



WINDSOR RSL



Annual Report 2012 / 2013

ANNUAL FINANCIAL REPORT

OF

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

FOR THE YEAR ENDED

31 MARCH 2013

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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 2013. 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: 72

Retired

3 years President, 18 years Treasurer

Albert Duclos

Age: 78

Retired

3 years Treasurer, 19 years Director

David Ingram

Age: 52

Training Development Manager

1 year Vice-President, 3 years Director

Ross Ryan

Age: 72

Retired

10 years Vice-President, 14 years Director

Schon Condon

Age: 55

Chartered Accountant

1 year Director - appointed 26 August 2012

Frank Hyland

Age: 63

Broker

5 years Director

Darrell Logue

Age: 66

Funeral Director

3 years Director

Jason Read

Age: 44

Club Manager

3 years Director

Les Sheather

Age: 63

Building Contractor

1 year Director - appointed 26 August 2012

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

David Tumminello

Age: 59

Owner/operator small business

2 years Director - ceased 26 August 2012

Michelle Sheather

Age: 62

Retired

2 years Director - ceased 26 August 2012

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	14	14
Mr A Duclos	14	14
Mr D Ingram	14	14
Mr R Ryan	14	14
Mr S Condon	9	10
Mr F Hyland	14	14
Mr D Logue	14	14
Mr J Read	13	14
Mr L Sheather	10	10
Mr D Tumminello	4	4
Ms M Sheather	3	4

* 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 \$25,332.

REVIEW OF OPERATIONS

The club derived an operating profit of \$754,597 (2012: \$440,013) before depreciation of \$484,150 (2012: \$362,748) and finance costs of \$54,011 (2012: \$57,891).

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

Club membership was 6,333 as at 31 March 2013 (4,655 as at 31 March 2012) and was made up as follows:

	2013	2012
Associate	6,135	4,466
RSL	188	180
Life	10	9
	<u>6,333</u>	<u>4,655</u>

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 2013.

Signed in accordance with a resolution of the directors.

Dated at Windsor this 3rd day of June 2013.

.....
C Wilson
Chairman

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 2013, 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: 3 June 2013

**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 2013 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*.

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 2013 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: 3 June 2013

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 1 to 29, 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 2013 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 3rd day of June 2013.

.....
C Wilson
Chairman

WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 \$	2012 \$
Revenue from continuing operations			
Sale of goods		942,541	767,826
Rendering of services		3,927,329	2,933,442
Other revenue		9,486	12,953
Total revenue from continuing operations	2	<u>4,879,356</u>	<u>3,714,221</u>
Expenses			
Cost of Sales		(417,334)	(311,296)
Poker machine licence and taxes		(593,191)	(450,843)
Employee expenses		(1,395,564)	(1,192,231)
Entertainment, advertising and promotions		(862,413)	(727,145)
Property expenses		(221,464)	(190,432)
Bus net expenses		(13,907)	(12,284)
Licence and fees		(20,074)	(10,209)
Donations		(17,039)	(10,281)
Printing & stationery		(28,546)	(65,230)
Other expenses		(555,227)	(304,257)
Total expenses		<u>(4,124,759)</u>	<u>(3,274,208)</u>
Earnings before depreciation and finance costs		754,597	440,013
Depreciation and amortisation expenses	3(a)	(484,510)	(362,748)
Finance costs	3(a)	<u>(54,011)</u>	<u>(57,891)</u>
Profit before income tax		216,076	19,374
Income tax expense	5(a)	<u>-</u>	<u>-</u>
Net profit from continuing operations after income tax expense attributable to members	15	<u>216,076</u>	<u>19,374</u>
Total comprehensive income for the year		<u>216,076</u>	<u>19,374</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
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BALANCE SHEET
AS AT 31 MARCH 2013

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	6	480,025	392,350
Trade and other receivables	7	1,823	1,251
Inventories	8	33,866	37,666
Other current assets	9	88,873	76,802
TOTAL CURRENT ASSETS		<u>604,587</u>	<u>508,069</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	5,206,984	4,561,627
Deferred tax assets	5(b)	10,509	10,509
TOTAL NON-CURRENT ASSETS		<u>5,217,493</u>	<u>4,572,136</u>
TOTAL ASSETS		<u>5,822,080</u>	<u>5,080,205</u>
CURRENT LIABILITIES			
Trade and other payables	11	515,374	422,406
Financial liabilities	12	200,235	30,780
Employee benefits	13	152,289	104,326
Other	14	-	7,560
TOTAL CURRENT LIABILITIES		<u>867,898</u>	<u>565,072</u>
NON-CURRENT LIABILITIES			
Financial liabilities	12	938,925	648,769
Employee benefits	13	12,527	60,013
Other	14	-	19,697
TOTAL NON-CURRENT LIABILITIES		<u>951,452</u>	<u>728,479</u>
TOTAL LIABILITIES		<u>1,819,350</u>	<u>1,293,551</u>
NET ASSETS		<u>4,002,730</u>	<u>3,786,654</u>
MEMBERS' FUNDS			
Retained profits	15	4,002,730	3,786,654
TOTAL MEMBERS' FUNDS		<u>4,002,730</u>	<u>3,786,654</u>

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

WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2013

	Retained Earnings	Total Equity
Balance at 1 April 2011	3,767,280	3,767,280
Change in equity for 2012		
Total comprehensive income for the year	<u>19,374</u>	<u>19,374</u>
Balance at 31 March 2012	3,786,654	3,786,654
Change in equity for 2013		
Total comprehensive income for the year	<u>216,076</u>	<u>216,076</u>
Balance at 31 March 2013	<u><u>4,002,730</u></u>	<u><u>4,002,730</u></u>

WINDSOR & DISTRICT RSL SUB-BRANCH CLUB LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 \$	2012 \$
Cash Flows from Operating Activities			
Cash receipts from customers		4,869,298	3,713,997
Cash paid to suppliers and employees		(4,045,537)	(3,089,038)
Interest received		9,486	12,953
Borrowing costs paid		<u>(54,011)</u>	<u>(57,891)</u>
Net cash inflows from operating activities	18(b)	<u>779,236</u>	<u>580,021</u>
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment		-	1,455
Acquisition of property, plant and equipment		<u>(1,145,672)</u>	<u>(765,749)</u>
Net cash inflows/(outflows) from investing activities		<u>(1,145,672)</u>	<u>(764,294)</u>
Cash Flows from Financing Activities			
Proceeds from borrowings		528,976	115,013
Hire purchase payments		<u>(74,865)</u>	<u>(66,602)</u>
Net cash (outflows) from financing activities		<u>454,111</u>	<u>48,411</u>
Net increase in cash and cash equivalents		87,675	(135,862)
Cash and cash equivalents at the beginning of the financial year		<u>392,350</u>	<u>528,212</u>
Cash and cash equivalents at the end of the financial year	18(a)	<u>480,025</u>	<u>392,350</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
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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, et 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
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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:

	2013	2012
Buildings and Improvements	40 years	40 years
Furniture, Fittings and Equipment	11 years	11 years
Poker Machines	4 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.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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 \$216,076 (2012: profit of \$19,374) and the current liabilities exceeded the current assets by \$263,311. 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:

- Cash inflow from operating activities for the year amounted to \$779,236 compared to \$580,021 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.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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.

	2013	2012
	\$	\$
2. REVENUE FROM CONTINUING OPERATIONS		
Sale of Goods Revenue		
Bar sales	<u>942,541</u>	<u>767,826</u>
	<u>942,541</u>	<u>767,826</u>
Rendering of Services Revenue		
Functions	143,536	18,873
Poker machines - net clearances	3,356,170	2,604,102
Members' subscriptions	69,547	14,399
Entertainment and promotions	284,885	243,645
TAB commission	8,953	4,383
Keno sales	29,754	27,421
Commission received	30,315	16,917
Sundry income	4,169	3,702
	<u>3,927,329</u>	<u>2,933,442</u>
Other Revenues		
Interest received	<u>9,486</u>	<u>12,953</u>
	<u>9,486</u>	<u>12,953</u>
Total revenue from continuing operations	<u><u>4,879,356</u></u>	<u><u>3,714,221</u></u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
	\$	\$
3. EXPENSES		
(a) Profit/(loss) before income tax includes the following specific expenses		
Finance costs		
Finance lease charges	5,500	7,427
Other loans	48,511	50,464
	<u>54,011</u>	<u>57,891</u>
Depreciation		
Buildings and improvements	50,822	50,822
Plant and equipment	414,594	297,606
	<u>465,416</u>	<u>348,428</u>
Amortisation		
Finance lease assets	19,094	14,320
	<u>19,094</u>	<u>14,320</u>
Total depreciation and amortisation	<u>484,510</u>	<u>362,748</u>
Net expense from movements in provision for		
Employee benefits	447	12,595
	<u>447</u>	<u>12,595</u>
(b) Key Performance Indicators	%	%
Bar		
Gross profit percentage	64.00%	59.46%
Wages to sales percentage	31.80%	24.52%
Wages and salaries - percentage of total revenue	28.60%	32.09%
EBITDA percentage (before profit on sale of assets)	15.46%	11.85%

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
	\$	\$
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	10,448	11,000
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	419,205	330,367
Less: Proportion of expenses attributable to non-members	<u>(371,538)</u>	<u>(314,909)</u>
	47,667	15,458
Add: Other taxable income	<u>77,144</u>	<u>47,839</u>
	124,811	63,297
Less: Other deductible expenses	<u>(135,528)</u>	<u>(114,370)</u>
Tax losses carried forward	<u>(10,717)</u>	<u>(51,073)</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 2013

	2013	2012
	\$	\$
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>480,025</u>	<u>392,350</u>
7. TRADE AND OTHER RECEIVABLES		
Current		
Trade debtors	<u>1,823</u>	<u>1,251</u>
8. INVENTORIES		
Finished goods - at cost		
Bar	30,867	37,666
Coffee Shop	2,999	-
	<u>33,866</u>	<u>37,666</u>
9. OTHER ASSETS		
Current		
Prepayments	<u>88,873</u>	<u>76,802</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
	\$	\$
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>(403,219)</u>	<u>(352,397)</u>
	<u>1,542,085</u>	<u>1,592,907</u>
Total Land, Buildings and Improvements - Core Property	<u>3,537,600</u>	<u>3,588,422</u>
Plant and Equipment		
<i>At Cost</i>	5,616,442	4,892,237
<i>Accumulated depreciation</i>	<u>(4,001,699)</u>	<u>(3,992,767)</u>
	<u>1,614,743</u>	<u>899,470</u>
Hire Purchase Assets		
<i>At Cost</i>	88,055	88,055
<i>Accumulated depreciation</i>	<u>(33,414)</u>	<u>(14,320)</u>
	<u>54,641</u>	<u>73,735</u>
Total property, plant and equipment net book value	<u>5,206,984</u>	<u>4,561,627</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 Colliers International Consulting and Valuation Pty Ltd as at 20 May 2013 on the basis of freehold market value subject to vacant possession resulted in a value of land and buildings and improvements of \$3,600,000 for the club premises. As land and buildings are recorded at cost the valuation of \$3,600,00 for land and buildings and improvements has not been brought to account.

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 2013

	2013	2012
	\$	\$
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	1,592,907	1,643,729
Depreciation	(50,822)	(50,822)
Carrying amount at end of year	<u>1,542,085</u>	<u>1,592,907</u>
Plant and Equipment		
Carrying amount at beginning of year	899,470	496,155
Additions	1,145,672	677,694
Disposals	(15,805)	(13,114)
Transfer from Finance Lease Assets	-	36,341
Depreciation	(414,594)	(297,606)
Carrying amount at end of year	<u>1,614,743</u>	<u>899,470</u>
Finance Lease Assets		
Carrying amount at beginning of year	73,735	36,341
Additions	-	88,055
Transfer to Plant and Equipment	-	(36,341)
Disposals	-	-
Amortisation	(19,094)	(14,320)
Carrying amount at end of year	<u>54,641</u>	<u>73,735</u>
Total Carrying Amounts	<u>5,206,984</u>	<u>4,561,627</u>
11. TRADE AND OTHER PAYABLES		
Current		
Trade creditors	496,250	371,486
Other creditors and accruals	19,124	50,920
	<u>515,374</u>	<u>422,406</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
	\$	\$
12. FINANCIAL LIABILITIES		
Current		
Finance Leases - secured	<u>200,235</u>	<u>30,780</u>
Non-Current		
Finance Leases - secured	<u>338,925</u>	<u>48,769</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	152,289	104,326
Non-current	<u>12,527</u>	<u>60,013</u>
	<u>164,816</u>	<u>164,339</u>
 Number of employees at year end	 <u>34</u>	 <u>23</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>104,029</u>	<u>80,571</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 2013

	2013 \$	2012 \$
14. OTHER LIABILITIES		
Current		
Income received in advance	-	<u>7,560</u>
Non-Current		
Income received in advance	-	<u>19,697</u>
15. RETAINED PROFITS		
Retained profits at the beginning of the year	3,786,654	3,767,280
Net profit attributable to members of the company	<u>216,076</u>	<u>19,374</u>
Retained profits at the end of the year	<u>4,002,730</u>	<u>3,786,654</u>
16. COMMITMENTS		
Finance Lease Commitments		
Finance lease payments are payable as follows:		
Within one year	207,111	30,780
One year or later and not later than five years	<u>338,925</u>	<u>61,145</u>
Minimum financial lease payments	546,036	91,925
Less: Future finance lease charges	<u>(6,876)</u>	<u>(12,376)</u>
Carrying amount of hire purchase liabilities	<u>539,160</u>	<u>79,549</u>

The company has acquired 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.

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 2013

	Note	2013 \$	2012 \$
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>480,025</u>	<u>392,350</u>
(b) Reconciliation of Net Cash Provided by Operating Activities with Profit after Income Tax			
Profit after income tax		216,076	19,374
Add/(less) items classified as investing/financing activities:			
(Profit)/loss on sale of non-current assets		15,805	11,659
Finance lease charges		5,500	7,427
Add/(less) non-cash items:			
Depreciation		<u>484,510</u>	<u>362,748</u>
Net cash provided by operating activities before change in assets and liabilities		721,891	401,208
Change in assets and liabilities during the financial year			
(Increase)/decrease in receivables		(572)	2,086
(Increase)/decrease in inventories		3,800	5,895
(Increase)/decrease in other assets		(12,071)	(25,933)
Increase/(decrease) in payables		92,968	173,915
Increase/(decrease) in other liabilities		(27,257)	10,255
Increase/(decrease) in employee benefits		<u>477</u>	<u>12,595</u>
Net cash flow from operating activities		<u><u>779,236</u></u>	<u><u>580,021</u></u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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 D Ingram
 Mr R Ryan
 Mr S Condon (appointed 26/08/2012)
 Mr F Hyland
 Mr D Logue
 Mr J Read
 Mr L Sheather (appointed 26/08/2012)
 Mr D Tumminello (ceased 26/08/2012)
 Mrs M Sheather (ceased 26/08/2012)

(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 Manager
Dan Staraj	Operations 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:

	2013	2012
	\$	\$
Short term employee benefits	364,252	348,500
Other long term benefits	-	-
Post employment benefits	31,688	30,600
	<u>395,940</u>	<u>379,100</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 2013**

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 2013 there were 6,333 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.