
Driver
6 years Director

Albert Sutton Duclos
Age: 74
Retired
15 years Director

Directors' Report (continued)

Information on Directors (continued)

Andrew Brian Slee
Age: 44
Machine Operator
4 years Director

Colin Wilson
Age: 67
Retired
14 years Treasurer

Robert Edward Williamson
Age: 60
Corrective Services Officer
6 years director

Directors' Meetings

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

	BOARD MEETINGS	
Director	**Number of meetings attended**	**Number of meetings held ***
Mr W Crouch	19	19
Mr H Williams	18	19
Mr A Duclos	15	19
Mr R Ryan	15	19
Mr A Slee	19	19
Mr C Wilson	17	19
Mr K Butler	16	19
Mr R Williamson	14	19

* Number of meetings held during the time the director held office during the year.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

Mr Jason Moore

Mr Moore was appointed Company Secretary on 7 June 2005 and is also the General Manager of Windsor & District RSL Sub-Branch Club Limited.

Directors' Report (continued)

Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 31 March 2008 and the comparison with last year is as follows:

	2008	2007
Ordinary and Associates	5,021	3,985
Sub-branch	154	97
Life	11	11
	5,186	4,093

Operating Result

The net loss from ordinary activities before tax for the year amounted to $705,126 compared with a profit of $145,312 for the prior year. This resulted after charging $524,579 (2007: $509,829) for depreciation and before crediting $108,129 (2007: charging $56,425) for income tax.

Review of Operations

A review of the operations of the company during the financial year and the results of these operations are as follows:

The main reason for the increase in net loss was due to a decrease in poker machine takings and no profit on sale of members' units as in the prior year.

Also, the loss from catering department has increased from the prior year, impacting the final result.

Significant Changes in the State of Affairs

There were no significant changes in the company's state of affairs that occurred during the financial year.

Principal Activities

The principal activity of the company during the year has continued to be that of a licensed social club.

There have been no significant changes in the nature of these activities during the year.

Events Subsequent to Reporting Date

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

Directors' Report (continued)

Likely and Future Developments and Expected Results

Likely developments in the operations of the company in future financial years and the expected results of those operations are as follows:

At the date of this report there have been several developments in the operations of the company:

→ Redevelopment of the club premises is planned over the next few years.

→ Proposed sale of the vacant land at 74 Mileham Street, South Windsor.

→ Proposed sale of the two villas.

Environmental Regulation

The company's operations are not subject to any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

The Board believes that the company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

Dividends

In accordance with the Constitution, no dividends can be paid and accordingly no dividends were paid or declared since the start of the financial year (2007: $Nil).

Indemnification of Officers

The company has provided for and paid premiums during the year for directors' and officers' liability and legal expenses' insurance contracts.

The insurance premiums relate to:

→ Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome;

→ Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid with respect to the directors' and officers' liability and legal expenses' insurance contract, as such disclosure is prohibited under the terms of the contract.

Directors' Report (continued)

Proceedings on Behalf of the Company

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

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

Auditor's Independence Declaration

The directors have received the Independence Declaration from the Auditors. The Declaration is attached as page 6.

Signed in accordance with a resolution of the directors.

Dated at Windsor this 15th day of May 2008.

W Crouch
Chairman

PKF
Chartered Accountants
& Business Advisers

Auditor's Independence Declaration

Lead Auditor's Independence Declaration
Under Section 307C of the Corporations Act 2001

To the Directors of Windsor & District RSL Sub-Branch Club Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 31 March 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.

PKF

Paul Cheeseman
Partner

Sydney
15 May 2008

PKF
Chartered Accountants
& Business Advisers

Independent Audit Report

To the members of Windsor & District RSL Sub-Branch Club Limited

We have audited the accompanying financial report of Windsor & District RSL Sub-Branch Club Limited (the company), which comprises the balance sheet as at 31 March 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration set out on pages 9 to 38.

Directors' 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 the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with 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 auditor's 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 auditor considers 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 directors, 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.

Emphasis of Matter

Inherent Uncertainty Regarding Continuity of Business Operations

Without qualification to the opinion expressed above, attention is drawn to the matters described in Note 1(r). As a result, there is inherent uncertainty whether the company will be able to continue its current business operations and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Independence

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

Independent Audit Report (continued)

Auditor's Opinion

In our opinion the financial report of Windsor & District RSL Sub-Branch Club Limited is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 31 March 2008 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

PKF

Paul Cheeseman
Partner

15 May 2008

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia
DX 10173 | Sydney Stock Exchange | New South Wales

Directors' Declaration

In the opinion of the directors of Windsor & District RSL Sub-Branch Club Limited (the company):

(a) the financial statements and notes, set out on pages 10 to 38, are in accordance with the Corporations Act 2001, including:

 (i) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

 (ii) give a true and fair view of the financial position of the company as at 31 March 2008 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and

(b) at the date of this declaration there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

Dated at Windsor this 15th day of May 2008.

W Crouch
Chairman

Income Statement
For the Year Ended 31 March 2008

	Note	2008 $	2007 $
Revenue from continuing operations			
Sale of goods		1,146,052	1,132,679
Rendering of services		3,084,168	3,646,232
Other revenue		48,483	361,657
Total revenue from continuing operations	2	4,278,703	5,140,568
Expenses			
Cost of Sales		(574,384)	(551,362)
Poker machine licence and taxes		(488,016)	(565,917)
Employee expenses		(1,736,190)	(1,475,148)
Entertainment, advertising and promotions		(720,641)	(840,041)
Property expenses		(432,894)	(447,946)
But net expenses		(20,153)	(94,135)
Licence and fees		(20,409)	(14,247)
Donations		(40,906)	(32,889)
Printing and stationery		(15,021)	(21,672)
Other expenses from ordinary activities		(132,400)	(177,723)
		(4,181,014)	(4,221,080)
Earnings before depreciation and finance costs		97,689	919,488
Depreciation expenses	3(a)	(524,579)	(509,829)
Finance costs	3(a)	(278,236)	(264,347)
(Loss)/profit before income tax		(705,126)	145,312
Income tax benefit/(expense)	5(a)	108,129	(56,425)
Net (loss)/profit from continuing operations after income tax expense attributable to members	16	(596,997)	88,887

The Income Statement should be read in conjunction with the accompanying notes set out on pages 14 to 38.

Statement of Changes in Equity
For the Year Ended 31 March 2008

	Note	2008 $	2007 $
Total equity at the beginning of the financial year	16	4,955,799	4,866,912
Reserves	17	3,821,985	-
(Loss)/profit for the year		(596,997)	88,887
Total recognised income and expense for the year	16	(596,997)	88,887
Total equity at the end of the financial year		8,180,787	4,955,799

Balance Sheet
As at 31 March 2008

	Note	2008 $	2007 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	455,014	685,133
Trade and other receivables	7	3,080	53,755
Inventories	8	42,467	72,293
Other current assets	9	118,948	52,438
Current tax assets	5(b)	5,703	-
Total Current Assets		625,212	863,619
Non-Current Assets			
Property, plant and equipment	10	11,618,242	7,298,814
Investment property	11	203,232	210,445
Deferred tax assets	5(c)	100,319	11,786
Total Non-Current Assets		11,921,793	7,521,045
Total Assets		12,547,005	8,384,664
LIABILITIES			
Current Liabilities			
Current tax liability	5(b)	-	14,404
Trade and other payables	12	457,231	482,275
Financial liabilities	13	300,613	15,209
Employee benefits	14	105,773	103,298
Other	15	6,540	18,183
Total Current Liabilities		870,094	633,369
Non-Current Liabilities			
Trade and other payables	12	10,500	52,500
Financial liabilities	13	3,466,849	2,730,365
Employee benefits	14	18,775	12,631
Total Non-Current Liabilities		3,496,124	2,795,496
Total Liabilities		4,366,218	3,428,865
Net Assets		8,180,787	4,955,799
Members' Funds			
Retained profits	16	4,358,802	4,955,799
Reserves	17	3,821,985	-
Total Members' Funds		8,180,787	4,955,799

The Balance Sheet should be read in conjunction with the accompanying notes set out on pages 14 to 38.

Cash Flow Statement
For the Year Ended 31 March 2008

	Note	2008 $	2007 $
Cash Flows From Operating Activities			
Cash receipts from customers		4,729,017	5,290,311
Cash paid to suppliers and employees		(4,680,678)	(4,508,097)
Interest received		23,383	42,423
Borrowing costs paid		(278,236)	(264,347)
Income taxes (paid)/refunded		(511)	3,366
Net cash (outflows)/inflows from operating activities	22(b)	(207,025)	563,656
Cash Flows From Investing Activities			
Proceeds from sale of property, plant and equipment		97,728	840,664
Acquisition of property, plant and equipment		(517,144)	(1,231,915)
Net cash outflows from investing activities		(419,416)	(391,251)
Cash Flows From Financing Activities			
Repayment of borrowings		-	(552,995)
Proceeds from borrowings		502,995	-
Hire purchase payments		(106,673)	(800)
Net cash inflows/(outflows) from financing activities		396,322	(553,795)
Net decrease in cash and cash equivalents		(230,119)	(381,390)
Cash and cash equivalents at the beginning of the financial year		685,133	1,066,523
Cash and cash equivalents at the end of the financial year	22(a)	455,014	685,133

The Cash Flow Statement should be read in conjunction with the accompanying notes set out on pages 14 to 38.

Notes to the Financial Statements
For the Year Ended 31 March 2008

1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Historical Cost Convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(b) Revenue Recognition – Note 2

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sale of Goods

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods and is recognised (net of rebates, returns, discounts and other allowances) when control of the goods passes to the customer.

Rendering of Services

Revenue from rendering services comprises revenue from gaming facilities together with other services to members and other patrons of the club and is recognised when the services are provided.

Interest Revenue

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

Sale of Property, Plant and Equipment

The gross proceeds of property, plant and equipment sales are recognised as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

Contribution of Assets

Contributions of assets and contributions to assist in the acquisition of assets, being non-reciprocal transfers, are recognised as revenue at the fair value of the asset received when the company gains control of the contribution, except when the contributions are by owners.

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

1 Summary of Significant Accounting Policies (continued)

(c) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation 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.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis.

(d) Finance Costs

Finance costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges.

Ancillary costs incurred in connection with the arrangement of borrowings are capitalised and amortised over the life of the borrowings.

Finance costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets, which take more than 12 months to get ready for their intended use or sale. In these circumstances, finance costs are capitalised to the cost of the assets. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of finance costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, finance costs are capitalised using a weighted average capitalisation rate.

(e) Income Tax – Note 5

Income tax is accounted for using the comprehensive Balance Sheet liability method whereby:

→ The tax consequences of recovering (settling) all assets (liabilities) are reflected in the financial statements;

→ Current and deferred tax is recognised as income or expense except to the extent that the tax relates to equity items or to a business combination;

→ A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available to realise the asset;

→ Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

1 Summary of Significant Accounting Policies (continued)

(f) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(g) Cash and Cash Equivalents – Note 6

Cash and cash equivalents include cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts.

(h) Trade and Other Receivables – Note 7

Trade debtors and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

(i) Inventories – Note 8

Inventories are measured at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at balance date using the weighted average basis.

(j) Property, Plant and Equipment – Note 10

Land is shown at periodic, but at least triennial, valuations by external independent valuers. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' 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.

Increases in the carrying amounts arising on revaluation of land are credited to other reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

1 Summary of Significant Accounting Policies (continued)

(j) Property, Plant and Equipment – Note 10

Land is not depreciated. Depreciation on other assets is calculated using the straight line / diminishing value methods to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

	2008	2007
Buildings and Improvements	40 years	40 years
Furniture, Fitting and Equipment	11 years	11 years
Poker Machines	6 years	6 years
Holiday Units	40 years	40 years
Kitchen Equipment	11 years	11 years
Vehicles	8 years	8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is company policy to transfer the amounts included in other reserves with respect to those assets to retained earnings.

(k) Investment Property – Note 11

Investment property, principally comprising freehold buildings, is held for long-term rental yields and is not occupied by the company. Investment property is carried at cost.

(l) Employee Benefits – Note 14

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables with respect to employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

1 Summary of Significant Accounting Policies (continued)

(l) Employee Benefits – Note 14 (continued)

Long Service Leave

The provision for employee benefits to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government bonds at reporting date which most closely match the terms of maturity of the related liabilities. The unwinding of the discount is treated as long service leave expense.

Superannuation Plan

The company contributes to several defined contribution superannuation plans. Contributions are recognised as an expense as they are made. The company has no legal or constructive obligation to fund any deficit.

(m) Trade and Other Payables – Note 12

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Financial Liabilities – Note 13

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the Balance Sheet date.

1 Summary of Significant Accounting Policies (continued)

(o) Leased Assets

Leases under which the company assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Finance Leases – Note 13

A lease asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease.

Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed. Contingent rentals are expensed as incurred.

Operating Leases

Payments made under operating leases are expensed on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

(p) Comparatives

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(q) Use and Revisions of Accounting Estimates

The preparation of the financial report requires the making of estimations and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(r) Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the ordinary course of business.

The company incurred an operational loss before charging/crediting tax of $705,126 (2006: profit of $145,312) and the current liabilities exceeded current assets by $244,882 (2006: $230,250).

The ability of the company to continue as a going concern is dependent upon the sale of the vacant land and investment properties to extinguish its financial liabilities and development of strategies to improve core competencies.

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

2 Revenue from Continuing Operations

	2008 $	2007 $
Sale of Goods Revenue		
Bar sales	774,787	785,085
Catering sales	371,265	347,594
	1,146,052	1,132,679
Rendering of Services Revenue		
Functions	76,400	64,338
Poker machines – net clearances	2,708,715	3,130,745
Members' subscriptions	29,943	24,700
Entertainment and promotions	199,209	288,982
TAB commission	5,232	6,403
Keno sales	36,515	42,144
Commission received	18,441	20,013
Insurance Proceeds	-	68,715
Sundry income	9,712	192
	3,084,168	3,646,232
Other Revenues		
Interest received	23,383	42,423
Rent received		
Units and villas	17,130	18,238
Windsor farms	7,970	13,135
Total operating revenue	48,483	73,796

Non-operating activities

Net gain on disposal of non-current assets	-	287,861
Total non-operating revenue	-	287,861
Total revenue from continuing operations	4,278,703	5,140,568

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

3 Expenses

(a) Loss/profit before income tax includes the following specific expenses:

	2008 $	2007 $
Finance costs		
Bank loans and overdraft	261,834	264,340
Hire purchase charges	16,402	7
	278,236	264,347
Depreciation		
Buildings and improvements	48,605	28,094
Plant and equipment	468,761	474,078
Investment property	7,213	7,657
Total depreciation	524,579	509,829
Net expense from movements in provision for		
Employee benefits	8,619	(24,102)
Poker machine jackpots (written back)	-	(345)
	8,619	(24,447)
Net loss on disposal of property, plant and equipment	13,771	-

(b) Key Performance Indicators

	%	%
Bar		
Gross profit percentage	54.41%	58.02%
Wages to sales percentage	39.76%	35.13%
Wages and salaries – percentage of total revenue	40.58%	28.71%
Catering		
Gross profit percentage	40.43%	40.61%
Wages to sale percentage	96.26%	79.39%
EBITDA percentage	2.28%	11.77%

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

4 Auditor's Remuneration

During the year the following fees were paid or payable for services provided by the auditor:

	2008 $	2007 $
Audit Services:		
Auditors of the company		
PKF		
Audit and review of financial reports	17,000	15,500
Other Services:		
Auditors of the company		
PKF		
Taxation services	2,500	2,200
Other assurance services	15,443	29,940
	17,943	32,140

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

5 Income Tax

(a) Income Tax Expense

The Income Tax Assessment Act, 1997 (amended) provides that under the concept of mutuality clubs are only liable for income tax on income derived from non-members and from outside entities.

	2008 $	2007 $
The amount set aside for income tax in the Income Statement has been calculated as follows:		
Proportion of income attributable to non-members	637,050	1,665,021
Less: Proportion of expenses attributable to non-members	(694,857)	(1,598,797)
	(57,807)	66,224
Add: Other taxable income	135,562	159,729
	77,755	225,953
Less: Other deductible expenses	(329,952)	(336,892)
Tax losses carried forward	252,197	(96,294)
Capital gain on sale of units	-	272,554
Net income subject to tax	-	65,321
Current income tax applicable to above at rate of 30%	-	19,596
(Over)/under provided in prior years	(19,596)	6,200
(Increase)/decrease in deferred tax assets	(88,533)	30,629
Income tax (benefit)/expense	(108,129)	56,425

(b) Current Tax (Assets)/Liabilities

Movements during the year:

	2008 $	2007 $
Balance at beginning of year	14,404	(14,758)
Income tax paid	(5,703)	(13,671)
Current year's income tax expense on profit	-	19,596
(Over)/under provision in prior year	(19,596)	6,200
Income tax refund received	5,192	17,037
Current tax (assets)/liabilities	(5,703)	14,404

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

5 Income Tax (continued)

(c) Deferred Tax Assets

	2008 $	2007 $
The balance comprises temporary differences attributable to:		
Amounts recognised in profit or loss		
Employee benefits	5,806	11,786
Tax losses	94,513	-
Net deferred tax assets	100,319	11,786
Movements during the year:		
Balance at the beginning of the year	11,786	42,415
Credited/(charged) to the income statement	88,533	(30,629)
Closing balance	100,319	11,786

6 Cash and Cash Equivalents

	2008 $	2007 $
Cash at bank and on hand	455,014	356,289
Bank short term deposits – at cost	-	328,844
	455,014	685,133

7 Trade and Other Receivables

Current

	2008 $	2007 $
Trade debtors	3,080	49,645
Interest receivable	-	4,110
	3,080	53,755

8 Inventories

Finished goods – at cost

	2008 $	2007 $
Bar	34,695	52,464
Catering	7,772	18,750
Promotions	-	1,079
	42,467	72,293

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

9 Other Assets

	2008 $	2007 $
Current		
Prepayments	69,149	42,462
Prepaid borrowing costs	49,799	9,873
	118,948	52,335

10 Property, Plant and Equipment

	2008 $	2007 $
Freehold Land		
At revaluation	7,857,500	4,035,515
	7,857,500	4,035,515
Buildings and Improvements		
At cost	1,945,304	1,433,159
Accumulated depreciation	(149,108)	(104,011)
	1,796,196	1,329,148
Total Land, Buildings and Improvements	9,653,696	5,364,663
Plant and Equipment		
At cost	5,732,386	5,752,990
Accumulated depreciation	(4,104,292)	(4,173,116)
	1,628,094	1,579,874
Capital Works in Progress		
At cost	336,452	354,277
Total property, plant and equipment net book value	11,618,242	7,298,814

Refer to Note 13 for details of security over property, plant and equipment.

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

10 Property, Plant and Equipment (continued)

Valuation

An independent valuation of the company's land and buildings carried out by Frank Knight Valuation Services Pty Ltd as at 29 May 2007 on the basis of open market value for existing use resulted in a valuation of land of $4,077,500 and buildings and improvements of $2,930,500 for the club premises. The vacant land at 74 Mileham Street, South Windsor was valued by Frank Knight Valuation Services Pty Ltd as at 6 July 2007 on the basis of open market value for existing use resulted in a valuation of $3,780,000. As buildings are recorded at cost the valuation of $2,930,500 for buildings and improvements has not been brought to account.

Reconciliations

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:

	2008 $	2007 $
Freehold Land		
Carrying amount at beginning of year	4,035,515	4,035,515
Revaluation brought into account	3,821,985	-
Carrying amount at end of year	7,857,500	4,035,515
Buildings		
Carrying amount at beginning of year	1,329,148	933,004
Additions	-	50,651
Disposals	(16,609)	-
Depreciation	(48,605)	(28,094)
Transfer from WIP	532,262	367,626
Transfers	-	5,961
Carrying amount at end of year	1,796,196	1,329,148
Plant and Equipment		
Carrying amount at beginning of year	1,579,874	1,760,014
Additions	611,871	753,340
Disposals	(94,890)	(525,883)
Depreciation	(468,761)	(474,078)
Adjustments	-	66,481
Carrying amount at end of year	1,628,094	1,579,874
Capital Works in Progress		
Carrying amount at beginning of year	354,277	293,979
Additions	514,437	427,124
Transfer to buildings	(532,262)	(367,626)
Carrying amount at end of year	336,452	354,277

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

11 Investment Property

	2008 $	2007 $
Villa		
At cost	278,982	278,982
Accumulated depreciation	(75,750)	(68,537)
	203,232	210,445

Movements in Carrying Amounts

	2008 $	2007 $
Villa		
Carrying amount at beginning of year	210,445	218,102
Depreciation	(7,213)	(7,657)
Carrying amount at end of year	203,232	210,445

(a) Amounts recognised in profit and loss for investment property

	2008 $	2007 $
Rent income	17,129	18,238
Direct operating expenses from property that generated rental income	(1,346)	(22,382)
	15,783	(4,144)

(b) Valuation Basis

The basis of the valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. The 2006 revaluations were based on an independent assessment made by Shire Real Estate Agents on 11 May 2006 on the basis of open market value of existing use resulting in the valuation of the villas at $460,000.

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

12 Trade and Other Payables

	2008 $	2007 $
Current		
Trade creditors	237,939	225,399
Goods and Services Tax (GST) payable	115,908	1,078
Other creditors and accruals	103,384	255,798
	457,231	482,275
Non-Current		
Other creditors and accruals	10,500	52,500
	10,500	52,500

13 Financial Liabilities

	2008 $	2007 $
Current		
Secured		
Bank loans	57,029	-
Hire purchase creditors	243,584	15,209
	300,613	15,209
Non-Current		
Secured		
Bank loans	3,092,971	2,647,005
Hire purchase creditors	373,878	83,360
	3,466,849	2,730,365

Financing Arrangements

The company has access to the following lines of credit:

	2008 $	2007 $
Total facilities available:		
Bank loans	3,150,000	2,889,850
ANZ Visa Card	5,000	2,000
NAB Master Leasing Facility	350,000	-
	3,505,000	3,202,000

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

13 Financial Liabilities (continued)

Financing Arrangements (continued)

	2008 $	2007 $
Facilities utilised at reporting date:		
Bank loans	3,150,000	2,647,005
ANZ Visa Card	1,796	-
NAB Master Leasing Facility	38,315	-
	3,190,111	2,647,005
Facilities not utilised at reporting date:		
Bank loans	-	242,845
ANZ Visa Card	3,204	2,000
NAB Master Leasing Facility	311,685	-
	314,889	244,845

Bank Loans

The loans bear interest at 8.45% (2007: 8.6%) payable quarterly.

The non-current bank loans are payable on or before 31 January 2018. The loan is currently payable on an interest-only basis. This term has been extended until 31 August 2008, after which the loan is payable on a principle and interest basis for the remainder of the term.

Security

The bank loan is secured by registered first mortgages over the following assets of the company:

→ First Registered Company Charge (Mortgage Debenture) over all the assets and undertaking of Windsor & District RSL Sub-Branch Club Limited ABN 87 000 811 290.

This is a fixed and floating charge over all present and future assets, undertaking (including goodwill) and unpaid/uncalled capital of the company.

→ First Registered Mortgage given by Windsor & District RSL Sub-Branch Club Limited ABN 87 000 811 290 over the property situated at 74 Mileham Street, Windsor NSW.

→ First Registered Mortgage given by Windsor & District RSL Sub-Branch Club Limited ABN 87 000 811 290 over the property situated at 84-94 Mileham Street, Windsor NSW.

→ First Registered Mortgage given by Windsor & District RSL Sub-Branch Club Limited ABN 87 000 811 290 over the property situated at Units 1 & 2, 95B Mileham Street, South Windsor NSW.

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

14 Employee Benefits

	2008 $	2007 $
Aggregate liability for employee benefits including on-costs		
Current	105,773	103,298
Non-current	18,775	12,631
	124,548	115,929

The present values of employee benefits not expected to be settled within 12 months of reporting date have been calculated using the following weighted averages:	2008	2007
Assumed rate of increase in wage and salary rates	3%	3%
Discount rate	7.25%	5.8%
Settlement term (years)	10	10

Number of Employees

	2008 No	2007 No
Number of employees at year end	45	42

Superannuation Plans

Contributions

The company is under a legal obligation to contribute 9% of each employee's base salary to a superannuation fund.

	2008 $	2007 $
Employer contributions to the plans	113,715	75,104
Employer contributions payable to the plans at reporting date	17,049	-

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

	2008 $	2007 $

15 Other Liabilities

Current

	2008 $	2007 $
Income received in advance	-	2,865
Subscriptions received in advance	6,540	15,318
	6,540	18,183

16 Retained Profits

	2008 $	2007 $
Retained profits at the beginning of the year	4,955,799	4,866,912
Net profit/(loss) attributable to members of the company	(596,997)	88,887
Retained profits at the end of the year	4,358,802	4,955,799

17 Reserves

	2008 $	2007 $
Asset revaluation reserve	3,821,985	-
Opening balance	-	-
Revaluation brought to account	3,821,985	-
Closing balance	3,821,985	-

Nature and Purpose of Reserves

Asset Revaluation

The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of non-current assets measured at fair value.

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

18 Additional Financial Instruments Disclosure

The company's financial instruments and the policies associated with the risks of carrying these are summarised below:

(a) Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

2008	Note	Weighted average interest rate %	Floating interest rate $	Fixed interest maturing in 1 year or less $	Fixed interest maturing in 1-5 years $	Non Interest-bearing $	Total $
Financial assets							
Cash and cash equivalents	6	5.68%	325,014	-	-	130,000	455,014
Trade and other receivables	7	-	-	-	-	3,080	3,080
			325,014	-	-	133,080	458,094
Financial liabilities							
Trade and other payables	12	-	-	-	-	467,731	467,731
Motor vehicle under hire purchase	13	11.05%	-	243,584	373,878	-	617,462
Bank loans	13	8.45%	-	57,029	3,092,971	-	3,150,000
			-	300,613	3,466,849	467,731	4,235,193

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

18 Additional Financial Instruments Disclosure (continued)

(a) Interest Rate Risk (continued)

2007	Note	Weighted average interest rate %	Floating interest rate $	Fixed interest maturing in 1 year or less $	Fixed interest maturing in 1-5 years $	Non Interest-bearing $	Total $
Financial assets							
Cash and cash equivalents	6	2.68%	201,389	-	-	154,900	356,289
Bank short term deposit	6	6.22%	328,844	-	-	-	328,844
Trade and other receivables	7	-	-	-	-	53,755	53,755
			530,233	-	-	208,655	738,888
Financial liabilities							
Trade and other payables	12	-	-	-	-	534,775	534,775
Motor vehicle under hire purchase	13	9.43%	-	15,209	83,360	-	98,569
Bank loans	13	8.60%	-	-	2,647,005	-	2,647,005
			-	15,209	2,730,365	534,775	3,280,49

(b) Credit Risk Exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

Recognised Financial Instruments

The credit risk on financial assets, excluding investments, of the company which have been recognised on the Balance Sheet, is the carrying amount, net of any provision for doubtful debts.

The company minimises concentrations of credit risk by undertaking transactions with a large number of patrons.

(c) Net Fair Values

The aggregate fair values and carrying amount of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

No financial assets and financial liabilities are readily traded on organised markets in a standardised form.

For other assets and other liabilities net fair value approximates their carrying value.

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

19 Commitments

(a) Hire Purchase Commitments

	Note	2008 $	2007 $
Hire purchase payments are payable as follows:			
Within one year		278,512	24,041
One year or later and no later than five years		437,900	100,286
Minimum hire purchase payments		716,412	124,327
Less: Future hire purchase charges		(98,950)	(25,758)
Carrying amount of hire purchase liabilities		617,462	98,569
Hire purchase liabilities provided for in the financial statements:			
Current	13	243,584	15,209
Non-current	13	373,878	83,360
Total hire purchase liabilities		617,462	98,569

The company hires motor vehicle and training equipment under hire purchase agreements expiring from one to three years. The hire purchase facility is secured against the assets purchased under this facility as disclosed in Note 10, under Property, Plant and Equipment.

(b) Capital Commitments

The Club is currently considering plans and a DA application for submission to the council. The intention is to redevelop the club premise which is planned over the next four years.

The club has expensed some amounts towards these items however, as at year end the club has not entered into any contractual agreement in relation to this redevelopment with any entity.

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

20 Contingent Liabilities

Mutuality Principle

Windsor & District RSL Sub-Branch Club Limited calculates its income in accordance with the mutuality principle which excludes from income, any amounts of subscriptions and contributions from members, and payments received from members for particular services provided by the club or association, eg. poker machines, bar and dining room service in the case of social clubs. The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised clubs and associations such as Windsor & District RSL Sub-Branch Club Limited.

Following the recent Full Federal Court decision in Coleambally Irrigation Mutual Co-operative Limited v FCT [2004] FCAFC 250, Tax Laws Amendment (2005 Measures No.6) Bill 2005 was tabled in Parliament on 7 December 2005 to amend the Income Tax Assessment Act 1997 to restore the long standing benefits of the mutuality principle to those non-profit organisations affected by the Coleambally decision.

These amendments will ensure RSL and social clubs continue not to be taxed on receipts from contributions and payments received from members.

21 Segment Reporting

The company operates predominantly in the hospitality and entertainment industry.

The company's operations and customers are located predominantly in Sydney, New South Wales. The company provides food, beverage, gaming and other entertainment facilities to members and guests.

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

22 Cash Flow Information

(a) Reconciliation of Cash

Cash as at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the balance sheet as follows:

	2008 $	2007 $
Cash and cash equivalents	455,014	685,133

(b) Reconciliation of Net Cash Provided By Operating Activities With (Loss)/Profit From Ordinary Activities After Income Tax

	2008	2007
(Loss)/profit from ordinary activities after income tax	(596,997)	88,887
Add/(less) items classified as investing/ financing activities:		
(Profit)/loss on sale of non-current assets	13,771	(287,861)
Hire purchase charges	16,402	7
Add/(less) non-cash items:		
Depreciation	524,579	509,829
(Increase)/decrease in deferred tax assets	(88,533)	30,629
(Increase)/decrease in current tax assets	(5,703)	14,758
Increase/(decrease) in current tax liabilities	(14,404)	14,341
Net cash provided by operating activities before change in assets and liabilities	(150,885)	370,590
Change in assets and liabilities during the financial year		
(Increase)/decrease in receivables	50,675	2,136
(Increase)/decrease in inventories	29,826	(27,019)
(Increase)/decrease in other assets	(66,510)	37,914
Increase/(decrease) in payables	(67,107)	210,824
Increase/(decrease) in other liabilities	(11,643)	(6,687)
Increase/(decrease) in employee benefits	8,619	(24,102)
Net cash (outflow)/inflow from operating activities	(207,025)	563,656

(c) Non Cash items

During the financial year the company acquired property, plant and equipment with an aggregate fair value of $609,164 (2007: 88,219) by means of hire purchases. These acquisitions are not reflected in the statement of cash flows.

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

23 Key Management Personnel Details

(a) Directors

The following persons were non-executive directors of the company during the financial year:

Mr W Crouch
Mr H Williams
Mr A Duclos
Mr R Ryan
Mr A Slee
Mr C Wilson
Mr K Butler
Mr R Williamson

(b) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly during the financial year:

Name	**Position**
Jason Moore	General Manager

(c) Key Management Personnel Compensation

The following are benefits and payments made to the Directors and Other Key Management Personnel as mentioned in (a) and (b) above:

	2008 **$**	**2007** **$**
Short term employee benefits	135,995	110,310
Other long term benefits	4,726	3,172
	140,721	113,482

Notes to the Financial Statements
For the Year Ended 31 March 2008 (continued)

24 Related Parties

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 23.

Directors' Transactions with the Company

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers and are trivial or domestic in nature.

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

25 Company Details

The Club is incorporated and domiciled in Australia as a company limited by guarantee. In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to $4 per member in the event of the winding up of the company during the time that he is a member or within one year thereafter. At 31 March 2008 there were 5,186 members.

The registered office of the company is Cnr Argyle and Mileham Streets, South Windsor NSW 2756.

26 Events Subsequent to Reporting Date

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.