

ANNUAL FINANCIAL REPORT

OF

**WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
ACN 000 811 290**

FOR THE YEAR ENDED

31 MARCH 2012

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WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
ACN 000 811 290

DIRECTORS' REPORT

The Directors of Windsor & District RSL Sub-Branch Club Limited submit herewith the annual report for the financial year ended 31 March 2012. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

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

Colin Wilson

Age: 71

Retired

17 years Treasurer - became President 27 June 2010

Albert Sutton Duclos

Age: 77

Retired

18 years Director - became Treasurer 5 July 2010

Ross Eric Ryan

Age: 71

Retired

11 years Director, 9 years Vice Chairman

David Tumminello

Age: 58

Owner/operator small business, 26 years

2 years Vice President - commenced 5 July 2010

Frank Hyland

Age: 62

Broker

4 years Director

Michelle Sheather

Age: 61

Retired

2 years Director

David Ingram

Age: 51

Training Development Manager

2 years Director

Darrell Logue

Age: 65

Funeral Director

2 years Director

Jason Read

Age: 43

Club Manager

2 years Director

WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
ACN 000 811 290

DIRECTORS' REPORT (continued)

MEETING OF COMPANY DIRECTORS

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 C Wilson	13	13
Mr A Duclos	13	13
Mr R Ryan	13	13
Mr D Tumminello	13	13
Mr F Hyland	12	13
Ms M Sheather	13	13
Mr D Ingram	11	13
Mr D Logue	13	13
Mr J Read	10	13

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

COMPANY SECRETARY

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

Anthony Rhett Jeffcott

MEMBERS' GUARANTEE

The company is limited by guarantee. If the company is wound up the constitution of the company states that each member is required to contribute a maximum of \$4 each towards meeting any outstanding obligations of the company. The total amount contributed would be \$14,204.

REVIEW OF OPERATIONS

The club earned an operating profit of \$440,013 (2011: \$330,498) before depreciation of \$362,748 (2011: \$366,949) and finance costs of \$57,891 (2011: \$73,524).

Club membership was 4,655 as at 31 March 2012 (4,302 as at 31 March 2011 and was made up as follows:

	2012	2011
Ordinary and Associates	4,466	4,074
Sub-branch	180	219
Life	9	9
	<u>4,655</u>	<u>4,302</u>

WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
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DIRECTORS' REPORT (continued)

OBJECTIVES

The objectives of the club are to operate in a responsible and financially prudent manner with the aim of enhancing membership benefits and contributing to the local community. Windsor & District RSL Sub-Branch Club Limited plays an important role in honouring present and returned servicemen and servicewomen.

Specific short and long term objectives include:

Short Term

- Provide the best possible facilities to members
- Encourage new membership
- Improve profitability and efficiency of club operations

Long Term

- Maintain financial stability of the club
- Ensure facilities continue to cater for members' needs
- Diversify income streams

STRATEGY FOR ACHIEVING THE OBJECTIVES

Attract and maintain quality management and staff.

Be flexible and adapt to the changing environment of the club, economy and member demographic characteristics.

To continually review and upgrade facilities of the club.

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was that of Licensed Club conducted for Members and Members' Guests according to the Constitution. No significant change in the nature of these activities occurred during the year.

HOW THESE ACTIVITIES ASSIST IN ACHIEVING THE OBJECTIVES

The principal activities of the club contributed to achieving the objectives by providing a stable base of operations. This ensured the financial stability and generated funds to meet the demands of the company and maintain high levels of service to members and guests.

WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
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DIRECTORS' REPORT (continued)

PERFORMANCE MEASUREMENT AND KEY PERFORMANCE INDICATORS

The financial performance of the club is measured against the budget set and benchmark data for the industry.

Some of the specific areas reported on and monitored include:

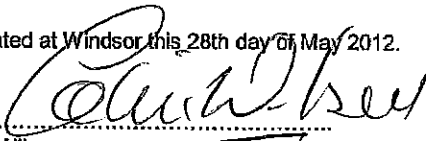
- Earnings before Interest Tax Depreciation and Amortisation (EBITDA)
- Gross Profit Margins
- Expense Ratios and Analysis
- Cash Flow
- Members' Feedback
- Staff Turnover

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration follows and forms part of the directors' report for the financial year ended 31 March 2012.

Signed in accordance with a resolution of the directors.

Dated at Windsor this 28th day of May 2012.


.....
C Wilson
Chairman

W. L. BROWNE & ASSOCIATES PTY LTD

ABN 13 151 379 109

JOHN CHEADLE F.C.A.
BRADLEY TURNER C.A.

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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 2012, 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.


John C Cheadle
Registered Company Auditor

Dated: 28 May 2012



**Chartered
Accountants**

Liability limited by a scheme approved
Under Professional Standards Legislation

W. L. BROWNE & ASSOCIATES PTY LTD

ABN 13 151 379 109

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED

I 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 2012 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 as set out on pages 1 to 29.

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

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

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



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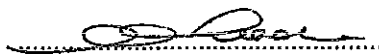
INDEPENDENT AUDIT REPORT (continued)
TO THE MEMBERS OF WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED

Auditor's Opinion

In my opinion the financial report of Windsor & District RSL Sub-Branch Club Limited is in accordance with the *Corporations Act 2001*.

- (a) giving a true and fair view of the company's financial position as at 31 March 2012 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.



John C Cheadle
Registered Company Auditor

Dated: 28 May 2012

WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
ACN 000 811 290

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 to , 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 2012 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 28th day of May 2012.


.....
C Wilson
Chairman

WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
ACN 000 811 290

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2012

	Note	2012 \$	2011 \$
Revenue from continuing operations			
Sale of goods		787,826	693,750
Rendering of services		2,933,442	2,235,203
Other revenue		12,953	30,976
Total revenue from continuing operations	2	<u>3,714,221</u>	<u>2,959,929</u>
Expenses			
Cost of Sales		(311,296)	(278,363)
Poker machine licence and taxes		(450,843)	(345,443)
Employee expenses		(1,192,231)	(1,057,482)
Entertainment, advertising and promotions		(727,145)	(370,893)
Property expenses		(190,432)	(198,973)
Bus net expenses		(12,284)	(9,949)
Licence and fees		(10,209)	(9,006)
Donations		(10,281)	(17,665)
Printing & stationery		(65,230)	(14,264)
Other expenses		(304,257)	(327,393)
Total expenses		<u>(3,274,208)</u>	<u>(2,629,431)</u>
Earnings before depreciation and finance costs		440,013	330,498
Depreciation and amortisation expenses	3(a)	(362,748)	(366,949)
Finance costs	3(a)	<u>(57,891)</u>	<u>(73,524)</u>
Profit/(Loss) before Income tax		19,374	(109,975)
Income tax expense	5(a)	<u>-</u>	<u>-</u>
Net profit/(loss) from continuing operations after income tax expense attributable to members	15	<u>19,374</u>	<u>(109,975)</u>
Total comprehensive income for the year		<u>19,374</u>	<u>(109,975)</u>

The Statement of Comprehensive Income should be read in conjunction with
the accompanying notes to the financial statements

WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
ACN 000 811 290

BALANCE SHEET
AS AT 31 MARCH 2012

	Note	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	6	392,350	528,212
Trade and other receivables	7	1,251	3,337
Inventories	8	37,666	43,561
Other current assets	9	76,802	50,869
TOTAL CURRENT ASSETS		<u>508,069</u>	<u>625,979</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	4,561,627	4,171,740
Deferred tax assets	5(b)	10,509	10,509
TOTAL NON-CURRENT ASSETS		<u>4,572,136</u>	<u>4,182,249</u>
TOTAL ASSETS		<u>5,080,205</u>	<u>4,808,228</u>
CURRENT LIABILITIES			
Trade and other payables	11	422,406	248,491
Financial liabilities	12	30,780	23,711
Employee benefits	13	104,326	76,787
Other	14	7,560	5,494
TOTAL CURRENT LIABILITIES		<u>565,072</u>	<u>354,483</u>
NON-CURRENT LIABILITIES			
Financial liabilities	12	648,769	600,000
Employee benefits	13	60,013	74,957
Other	14	19,697	11,508
TOTAL NON-CURRENT LIABILITIES		<u>728,479</u>	<u>686,465</u>
TOTAL LIABILITIES		<u>1,293,551</u>	<u>1,040,948</u>
NET ASSETS		<u>3,786,654</u>	<u>3,767,280</u>
MEMBERS' FUNDS			
Retained profits	15	3,786,654	3,767,280
TOTAL MEMBERS' FUNDS		<u>3,786,654</u>	<u>3,767,280</u>

The Balance Sheet should be read in conjunction with
the accompanying notes to the financial statements

WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
ACN 000 811 290

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2012

	Retained Earnings	Total Equity
Balance at 1 April 2010	3,877,255	3,877,255
Change in equity for 2011		
Total comprehensive income/(loss) for the year	<u>(109,975)</u>	<u>(109,975)</u>
Balance at 31 March 2011	3,767,280	3,767,280
Change in equity for 2012		
Total comprehensive income/(loss) for the year	<u>19,374</u>	<u>19,374</u>
Balance at 31 March 2012	<u><u>3,786,654</u></u>	<u><u>3,786,654</u></u>

WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2012

	Note	2012 \$	2011 \$
Cash Flows from Operating Activities			
Cash receipts from customers		3,713,997	3,238,185
Cash paid to suppliers and employees		(3,089,038)	(2,873,537)
Interest received		12,953	16,124
Borrowing costs paid		(57,891)	(76,323)
Net cash inflows from operating activities	18(b)	<u>580,021</u>	<u>304,449</u>
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment		1,455	20,909
Acquisition of property, plant and equipment		(765,749)	(99,400)
Net cash inflows/(outflows) from Investing activities		<u>(764,294)</u>	<u>(78,491)</u>
Cash Flows from Financing Activities			
Proceeds from borrowings		115,013	-
Hire purchase payments		(66,602)	(184,131)
Net cash (outflows) from financing activities		<u>48,411</u>	<u>(184,131)</u>
Net increase in cash and cash equivalents		(135,862)	41,827
Cash and cash equivalents at the beginning of the financial year		<u>528,212</u>	<u>486,385</u>
Cash and cash equivalents at the end of the financial year	18(a)	<u>392,350</u>	<u>528,212</u>

The Statement of Cash Flows should be read in conjunction with
the accompanying notes to the financial statements

WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
ACN 000 811 290

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

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 - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards and the *Corporations Act 2001*.

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 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 asset.

WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
ACN 000 811 290

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Revenue Recognition - Note 2 (continued)

Sale of Property, Plant and Equipment

The gain on loss or 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.

(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 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 is included as a current asset or liability in the Balance Sheet.

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 for 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.

WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
ACN 000 811 290

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 Balance Sheet date.

Deferred 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.

(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.

WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
ACN 000 811 290

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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:

	2012	2011
Buildings and Improvements	40 years	40 years
Furniture, Fittings 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 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 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.

The company's properties are now classified as either "Core" or "Non-Core" property. Core property is property occupied by the club as licensed premises. The club can only dispose of its core property if the disposal has been approved by a resolution passed by the majority of members. The property must be sold at public auction after valuation by a registered valuer. These requirements do not apply to non-core property, ie, investment properties.

WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
ACN 000 811 290

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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 Balance Sheet date.

(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.

WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
ACN 000 811 290

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Leased Assets (continued)

Finance Leases - Note 12

A leased 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.

(q) Going Concern

The company recorded an operations profit of \$19,374 (2011: loss of \$109,975) and the current liabilities exceeded the current assets by \$103,969. Current assets to current liabilities are contingent on a \$600,000 from the sub branch remaining non-current.

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

- Cash inflow from operating activities for the year amounted to \$580,021 compared to \$304,449 in the prior period and cash inflows are expected to improve in future years.

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 settlement of liabilities in the ordinary course of business.

WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Customer Loyalty Program

The company operates a loyalty program where customers accumulated point 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.

	2012	2011
	\$	\$
2. REVENUE FROM CONTINUING OPERATIONS		
Sale of Goods Revenue		
Bar sales	<u>767,826</u>	<u>693,750</u>
	767,826	693,750
Rendering of Services Revenue		
Functions	18,873	20,642
Poker machines - net clearances	2,604,102	2,036,596
Members' subscriptions	14,399	12,289
Entertainment and promotions	243,645	123,313
TAB commission	4,383	3,058
Keno sales	27,421	25,483
Commission received	16,917	11,927
Sundry income	<u>3,702</u>	<u>1,895</u>
	2,933,442	2,235,203
Other Revenues		
Net gain on disposal of non-current assets	-	852
Interest received	12,953	16,124
Rent received - Catering	<u>-</u>	<u>14,000</u>
	12,953	30,976
Total revenue from continuing operations	<u><u>3,714,221</u></u>	<u><u>2,959,929</u></u>

WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

	2012	2011
	\$	\$
3. EXPENSES		
(a) Profit/(loss) before income tax includes the following specific expenses		
Finance costs		
Finance lease charges	7,427	25,081
Other loans	<u>50,464</u>	<u>51,242</u>
	<u>57,891</u>	<u>76,323</u>
Depreciation		
Buildings and improvements	50,822	50,822
Plant and equipment	<u>297,606</u>	<u>297,162</u>
	<u>348,428</u>	<u>347,984</u>
Amortisation		
Finance lease assets	<u>14,320</u>	<u>18,966</u>
Total depreciation and amortisation	<u>362,748</u>	<u>366,950</u>
Net expense from movements in provision for		
Employee benefits	<u>12,595</u>	<u>16,301</u>
(b) Key Performance Indicators	%	%
Bar		
Gross profit percentage	59.46%	60.08%
Wages to sales percentage	24.52%	20.62%
Wages and salaries - percentage of total revenue	32.09%	34.97%
EBITDA percentage (before profit on sale of assets)	11.85%	10.78%

WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

	2012	2011
	\$	\$
4. AUDITOR'S REMUNERATION		
During the year the following fees were paid or payable for services provided by the auditor:		
Audit Services		
Auditors of the company		
Audit and review of financial reports		
- W L Browne & Associates	11,000	13,000
Other Services		
Previous auditors of the company		
Taxation services		
- PKF	-	2,900
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.		
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	330,367	427,740
Less: Proportion of expenses attributable to non-members	<u>(314,909)</u>	<u>(414,760)</u>
	15,458	12,980
Add: Other taxable income	<u>47,839</u>	<u>69,658</u>
	63,297	82,638
Less: Other deductible expenses	<u>(114,370)</u>	<u>(105,213)</u>
Tax losses carried forward	<u>(51,073)</u>	<u>(22,575)</u>
Net income subject to tax	-	-
Current income tax applicable to above at rate of 30%		
Income tax expense	<u>-</u>	<u>-</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

	2012	2011
	\$	\$
5. INCOME TAX (continued)		
(b) Deferred Tax Assets		
The balance comprises temporary differences attributable to:		
<i>Amounts recognised in profit or loss</i>		
Employee benefits	6,969	6,969
Tax losses carried forward	3,540	3,540
Net deferred tax assets	<u>10,509</u>	<u>10,509</u>
Movements during the year:		
Balance at the beginning of the year	10,509	10,509
Credited/(charged) to the Statement of Comprehensive Income	-	-
Closing balance	<u>10,509</u>	<u>10,509</u>
6. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	<u>392,350</u>	<u>528,212</u>
7. TRADE AND OTHER RECEIVABLES		
Current		
Trade debtors	<u>1,251</u>	<u>3,337</u>
8. INVENTORIES		
Finished goods - at cost		
Bar	<u>37,666</u>	<u>43,561</u>
9. OTHER ASSETS		
Current		
Prepayments	<u>76,802</u>	<u>50,869</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

	2012	2011
	\$	\$
10. PROPERTY, PLANT AND EQUIPMENT		
Freehold Land - Core Property		
<i>At Cost</i>	<u>1,995,515</u>	<u>1,995,515</u>
	<u>1,995,515</u>	<u>1,995,515</u>
Buildings and Improvements - Core Property		
<i>At Cost</i>	1,945,304	1,945,304
<i>Accumulated depreciation</i>	<u>(352,397)</u>	<u>(301,575)</u>
	<u>1,592,907</u>	<u>1,643,729</u>
Total Land, Buildings and Improvements - Core Property	<u>3,588,422</u>	<u>3,639,244</u>
Plant and Equipment		
<i>At Cost</i>	4,892,237	5,665,427
<i>Accumulated depreciation</i>	<u>(3,992,767)</u>	<u>(5,169,272)</u>
	<u>899,470</u>	<u>496,155</u>
Hire Purchase Assets		
<i>At Cost</i>	88,055	110,109
<i>Accumulated depreciation</i>	<u>(14,320)</u>	<u>(73,768)</u>
	<u>73,735</u>	<u>36,341</u>
Total property, plant and equipment net book value	<u>4,561,627</u>	<u>4,171,740</u>

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

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.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

	2012	2011
	\$	\$
10. PROPERTY, PLANT AND EQUIPMENT (continued)		
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:		
Freehold Land		
Carrying amount at beginning of year	1,995,515	1,995,515
Disposals	-	-
Carrying amount at end of year	<u>1,995,515</u>	<u>1,995,515</u>
Buildings and Improvements		
Carrying amount at beginning of year	1,643,729	1,694,552
Depreciation	<u>(50,822)</u>	<u>(50,822)</u>
Carrying amount at end of year	<u>1,592,907</u>	<u>1,643,729</u>
Plant and Equipment		
Carrying amount at beginning of year	496,155	465,288
Additions	677,694	99,400
Disposals	(13,114)	-
Transfer from Finance Lease Assets	36,341	228,629
Depreciation	<u>(297,806)</u>	<u>(297,162)</u>
Carrying amount at end of year	<u>899,470</u>	<u>496,155</u>
Finance Lease Assets		
Carrying amount at beginning of year	36,341	303,993
Additions	88,055	-
Transfer to Plant and Equipment	(36,341)	(228,629)
Disposals	-	(20,057)
Amortisation	<u>(14,320)</u>	<u>(18,966)</u>
Carrying amount at end of year	<u>73,735</u>	<u>36,341</u>
11. TRADE AND OTHER PAYABLES		
Current		
Trade creditors	371,486	189,239
Other creditors and accruals	<u>50,920</u>	<u>59,252</u>
	<u>422,406</u>	<u>248,491</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

	2012	2011
	\$	\$
12. FINANCIAL LIABILITIES		
Current		
Finance Leases - secured	<u>30,780</u>	<u>23,711</u>
Non-Current		
Finance Leases - secured	<u>48,760</u>	<u>-</u>
Loan - Sub Branch	<u>600,000</u>	<u>600,000</u>

The lease liabilities are effectively secured as the rights of the leased assets revert to the lessor in the event of a default. Refer Note 16 for maturity periods.

The loan - Sub Branch 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

Current	104,326	76,787
Non-current	<u>60,013</u>	<u>74,957</u>
	<u>164,339</u>	<u>151,744</u>
 Number of employees at year end	 <u>23</u>	 <u>24</u>

Superannuation Plans

Contributions

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

Employer contribution to the plans	<u>80,571</u>	<u>66,681</u>
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WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

	2012	2011
	\$	\$
14. OTHER LIABILITIES		
Current		
Income received in advance	<u>7,560</u>	<u>5,494</u>
Non-Current		
Income received in advance	<u>19,697</u>	<u>11,508</u>
15. RETAINED PROFITS		
Retained profits at the beginning of the year	3,767,280	3,877,255
Net profit/(loss) attributable to members of the company	<u>19,374</u>	<u>(109,975)</u>
Retained profits at the end of the year	<u>3,786,654</u>	<u>3,767,280</u>
16. COMMITMENTS		
Finance Lease Commitments		
Finance lease payments are payable as follows:		
Within one year	30,780	28,660
One year or later and not later than five years	<u>61,145</u>	<u>-</u>
Minimum financial lease payments	91,925	28,660
Less: Future finance lease charges	<u>(12,376)</u>	<u>(4,949)</u>
Carrying amount of hire purchase liabilities	<u>79,549</u>	<u>23,711</u>

The company hires motor vehicles and trading equipment under financial 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.

17. 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.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

	Note	2012 \$	2011 \$
18. 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 Balance Sheet as follows:			
Cash and cash equivalents		<u>392,350</u>	<u>528,212</u>
(b) Reconciliation of Net Cash Provided by Operating Activities with Profit after Income Tax			
Profit/(loss) after income tax		19,374	(109,975)
Add/(less) items classified as investing/financing activities:			
(Profit)/loss on sale of non-current assets		11,659	(851)
Finance lease charges		7,427	25,081
Add/(less) non-cash items:			
Depreciation		362,748	366,950
(Increase)/decrease in deferred tax assets		-	-
(Increase)/decrease in current tax assets		-	-
Net cash provided by operating activities before change in assets and liabilities		<u>401,208</u>	<u>281,205</u>
Change in assets and liabilities during the financial year			
(Increase)/decrease in receivables		2,086	(2,072)
(Increase)/decrease in inventories		5,895	1,494
(Increase)/decrease in other assets		(25,933)	(7,361)
Increase/(decrease) in payables		173,915	26,408
Increase/(decrease) in other liabilities		10,255	(11,526)
Increase/(decrease) in employee benefits		12,595	16,301
Net cash flow from operating activities		<u>580,021</u>	<u>304,449</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

19. KEY MANAGEMENT PERSONNEL DETAILS

(a) Directors

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

Mr C Wilson
Mr A Duclos
Mr R Ryan
Mr D Tumminello
Mr F Hyland
Mrs M Sheather
Mr D Ingram
Mr D Logue
Mr J Reid

(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
Anthony Jeffcott	General Manager
Karl Rodgers	Finance

(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:

	2012	2011
	\$	\$
Short term employee benefits	348,500	112,914
Other long term benefits	-	-
Post employment benefits	30,600	4,312
	<u>379,100</u>	<u>117,226</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

20. RELATED PARTIES

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 19.

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.

21. 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 2012 there were 4,655 members.

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

22. 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.