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Windsor & District RSL Sub-Branch Club Limited  
ACN 000 811 290

Annual Financial Report  
31 March 2010

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# Windsor & District RSL Sub-Branch Club Limited

## 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 2010 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:

<b>Surname</b>	<b>Christian Names</b>	<b>Position</b>
Crouch	William James	Chairman
Williams	Herbert Charles	Vice Chairman
Ryan	Ross Eric	Vice Chairman
Wilson	Colin	Treasurer
Butler	Keith William	Director
Duclos	Albert Sutton	Director
Slee	Andrew Brian	Director
Watt	William James	Director
Hyland	Frank	Director

### Information on Directors

#### **William James Crouch**

Age: 62

Retired

26 years Chairman

#### **Herbert Charles Williams**

Age: 75

Retired

20 years Vice Chairman

20 years Director

#### **Ross Eric Ryan**

Age: 69

Retired

9 years Director

7 years Vice Chairman

#### **Colin Wilson**

Age: 69

Retired

15 years Treasurer

#### **Keith William Butler**

Age: 68

Driver

7 years Director

#### **Albert Sutton Duclos**

Age: 75

Retired

16 years Director

# Windsor & District RSL Sub-Branch Club Limited

## Directors' Report (continued)

### Information on Directors (continued)

#### **Andrew Brian Slee**

Age: 46  
Machine Operator  
5 years Director

#### **William James Watt**

Age: 57  
Sales Manager  
2 years director

#### **Frank Hyland**

Age: 60  
Broker  
2 year 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:

Director	BOARD MEETINGS	
	Number of meetings attended	Number of meetings held *
Mr W Crouch	14	14
Mr H Williams	12	14
Mr R Ryan	11	14
Mr C Wilson	13	14
Mr K Butler	13	14
Mr A Duclos	13	14
Mr A Slee	13	14
Mr W Watt	14	14
Mr F Hyland	13	14

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

# Windsor & District RSL Sub-Branch Club Limited

## Directors' Report (continued)

### Company Secretary

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

#### **Ms Tanya Freund**

Ms Freund was appointed Company Secretary on 15 June 2008 and is also the General Manager of Windsor & District RSL Sub-Branch Club Limited. Tanya has a Bachelor of Hospitality from University Of Western Sydney Hawkesbury awarded in 1996.

### Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 31 March 2010 and the comparison with last year is as follows:

	<b>2010</b>	<b>2009</b>
Ordinary and Associates	3,927	4,436
Sub-branch	210	149
Life	11	11
	<hr/>	<hr/>
	4,148	4,596
	<hr/> <hr/>	<hr/> <hr/>

### Operating Result

The net profit before tax for the year amounted to \$3,785 compared with a loss of \$389,822 for the prior year. This resulted after charging \$441,182 (2009: \$507,255) for depreciation & amortisation and before charging \$907 (2009: \$94,603) 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:

Rendering of services decreased by \$306,977 which is mainly due to decreases in poker machine revenue.

Sale of goods decreased by \$337,998. This occurred due to the decision to outsource catering in the prior year.

Employee expenses have decreased by \$451,676 due to restructuring programs implemented by management in order to cut expenses.

### 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.

# Windsor & District RSL Sub-Branch Club Limited

## Directors' Report (continued)

### 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.

### Likely and Future Developments and Expected Results

There are no likely developments in the operations of the company in future financial years that are expected to significantly affect the results of the company's operations.

### 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 (2009: \$Nil).

# Windsor & District RSL Sub-Branch Club Limited

## Directors' Report (continued)

### 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.

### 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 16th day of May 2010.

**W Crouch**  
Chairman

# Windsor & District RSL Sub-Branch Club Limited

## 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 2010, there have been:

- i. No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.

PKF

**Paul Cheeseman**  
Partner

Sydney  
16 May 2010

# Windsor & District RSL Sub-Branch Club Limited

## 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 Statement of Financial Position as at 31 March 2010, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows 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 42.

### 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. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

### 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.



# Windsor & District RSL Sub-Branch Club Limited

## Independent Audit Report (continued)

### Independence

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

### 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 2010 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*.

The financial report also complies with IFRS as disclosed in Note 1.

PKF

**Paul Cheeseman**  
Partner

16 May 2010

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# Windsor & District RSL Sub-Branch Club Limited

## 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 42, 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 2010 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 16th day of May 2010.

**W Crouch**  
Chairman

Windsor & District RSL Sub-Branch Club Limited  
**Statement of Comprehensive Income**  
**For the Year Ended 31 March 2010**

	Note	2010 \$	2009 \$
<b>Revenue from continuing operations</b>			
Sale of goods		746,540	1,084,538
Rendering of services		2,339,834	2,646,811
Other revenue		24,420	171,519
		<hr/>	<hr/>
Total revenue from continuing operations	2	3,110,794	3,902,868
		<hr/>	<hr/>
<b>Expenses</b>			
Cost of Sales		(291,460)	(482,567)
Poker machine licence and taxes		(354,353)	(425,083)
Employee expenses		(1,063,901)	(1,515,577)
Entertainment, advertising and promotions		(390,409)	(456,611)
Property expenses		(384,855)	(465,255)
Bus net expenses		(3,843)	(9,257)
Licence and fees		(10,557)	(12,045)
Donations		(6,491)	(33,125)
Printing and stationery		(15,577)	(16,179)
Other expenses		(67,329)	(145,150)
		<hr/>	<hr/>
Total expenses		(2,588,775)	(3,560,849)
		<hr/>	<hr/>
Earnings before depreciation and finance costs		522,019	342,019
Depreciation and amortisation expenses	3(a)	(441,182)	(507,255)
Finance costs	3(a)	(77,052)	(224,586)
		<hr/>	<hr/>
<b>Profit/(Loss) before income tax</b>		3,785	(389,822)
Income tax expense	5(a)	(907)	(94,603)
		<hr/>	<hr/>
<b>Net profit/(loss) from continuing operations after income tax expense attributable to members</b>	15	2,878	(484,425)
		<hr/>	<hr/>
<b>Other Comprehensive Income</b>			
Other comprehensive income for the year, net of tax		-	-
		<hr/>	<hr/>
<b>Total comprehensive income for the year, net of tax</b>		2,878	(484,425)
		<hr/> <hr/>	<hr/> <hr/>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 14 to 42.

Windsor & District RSL Sub-Branch Club Limited  
**Statement of Changes in Equity**  
**For the Year Ended 31 March 2010**

	<b>Retained Earnings</b>	<b>Total Equity</b>
<b>Balance at 1 April 2008</b>	4,358,802	4,358,802
<b>Changes in equity for 2009</b>		
Total comprehensive income for the year	(484,425)	(484,425)
	<hr/>	<hr/>
<b>Balance at 31 March 2009</b>	3,874,377	3,874,377
<b>Change in equity for 2010</b>		
Total comprehensive income for the year	2,878	2,878
	<hr/>	<hr/>
<b>Balance at 31 March 2010</b>	3,877,255	3,877,255
	<hr/> <hr/>	<hr/> <hr/>

Windsor & District RSL Sub-Branch Club Limited  
**Statement of Financial Position**  
**As at 31 March 2010**

<b>ASSETS</b>	<b>Note</b>	<b>2010</b>	<b>2009</b>
		<b>\$</b>	<b>\$</b>
<b>Current Assets</b>			
Cash and cash equivalents	6	486,385	423,991
Trade and other receivables	7	1,265	8,020
Inventories	8	45,055	41,659
Other current assets	9	43,508	65,493
Current tax assets	5(b)	-	6,322
		<hr/>	<hr/>
<b>Total Current Assets</b>		576,213	545,485
		<hr/>	<hr/>
<b>Non-Current Assets</b>			
Property, plant and equipment	10	4,459,348	4,886,235
Deferred tax assets	5(c)	10,509	5,716
		<hr/>	<hr/>
<b>Total Non-Current Assets</b>		4,469,857	4,891,951
		<hr/>	<hr/>
<b>Total Assets</b>		5,046,070	5,437,436
		<hr/>	<hr/>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	11	222,083	430,858
Financial liabilities	12	155,881	191,469
Employee benefits	13	123,712	97,530
Other	14	18,249	20,453
		<hr/>	<hr/>
<b>Total Current Liabilities</b>		519,925	740,310
		<hr/>	<hr/>
<b>Non-Current Liabilities</b>			
Financial liabilities	12	626,880	802,230
Employee benefits	13	11,731	9,348
Other	14	10,279	11,171
		<hr/>	<hr/>
<b>Total Non-Current Liabilities</b>		648,890	822,749
		<hr/>	<hr/>
<b>Total Liabilities</b>		1,168,815	1,563,059
		<hr/>	<hr/>
<b>Net Assets</b>		3,877,255	3,874,377
		<hr/>	<hr/>
<b>Members' Funds</b>			
Retained profits	15	3,877,255	3,874,377
		<hr/>	<hr/>
<b>Total Members' Funds</b>		3,877,255	3,874,377
		<hr/>	<hr/>

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 14 to 42.

Windsor & District RSL Sub-Branch Club Limited  
**Statement of Cash Flows**  
**For the Year Ended 31 March 2010**

	<b>Note</b>	<b>2010</b> <b>\$</b>	<b>2009</b> <b>\$</b>
<b>Cash Flows From Operating Activities</b>			
Cash receipts from customers		3,421,767	4,108,204
Cash paid to suppliers and employees		(3,032,813)	(3,864,696)
Interest received		6,054	12,661
Borrowing costs paid		(77,052)	(224,586)
Income taxes paid		-	(619)
		<hr/>	<hr/>
<b>Net cash inflows from operating activities</b>	20(b)	317,956	30,964
		<hr/>	<hr/>
<b>Cash Flows From Investing Activities</b>			
Proceeds from sale of property, plant and equipment		184	2,781,659
Acquisition of property, plant and equipment		(14,295)	(24,674)
		<hr/>	<hr/>
<b>Net cash inflows/(outflows) from investing activities</b>		(14,111)	2,756,985
		<hr/>	<hr/>
<b>Cash Flows From Financing Activities</b>			
Repayment of borrowings		-	(3,150,000)
Proceeds from borrowings		(27,266)	627,266
Hire purchase payments		(214,185)	(339,708)
Proceeds from hire purchases		-	43,470
		<hr/>	<hr/>
<b>Net cash (outflows) from financing activities</b>		(241,451)	(2,818,972)
		<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>		62,394	(31,023)
		<hr/>	<hr/>
<b>Cash and cash equivalents at the beginning of the financial year</b>		423,991	455,014
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the financial year</b>	20(a)	486,385	423,991
		<hr/>	<hr/>

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 14 to 42.

Windsor & District RSL Sub-Branch Club Limited

# Notes to the Financial Statements

## For the Year Ended 31 March 2010

### 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*.

##### **Compliance with IFRS**

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIRFS ensures that the company financial statements and notes comply with International Financial Reporting Standards (IFRS).

In preparing the financial report the company has taken the exemptions available to non profit entities.

##### **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 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) and is recognised as revenue at the date control of the asset passes to the buyer.

##### **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.

Windsor & District RSL Sub-Branch Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 March 2010 (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 Statement of Financial Position 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 Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which is disclosed as operating cash flows.

(d) Finance Costs

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

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

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the Statement of Financial Position date.

Deferred tax is accounted for using the comprehensive Statement of Financial Position 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.



Windsor & District RSL Sub-Branch Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 March 2010 (continued)

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 Statement of Comprehensive Income 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 Statement of Comprehensive Income.

Windsor & District RSL Sub-Branch Club Limited  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2010 (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:

	<b>2010</b>	<b>2009</b>
Buildings and Improvements	40 years	40 years
Furniture, Fitting and Equipment	11 years	11 years
Poker Machines	5 years	5 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 Statement of Financial Position 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 Statement of Comprehensive Income. 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) Employee Benefits – Note 13

**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.

Windsor & District RSL Sub-Branch Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 March 2010 (continued)

1 Summary of Significant Accounting Policies (continued)

(k) Employee Benefits – Note 13 (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.

(l) Trade and Other Payables – Note 11

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.

(m) Financial Liabilities – Note 12

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 Statement of Comprehensive Income 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 Statement of Financial Position date.

Windsor & District RSL Sub-Branch Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 March 2010 (continued)

1 Summary of Significant Accounting Policies (continued)

(n) 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 12**

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.

(o) Comparatives

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

(p) 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.

Windsor & District RSL Sub-Branch Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 March 2010 (continued)

1 Summary of Significant Accounting Policies (continued)

(q) Going Concern

The company recorded an operational profit before tax of \$3,785 (2009: loss of \$389,822) and the current assets exceeded current liabilities by \$56,288 (2009: net current liabilities exceeded current assets by of \$194,825). Current assets to current liabilities are contingent on a \$600,000 loan from the sub branch remaining non-current.

The directors have prepared the financial report on a going concern basis for the following reasons:

1. Cash inflow from operating activities for the year amounted to \$317,956 compared to \$30,964 in the prior period and cash inflows are expected to continue to improve in future years.
2. The company had in the prior year conducted extensive cost cutting and staff restructures which have decreased expenses greatly. Now that expenses are at a manageable level, more attention will now be paid to increasing the club's revenue.

The directors are satisfied that the going concern basis of preparation is appropriate. The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

(r) Customer Loyalty Program

The company operates a loyalty program where customers accumulated points for dollars spent. The award points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale that the award points are recognised at their fair value. Revenue from the award points is recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed.

Windsor & District RSL Sub-Branch Club Limited  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2010 (continued)**

1 Summary of Significant Accounting Policies (continued)

(s) New Accounting Standards and Interpretations

**Adoption of New Accounting Standards**

The policy of accounting for award points as separate components of the initial sale transaction was adopted for the first time in the current financial year. In previous reporting periods, the full revenue from the initial sale was recognised upfront together with a provision for bonus points. The policy was changed following the adoption of AASB Interpretation 13 Customer Loyalty Programme. The new policy has been applied retrospectively and comparative information in relation to the 2009 financial year has been restated accordingly. The effect of the application was a decrease in poker machine revenue and entertainment, marketing and promotional costs of \$2,765 (2009: \$8,888 decrease).

The entity has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as at 1 April 2009.

<b>AASB No.</b>	<b>Title</b>	<b>Issue Date</b>	<b>Operative Date</b>
8	Operating Segments	February 2007	1 January 2009
101	Presentation of Financial Statements (Amended)	September 2007	1 January 2009
123	Borrowing Costs	June 2007	1 January 2009
3	Business Combinations	March 2008	1 July 2009

The following Australian Accounting Standards have been issued or amended and are applicable to the company but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

The following standards will be adopted by the entity during the first annual reporting period after the effective date of each pronouncement.

<b>AASB No.</b>	<b>Title</b>	<b>Issue Date</b>	<b>Operative Date</b>
3	Business Combinations (Revised)	March 2008	1 July 2009
9	Financial Instruments	December 2009	1 January 2013

Windsor & District RSL Sub-Branch Club Limited  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2010 (continued)**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>2 Revenue from Continuing Operations</b>		
<b>Sale of Goods Revenue</b>		
Bar sales	746,540	781,994
Catering sales	-	302,544
	<hr/>	<hr/>
	746,540	1,084,538
	<hr/>	<hr/>
<b>Rendering of Services Revenue</b>		
Functions	18,204	33,241
Poker machines – net clearances	2,085,907	2,407,240
Members' subscriptions	14,181	8,912
Entertainment and promotions	158,427	146,988
TAB commission	2,959	4,620
Keno sales	32,701	30,592
Commission received	18,577	11,151
Sundry income	8,878	4,067
	<hr/>	<hr/>
	2,339,834	2,646,811
	<hr/>	<hr/>
<b>Other Revenues</b>		
Interest received	6,054	12,661
Rent Received – Catering	18,182	7,872
	<hr/>	<hr/>
Total other revenue	24,236	20,533
	<hr/>	<hr/>
<b>Total Revenue</b>	3,110,610	3,751,882
	<hr/>	<hr/>
<b>Other Income</b>		
Net gain on disposal of non-current assets	184	150,986
	<hr/>	<hr/>
Total other income	184	150,986
	<hr/>	<hr/>
<b>Total revenue from continuing operations</b>	<b>3,110,794</b>	<b>3,902,868</b>
	<hr/>	<hr/>

Windsor & District RSL Sub-Branch Club Limited  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2010 (continued)**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>3 Expenses</b>		
(a) Loss/profit before income tax includes the following specific expenses:		
<b>Finance costs</b>		
Bank loans	-	156,481
Finance lease charges	30,512	45,209
Other loans	46,540	22,896
	<hr/>	<hr/>
	77,052	224,586
	<hr/>	<hr/>
<b>Depreciation</b>		
Buildings and improvements	50,822	50,822
Plant and equipment	269,829	335,901
	<hr/>	<hr/>
Total depreciation	320,651	386,723
	<hr/>	<hr/>
<b>Amortisation</b>		
Finance lease assets	120,531	120,532
	<hr/>	<hr/>
Total depreciation and amortisation	441,182	507,255
	<hr/>	<hr/>
<b>Net expense from movements in provision for</b>		
Employee benefits	28,565	(17,720)
	<hr/>	<hr/>
	<b>%</b>	<b>%</b>
(b) Key Performance Indicators		
<b>Bar</b>		
Gross profit percentage	61.03%	59.00%
Wages to sales percentage	30.15%	32.45%
Wages and salaries – percentage of total revenue (before profit on sale of assets)	34.20%	40.40%
<b>EBITDA percentage (before profit on sale of assets)</b>	16.78%	5.09%



Windsor & District RSL Sub-Branch Club Limited  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2010 (continued)**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>4 Auditor's Remuneration</b>		
During the year the following fees were paid or payable for services provided by the auditor:		
<b>Audit Services</b>		
Auditors of the company		
<i>PKF</i>		
Audit and review of financial reports	18,500	18,000
	<hr/>	<hr/>
<b>Other Services</b>		
Auditors of the company		
<i>PKF</i>		
Taxation services	2,800	2,530
Other assurance services	-	25,000
	<hr/>	<hr/>
	2,800	27,530
	<hr/>	<hr/>

Windsor & District RSL Sub-Branch Club Limited  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2010 (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.

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
The amount set aside for income tax in the Statement of Comprehensive Income has been calculated as follows:		
Proportion of income attributable to non-members	513,483	590,611
Less: Proportion of expenses attributable to non-members	(500,077)	(648,826)
	<hr/>	<hr/>
Add: Other taxable income	13,406	(58,215)
	104,532	88,145
	<hr/>	<hr/>
Less: Other deductible expenses	117,938	29,930
Tax losses carried forward	(127,483)	(155,903)
	9,545	125,973
	<hr/>	<hr/>
Net income subject to tax	-	-
	<hr/>	<hr/>
Current income tax applicable to above at rate of 30%		
(Over)/under provided in prior years	5,700	-
(Increase)/decrease in deferred tax assets	(4,793)	94,603
	<hr/>	<hr/>
Income tax expense	907	94,603
	<hr/>	<hr/>

**(b) Current Tax (Assets)/Liabilities**

Movements during the year:

Balance at beginning of year	(6,322)	(5,703)
Income tax paid	-	(619)
Current year's income tax expense on profit	-	-
(Over)/under provision in prior year	5,700	-
Income tax refund received	622	-
	<hr/>	<hr/>
Current tax (assets)/liabilities	-	(6,322)
	<hr/>	<hr/>

Windsor & District RSL Sub-Branch Club Limited  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2010 (continued)**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>5 Income Tax (continued)</b>		
<b>(c) Deferred Tax Assets</b>		
The balance comprises temporary differences attributable to: <i>Amounts recognised in profit or loss</i>		
Employee benefits	6,969	4,980
Tax losses	2,864	37,793
Tax losses carried forward	676	95,817
Capital gain	-	(132,874)
	<hr/>	<hr/>
Net deferred tax assets	10,509	5,716
	<hr/> <hr/>	<hr/> <hr/>
Movements during the year:		
Balance at the beginning of the year	5,716	100,319
Credited/(charged) to the Statement of Comprehensive Income	4,793	(94,603)
	<hr/>	<hr/>
Closing balance	10,509	5,716
	<hr/> <hr/>	<hr/> <hr/>
<b>6 Cash and Cash Equivalents</b>		
Cash at bank and on hand	486,385	423,991
	<hr/> <hr/>	<hr/> <hr/>
<b>7 Trade and Other Receivables</b>		
<b>Current</b>		
Trade debtors	1,265	8,020
	<hr/> <hr/>	<hr/> <hr/>
<b>8 Inventories</b>		
<b>Finished goods – at cost</b>		
Bar	45,055	41,659
	<hr/>	<hr/>
	45,055	41,659
	<hr/> <hr/>	<hr/> <hr/>

Windsor & District RSL Sub-Branch Club Limited  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2010 (continued)**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>9 Other Assets</b>		
<b>Current</b>		
Prepayments	43,508	65,493
	<hr/>	<hr/>
	43,508	65,493
	<hr/> <hr/>	<hr/> <hr/>
<b>10 Property, Plant and Equipment</b>		
Freehold Land		
<i>At cost</i>	1,995,515	1,995,515
	<hr/>	<hr/>
	1,995,515	1,995,515
	<hr/>	<hr/>
Buildings and Improvements		
<i>At cost</i>	1,945,304	1,945,304
<i>Accumulated depreciation</i>	(250,752)	(199,930)
	<hr/>	<hr/>
	1,694,552	1,745,374
	<hr/>	<hr/>
Total Land, Buildings and Improvements	3,690,067	3,740,889
	<hr/>	<hr/>
Plant and Equipment		
<i>At cost</i>	5,108,429	5,094,134
<i>Accumulated depreciation</i>	(4,643,141)	(4,373,312)
	<hr/>	<hr/>
	465,288	720,822
	<hr/>	<hr/>
Hire Purchase Assets		
<i>At cost</i>	604,175	604,175
<i>Accumulated depreciation</i>	(300,182)	(179,651)
	<hr/>	<hr/>
	303,993	424,524
	<hr/>	<hr/>
Total property, plant and equipment net book value	4,459,348	4,886,235
	<hr/> <hr/>	<hr/> <hr/>

Refer to Note 12 for details of security over property, plant and equipment.

Windsor & District RSL Sub-Branch Club Limited  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2010 (continued)**

10 Property, Plant and Equipment (continued)

Valuation

An independent valuation of the company's land and buildings carried out by Knight Frank 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. As land and buildings are recorded at cost the valuation of \$4,077,500 for land and \$2,930,500 for buildings and improvements has not been brought to account.

Reconciliations	2010 \$	2009 \$
<b>Movements in Carrying Amounts</b>		
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:		
<b>Freehold Land</b>		
Carrying amount at beginning of year	1,995,515	4,035,515
Disposals	-	(2,040,000)
	<hr/>	<hr/>
Carrying amount at end of year	1,995,515	1,995,515
	<hr/>	<hr/>
<b>Buildings and Improvements</b>		
Carrying amount at beginning of year	1,745,374	1,796,196
Depreciation	(50,822)	(50,822)
	<hr/>	<hr/>
Carrying amount at end of year	1,694,552	1,745,374
	<hr/>	<hr/>
<b>Plant and Equipment</b>		
Carrying amount at beginning of year	720,822	1,628,094
Additions	14,295	17,674
Transfers to hire purchase assets	-	(589,045)
Depreciation	(269,829)	(335,901)
	<hr/>	<hr/>
Carrying amount at end of year	465,288	720,822
	<hr/>	<hr/>

Windsor & District RSL Sub-Branch Club Limited  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2010 (continued)**

10 Property, Plant and Equipment (continued)

Reconciliations (continued)	2010 \$	2009 \$
<b>Finance Lease Assets</b>		
Carrying amount at beginning of year	424,524	-
Transfers from plant and equipment	-	589,045
Disposal	-	(43,989)
Amortisation	(120,531)	(120,532)
	<hr/>	<hr/>
Carrying amount at end of year	303,993	424,524
	<hr/> <hr/>	<hr/> <hr/>

11 Trade and Other Payables

<b>Current</b>		
Trade creditors	178,666	260,158
Goods and Services Tax (GST) payable	13,206	102,177
Other creditors and accruals	30,211	68,523
	<hr/>	<hr/>
	222,083	430,858
	<hr/> <hr/>	<hr/> <hr/>

12 Financial Liabilities

<b>Current</b>		
<b>Secured</b>		
Finance leases	155,881	164,203
Loan – Sub Branch	-	27,266
	<hr/>	<hr/>
	155,881	191,469
	<hr/> <hr/>	<hr/> <hr/>

Windsor & District RSL Sub-Branch Club Limited  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2010 (continued)**

12 Financial Liabilities (continued)

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>Non-Current Secured</b>		
Finance leases	26,880	202,230
Loan – Sub Branch	600,000	600,000
	<hr/>	<hr/>
	626,880	802,230
	<hr/> <hr/>	<hr/> <hr/>
<b>Financing Arrangements</b>		
The company has access to the following lines of credit:		
Total facilities available:		
NAB Master Leasing Facility	35,000	24,938
NAB Visa Card	5,000	5,000
	<hr/>	<hr/>
	40,000	29,938
	<hr/> <hr/>	<hr/> <hr/>
Facilities utilised at reporting date:		
NAB Master Leasing Facility	11,839	24,938
NAB Visa Card	1,166	3,748
	<hr/>	<hr/>
	13,005	28,686
	<hr/> <hr/>	<hr/> <hr/>
Facilities not utilised at reporting date:		
NAB Master Leasing Facility	23,161	-
NAB Visa Card	3,834	1,252
	<hr/>	<hr/>
	26,995	1,252
	<hr/> <hr/>	<hr/> <hr/>

Windsor & District RSL Sub-Branch Club Limited  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2010 (continued)**

**12 Financial Liabilities (continued)**

Loan – Sub Branch

The loan bears interest at 7.5% (2009: 8.55%) payable monthly.

Payments are interest only. The maturity date of the loan is 10 July 2014 subject to annual review. The loan is treated as all non-current so long as the company manages to meet its loan covenants which it has to date.

Security

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

- First Registered Mortgage over the premises of Windsor & District RSL Club Limited situated at cnr Mileham and Argyle Streets, South Windsor NSW 2756 comprising Lot 9 in Deposited Plan 752061 and Lot 201 in Deposit Plan 801553. This is a fixed and floating charge over the assets and undertaking of Windsor & District RSL Club Limited.

**13 Employee Benefits**

Aggregate liability for employee benefits including on-costs

	<b>2010</b>	<b>2009</b>
	\$	\$
Current	123,712	97,530
Non-current	11,731	9,348

<hr/>	<hr/>
135,443	106,878
<hr/>	<hr/>

<b>2010</b>	<b>2009</b>
-------------	-------------

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:

Assumed rate of increase in wage and salary rates	2.9%	3%
Discount rate	5.65%	5.80%
Settlement term (years)	10	10

<b>2010</b>	<b>2009</b>
No	No

Number of Employees

Number of employees at year end	26	26
	<hr/>	<hr/>



Windsor & District RSL Sub-Branch Club Limited  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2010 (continued)**

**13 Employee Benefits (Continued)**

Superannuation Plans

**Contributions**

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

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Employer contributions to the plans	67,743	98,153
	<hr/>	<hr/>
Employer contributions payable to the plans at reporting date	5,825	12,938
	<hr/>	<hr/>

**14 Other Liabilities**

**Current**

Income received in advance	18,249	20,453
	<hr/>	<hr/>

**Non-Current**

Income received in advance	10,279	11,171
	<hr/>	<hr/>

**15 Retained Profits**

Retained profits at the beginning of the year	3,874,377	4,358,802
Net profit/(loss) attributable to members of the company	2,878	(484,425)
	<hr/>	<hr/>
Retained profits at the end of the year	3,877,255	3,874,377
	<hr/>	<hr/>

Windsor & District RSL Sub-Branch Club Limited  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2010 (continued)**

**16 Additional Financial Instruments Disclosure**

The company's financial instruments consist primarily of deposits with bankers, accounts receivable or payable and finance leases. These activities expose the association to a variety of financial risk, market risk, credit risk and liquidity risk.

The company holds the following instruments:

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>		
Cash and cash equivalents	486,385	423,991
Trade and other receivables	1,265	8,020
	<hr/>	<hr/>
Total Financial Assets	487,650	432,011
	<hr/>	<hr/>
<b>Financial Liabilities</b>		
Trade and other payables	222,083	430,858
Finance liabilities	782,761	993,699
	<hr/>	<hr/>
Total Financial Liabilities	1,004,844	1,424,557
	<hr/>	<hr/>
Net Exposure	(517,194)	(992,546)
	<hr/> <hr/>	<hr/> <hr/>

**Financial Risk Management Policies**

Although the company does not have documented policies and procedures, the company manages the different types of risk to which it is exposed by considering risk and monitoring levels of exposure to interest rate risk and by being aware of market forecast for interest rates. Ageing analyses and monitoring of specific allowances are undertaken to manage credit risk. Liquidity risk is monitored through general business budgets and forecasts.

Windsor & District RSL Sub-Branch Club Limited  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2010 (continued)**

16 Additional Financial Instruments Disclosure (continued)

(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:

2010	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 \$
<b>Financial assets</b>							
Cash and cash equivalents	6	2.34%	357,385	-	-	129,000	486,385
Trade and other receivables	7	-	-	-	-	1,265	1,265
			357,385	-	-	130,265	487,650
<b>Financial liabilities</b>							
Trade and other payables	11	-	-	-	-	222,083	222,083
Finance leases	12	10.09%	-	155,881	26,880	-	182,761
Loan – Sub Branch	12	7.50%	-	-	600,000	-	600,000
			-	155,881	626,880	222,083	1,004,844

Windsor & District RSL Sub-Branch Club Limited  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2010 (continued)**

16 Additional Financial Instruments Disclosure (continued)

(a) Interest Rate Risk (continued)

2009	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 \$
<b>Financial assets</b>							
Cash and cash equivalents	6	2.12%	283,991	-	-	140,000	423,991
Trade and other receivables	7	-	-	-	-	8,020	8,020
			283,991	-	-	148,020	432,011
<b>Financial liabilities</b>							
Trade and other payables	11	-	-	-	-	430,858	430,858
Finance leases	12	10.09%	-	164,203	202,230	-	366,433
Loan – Sub Branch	12	8.55%	-	627,266	-	-	627,266
			-	791,469	202,230	430,858	1,424,557

(b) Credit Risk Exposures

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

The credit risk on financial assets, excluding investments, of the company which have been recognised on the Statement of Financial Position, 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.

The company manages credit risk by regularly reviewing accounts receivable and payable with the intention of ensuring that all balances are settled within agreed terms and conditions.

The company is of the opinion that the effect of volatility with any of these risk areas would not be material

**Recognised Financial Instruments**

The credit risk on financial assets, excluding investments, of the company which have been recognised on the Statement of Financial Position, 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.

## Notes to the Financial Statements

### For the Year Ended 31 March 2010 (continued)

#### 16 Additional Financial Instruments Disclosure (continued)

##### (c) Liquidity Risk

The company manages liquidity risk through general business, budgets and forecasts.

The company is of the opinion that the exposure to liquidity risk is minimal.

##### (d) Net Fair Values

The aggregate fair values and carrying amount of financial assets and financial liabilities are disclosed in the Statement of Financial Position 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.

##### (e) Summarised Sensitivity Analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the Statement of Financial Position date.

		-1%	-1%	+1%	+1%
	Carrying amount	Profit	Equity	Profit	Equity
<b>Financial Assets</b>					
Cash and cash equivalents	357,385	(3,574)	(3,574)	3,574	3,574
<b>Financial Liabilities</b>					
Finance lease	182,761	1,828	1,828	(1,828)	(1,828)
Loan – Sub Branch	600,000	6,000	6,000	(6,000)	(6,000)
Increase/(decrease)		4,254	4,254	(4,254)	(4,254)

Windsor & District RSL Sub-Branch Club Limited  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2010 (continued)**

	Note	2010 \$	2009 \$
<b>17 Commitments</b>			
Finance Lease Commitments			
Finance lease payments are payable as follows:			
Within one year		184,131	214,186
One year or later and no later than five years		28,660	212,791
		<hr/>	<hr/>
Minimum finance lease payments		212,791	426,977
Less: Future finance lease charges		(30,030)	(60,544)
		<hr/>	<hr/>
Carrying amount of hire purchase liabilities		182,761	366,433
		<hr/> <hr/>	<hr/> <hr/>
Finance lease liabilities provided for in the financial statements:			
Current	12	155,881	164,203
Non-current	12	26,880	202,230
		<hr/>	<hr/>
Total Finance lease liabilities		182,761	366,433
		<hr/> <hr/>	<hr/> <hr/>

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

Windsor & District RSL Sub-Branch Club Limited  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2010 (continued)**

## 18 Contingent Liabilities

### Mutuality Principle

The company 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.

Following the 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.

## 19 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.

Windsor & District RSL Sub-Branch Club Limited  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2010 (continued)**

20 Cash Flow Information

(a) Reconciliation of Cash

Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	486,385	423,991

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

Profit/(loss) after income tax	2,878	(484,425)
Add/(less) items classified as investing/ financing activities:		
Profit on sale of non-current assets	(184)	(150,986)
Finance lease charges	30,512	45,209
Add/(less) non-cash items:		
Depreciation	441,183	507,255
(Increase)/decrease in deferred tax assets	(4,793)	94,603
(Increase)/decrease in current tax assets	6,322	(619)
Net cash provided by operating activities before change in assets and liabilities	475,918	11,037
Change in assets and liabilities during the financial year		
(Increase)/decrease in receivables	6,755	(4,940)
(Increase)/decrease in inventories	(3,396)	808
(Increase)/decrease in other assets	21,985	53,455
Increase/(decrease) in payables	(208,775)	(21,287)
Increase/(decrease) in other liabilities	(3,096)	9,561
Increase/(decrease) in employee benefits	28,565	(17,670)
Net cash inflow from operating activities	317,956	30,964



Windsor & District RSL Sub-Branch Club Limited  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2010 (continued)**

**21 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 W Watt  
 Mr F Hyland

**(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:

<b>Name</b>	<b>Position</b>
Tanya Freund	General Manager

**(c) Key Management Personnel Compensation**

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

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Short term employee benefits	116,764	136,899
Other long term benefits	3,338	2,884
Post employment benefits	7,494	10,048
	<hr/>	<hr/>
	127,596	149,831
	<hr/>	<hr/>

Windsor & District RSL Sub-Branch Club Limited  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2010 (continued)**

## 22 Related Parties

### Key Management Personnel

Disclosures relating to key management personnel are set out in Note 21.

### 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.

## 23 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 2010 there were 4,148 members.

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

## 24 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.

Windsor & District RSL Sub-Branch Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 March 2010 (continued)  
Notes to the Financial Statements  
For the Year Ended 31 March 2010 (continued)

25 Prior Period Error

In the prior financial period the deferred tax asset account was calculated using the incorrect figures. Not all prior year losses were carried forward and the discount method as opposed to the indexation method was used when calculating the capital gain from the sale of the mushroom farm.

The aggregate effect of the prior period error on the annual financial statements for the year ended 31 March 2009 is as follows:

	Previously stated \$	Adjustments \$	Restated \$
<b>Statement of Comprehensive Income</b>			
Income tax expense	(47,506)	(47,097)	(94,603)
<b>Net loss from continuing operations after income tax expense attributable to members</b>	<b>(437,328)</b>	<b>(47,097)</b>	<b>(484,425)</b>
<b>Statement of Changes in Equity</b>			
Adjustment to opening Retained Earnings Balance	3,921,474	(47,097)	3,874,377
<b>Statement of Financial Position</b>			
Deferred tax asset	52,813	(47,097)	5,716
<b>Total Non-Current Assets</b>	<b>4,939,048</b>	<b>(47,097)</b>	<b>4,891,951</b>
<b>Total Assets</b>	<b>5,484,533</b>	<b>(47,097)</b>	<b>5,437,436</b>
<b>Net Assets</b>	<b>3,921,474</b>	<b>(47,097)</b>	<b>3,874,377</b>
Retained profits	3,921,474	(47,097)	3,874,377
<b>Total Members Funds</b>	<b>3,921,474</b>	<b>(47,097)</b>	<b>3,874,377</b>