

Deniliquin RSL Club Ltd

ABN: 22 001 055 698

Financial Statements

For the Year Ended 31 December 2009

Deniliquin RSL Club Ltd

ABN: 22 001 055 698

For the Year Ended 31 December 2009

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Deniliquin RSL Club Ltd

ABN: 22 001 055 698

Independent Audit Report to the members of Deniliquin RSL Club Ltd

Report on the Financial Report

We have audited the accompanying financial report of Deniliquin RSL Club Ltd, which comprises the balance sheet as at 31 December 2009, and the income statement for the year ended that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

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: designing, implementing 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, 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 company'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.

Independence

Deniliquin RSL Club Ltd

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Independent Audit Report to the members of Deniliquin RSL Club Ltd

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Deniliquin RSL Club Ltd on 16 February 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion:

- (a) the financial report of Deniliquin RSL Club Ltd is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2009 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Brian McCleary & Co
Chartered Accountants

Brian McCleary (RCA 665)

Deniliquin

16 February 2010

Deniliquin RSL Club Ltd

ABN: 22 001 055 698

Directors' Report

31 December 2009

Your directors present their report on the company for the financial year ended 31 December 2009.

1. General information

Directors

The names of each person who has been a director during the year and to the date of this report are:

Names	Appointed/Resigned
Anthony P Smith	
Donald W Ward	
Michael A Pisasale	
Lawrence D Drennan	
Marie A Cherry	
Geoffrey J Riley	
Robert L Bassett	
John S Tainsh	
Shane B Wilson	Resigned 16/1/2009
David J McGee	Appointed 16/1/2009

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

Company Secretary

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

Benjamin E Levesque

Principal Activities

The principal activities of Deniliquin RSL Club Ltd during the financial year were operations of a NSW registered club.

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

2. Business review

Operating Results

The profit from ordinary activities after providing for income tax amounted to \$ (51,449).

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Directors' Report

31 December 2009

3. Other items

Significant Changes in State of Affairs

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

After balance day events

Investment property - as of February 2010 one of the club investment properties has undertaken a change of use. The house on the rental property is in the process of being knocked down. At this stage the board is not able to determine demolition cost nor the effect on the land value.

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

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out at page 6.

4. Financial review

Financial position

The net assets of Deniliquin RSL Club Ltd have decreased by \$ 51,449 from 31 December 2008 to \$ 7,756,638 in 2009.

Remuneration Policy

This report details the nature and amount of remuneration for each director of Deniliquin RSL Club Ltd, and for the executives receiving the highest remuneration.

Anthony P Smith as Charmain's honorarium \$8,000.

Indemnifying Officers or Auditors

The company has paid premiums to insure each of the following directors against liability for cost and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was \$205 for each director.

Proceedings on Behalf of 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 a party for the purpose 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.

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Directors' Report

31 December 2009

Director Information

Meetings of Directors

During the financial year, 15 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Anthony P Smith	15	15
Donald W Ward	15	14
Michael A Pisasale	15	13
Lawrence D Drennan	15	14
Marie A Cherry	15	14
Geoffrey J Riley	15	15
Robert L Bassett	15	14
John S Tainsh	15	13
Shane B Wilson	1	-
David J McGee	15	14

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

Director:
Anthony P Smith

Director:
Donald W Ward

Dated this day of 2009

Deniliquin RSL Club Ltd

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Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2009 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.

Brian McCleary & Co
Chartered Accountants

Brian McCleary (RCA 665)

16 February 2010

Deniliquin

Deniliquin RSL Club Ltd

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Income Statement

For the Year Ended 31 December 2009

		2009	2008
	Note	\$	\$
Revenue	3	5,916,943	5,970,119
Other income	3	58,555	132,749
Cost of sales		(1,873,332)	(1,965,178)
Employee benefits expense		(1,834,071)	(1,881,685)
Other expenses		(245,198)	(235,793)
Depreciation, amortisation and impairments		(652,181)	(804,209)
Members benefit expense		(163,105)	(203,466)
Marketing expense		(167,249)	(144,827)
Donations expense		(98,193)	(144,242)
Administration expense		(106,616)	(107,769)
Occupancy expense		(996,949)	(966,045)
Finance costs		(38,470)	(29,231)
Fair value adjustment on financial assets		137,023	(546,256)
Profit (loss) on sale of assets		11,395	(12,571)
Profit attributable to members		<u>(51,448)</u>	<u>(938,404)</u>

The accompanying notes form part of the financial statements.

Deniliquin RSL Club Ltd

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Balance Sheet

31 December 2009

	Note	2009 \$	2008 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	471,941	469,579
Trade and other receivables	5	118,197	34,489
Inventories	6	84,016	103,253
Other financial assets	7	40,000	40,000
Other assets	8	62,518	61,531
TOTAL CURRENT ASSETS		776,672	708,852
NON-CURRENT ASSETS			
Other financial assets	7	1,245,415	1,117,244
Property, plant and equipment	9	6,232,593	6,667,534
Investment property	10	760,899	487,452
TOTAL NON-CURRENT ASSETS		8,238,907	8,272,230
TOTAL ASSETS		9,015,579	8,981,082
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	398,029	339,889
Borrowings	12	87,192	60,000
Short-term provisions	13	92,141	220,450
Other Liabilities	14	55,212	47,763
TOTAL CURRENT LIABILITIES		632,574	668,102
NON-CURRENT LIABILITIES			
Borrowings	12	452,689	425,000
Other long-term provisions	13	173,678	37,442
TOTAL NON-CURRENT LIABILITIES		626,367	462,442
TOTAL LIABILITIES		1,258,941	1,130,544
NET ASSETS		7,756,638	7,850,538
EQUITY			
Retained earnings		7,756,638	7,808,086
TOTAL EQUITY		7,756,638	7,808,086

The accompanying notes form part of the financial statements.

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Statement of Changes in Equity

For the Year Ended 31 December 2009

2009

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2009	7,808,086	7,808,086
Profit attributable to members	(51,448)	(51,448)
Balance at 31 December 2009	7,756,638	7,756,638

2008

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2008	8,746,490	8,746,490
Profit attributable to members	(938,404)	(938,404)
Balance at 31 December 2008	7,808,086	7,808,086

The accompanying notes form part of the financial statements.

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Cash Flow Statement

For the Year Ended 31 December 2009

	2009	2008
Note	\$	\$
Cash from operating activities:		
Receipts from customers	6,380,329	6,523,784
Payments to suppliers and employees	(5,989,131)	(6,213,812)
Rents received	36,385	37,541
Interest received	58,555	132,749
Interest paid	(29,765)	(29,231)
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	19(b) 456,373	451,031
	<hr/>	<hr/>
Cash flows from investing activities:		
Proceeds from sale of plant and equipment	13,000	35,818
Proceeds from sale of investment	40,000	265,000
Purchase of property, plant and equipment	(210,845)	(753,155)
Purchase of other investments	(351,047)	(109,131)
	<hr/>	<hr/>
Net cash provided by (used in) investing activities	(508,892)	(561,468)
	<hr/>	<hr/>
Cash flows from financing activities:		
Proceeds from borrowings	200,000	500,000
Repayment of borrowings	(145,119)	(15,000)
	<hr/>	<hr/>
Net cash provided by (used in) financing activities	54,881	485,000
	<hr/>	<hr/>
Other activities:		
Net increase (decreases) in cash held	2,362	374,563
Cash at beginning of financial year	469,579	95,016
	<hr/>	<hr/>
Cash at end of financial year	4 471,941	469,579
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of the financial statements.

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2009

1 Summary of Significant Accounting Policies

(a) General Information

The financial report is for Deniliquin RSL Club Ltd as an individual entity, incorporated and domiciled in Australia. Deniliquin RSL Club Ltd is a company limited by guarantee.

(b) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (Australian Accounting Interpretations) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(c) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held-at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

(f) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their cost, less subsequent depreciation for buildings.

Plant and equipment

Plant and equipment are measured on the cost basis.

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Notes to the Financial Statements

For the Year Ended 31 December 2009

1 Summary of Significant Accounting Policies continued

(f) Property, Plant and Equipment continued

Depreciation

The depreciable amount of all fixed assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

(g) Investment Property (fair value)

Investment property, comprising of residential and commercial property, is held to generate long-term rental yields. All tenant leases are on an arms length basis. Investment property is carried at fair value, determined annually by independent valuers. Increases and decreases in the fair value are recorded in the income statement as other income and depreciation, amortisation and impairment expense.

(h) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to Balance Sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at the net present value.

(i) Revenue and Other Income

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

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

Revenue from investment properties is recognised on an accruals basis or straight-line basis in accordance with lease agreements.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component

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Notes to the Financial Statements

For the Year Ended 31 December 2009

1 Summary of Significant Accounting Policies continued

(j) Goods and Services Tax (GST) continued

of investing and financing activities, which are disclosed as operating cash flows.

(k) Income Tax

The company adopts the principal or mutuality in relation to income and expenditure. This means that the company is taxable to the extent of net income from non members after allowing statutory income and specific expenses. Income tax is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred income tax assets have not been recognised as it is not probable that future tax profits will not recoup tax losses carried forward from prior years.

(l) Financial Instruments

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments held by the company are stated at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions,

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Notes to the Financial Statements

For the Year Ended 31 December 2009

1 Summary of Significant Accounting Policies continued

(l) Financial Instruments continued

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(m) Rounding of Amounts

The company has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest \$ 1.

(n) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the company.

Key estimates - Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may be indicative of impairment triggers. Where an impairment trigger exists, the recoverable amount of the asset is determined. This has been applied to investment property for the prior year.

Key judgments - Doubtful debt provisions

The directors have included a doubtful debt provision of \$1,200 as it is not probable that all receivables at the balance date will be collected.

2 Auditors' Remuneration

	2009	2008
	\$	\$
Remuneration of the auditor of the company for:		
- Auditing and reviewing the financial report	13,000	11,400
- Taxation services	3,000	3,000

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2009

3 Revenue and Other Income

	2009	2008
	\$	\$
Sales revenue		
- Sale of goods	5,686,053	5,718,474
- Rental income	33,077	37,541
- Member subscriptions	55,296	57,157
- Commissions	60,483	55,847
- Other income	82,034	101,100
Total Revenue	<u>5,916,943</u>	<u>5,970,119</u>
Other revenue		
- Interest revenue	20,088	23,618
- Investment revenue	38,468	109,131
	<u>58,556</u>	<u>132,749</u>

4 Cash and Cash Equivalents

	2009	2008
	\$	\$
Cash on hand	83,005	137,507
Cash at bank	388,936	332,072
	<u>471,941</u>	<u>469,579</u>

5 Trade and other receivables

	2009	2008
	\$	\$
CURRENT		
Trade receivables	119,397	31,689
Provision for impairment of receivables	(1,200)	(1,200)
Other receivables	-	4,000
Total current trade and other receivables	<u>118,197</u>	<u>34,489</u>

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2009

6 Inventories

	2009	2008
	\$	\$
CURRENT		
At Cost		
Stock on hand	84,016	118,253
	<u>84,016</u>	<u>103,253</u>

7 Other Financial Assets

	2009	2008
	\$	\$
CURRENT		
Held-to-maturity financial assets	(b) 40,000	40,000
Total Current Assets	<u>40,000</u>	<u>40,000</u>
NON-CURRENT		
Held-to-maturity financial assets	(b) 160,000	200,000
Financial assets at fair value through profit or loss	(a) 1,085,415	917,244
Total Non Current Assets	<u>1,245,415</u>	<u>1,117,244</u>

(a) Financial assets at fair value through profit and loss

	2009	2008
	\$	\$
Unlisted investments, at fair value units in unit trusts	1,085,415	917,244
	<u>1,085,415</u>	<u>917,244</u>
Total available-for-sale financial assets	<u>1,085,415</u>	<u>917,244</u>

Financial assets at fair value through profit and loss comprise of investments in managed funds. There are no fixed returns or fixed maturity date attached to these investments.

(b) Held-to-maturity Investments Comprise:

	2009	2008
	\$	\$
Other financial assets - current	40,000	40,000
Other financial assets - non current	160,000	200,000
	<u>200,000</u>	<u>240,000</u>

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2009

8 Other Assets

	2009	2008
	\$	\$
CURRENT		
Prepayments	62,518	61,531
	<u>62,518</u>	<u>61,531</u>

9 Property, Plant and Equipment

	2009	2008
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	586,597	586,597
Total freehold land	<u>586,597</u>	<u>586,597</u>
Buildings		
At cost	8,966,750	8,946,768
Accumulated depreciation	(4,462,398)	(4,237,434)
Total buildings	<u>4,504,352</u>	<u>4,709,334</u>
Total land and buildings	<u>5,090,949</u>	<u>5,295,931</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	6,460,648	6,454,731
Accumulated depreciation	(5,319,004)	(5,083,129)
Total plant and equipment	<u>1,141,644</u>	<u>1,371,602</u>
Total property, plant and equipment	<u>6,232,593</u>	<u>6,667,533</u>

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2009

9 Property, Plant and Equipment continued

(a) Movements in Carrying Amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
Balance at the beginning of year	586,597	4,709,334	1,371,602	6,667,533
Additions	-	19,982	198,864	218,846
Disposals	-	-	(1,605)	(1,605)
Depreciation expense	-	(224,964)	(427,217)	(652,181)
Carrying amount at the end of 31 December 2009	586,597	4,504,352	1,141,644	6,232,593

10 Investment Property

	2009	2008
	\$	\$
Balance at beginning of year	445,000	445,000
Acquisitions	315,899	204,124
Transfers (to) from property, plant and equipment	-	(70,953)
Fair value adjustments	-	(90,719)
Balance at end of year	760,899	487,452

11 Trade and other payables

	2009	2008
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	369,635	320,315
Sundry payables and accrued expenses	28,394	19,574
	398,029	339,889

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2009

12 Borrowings

	2009	2008
	\$	\$
CURRENT		
Secured liabilities		
Bank loans	87,192	60,000
	<u>87,192</u>	<u>60,000</u>
	2009	2008
	\$	\$
NON-CURRENT		
Secured liabilities		
Bank loans	452,689	425,000
	<u>452,689</u>	<u>425,000</u>
(a) Total current and non-current secured liabilities		
	2009	2008
	\$	\$
Bank Loans	539,881	485,000
	<u>539,881</u>	<u>485,000</u>

The company has reached agreements with their bankers to extend the loan facility and overdrafts as working capital finance secured by the registered debenture over the assets of the club. Covenants governing this facility are as follows: a quarterly review by the bank of budget to actual cash flow and financial performance; the loan may be called in full or part if quarterly results reflect a negative net profit loss of 15%; or the bank may call full or part repayment should the managed investment fall below \$900,000 in value. The limit on the loan was \$540,000 and the overdraft was \$100,000.

13 Provisions

	Employee entitlements	Total
	\$	\$
Opening balance at 1 January 2009	257,892	257,892
Movement in additional provisions and amounts used	8,286	8,286
Balance at 31 December 2009	<u>266,178</u>	<u>266,178</u>

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Notes to the Financial Statements

For the Year Ended 31 December 2009

13 Provisions continued

Analysis of Total Provisions

	2009	2008
	\$	\$
Current	92,141	220,450
Non-current	173,678	37,442
	<u>265,819</u>	<u>257,892</u>

14 Other Liabilities

	2009	2008
	\$	\$
CURRENT		
Poker machine rebates	21,981	14,247
Subs in advance	33,231	33,516
Total	<u>55,212</u>	<u>47,763</u>

15 Capital and Leasing Commitments

(a) Finance Lease Commitments

There are no finance lease commitments.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	2009	2008
	\$	\$
Payable - minimum lease payments:		
- not later than 12 months	10,000	10,000
- between 12 months and 5 years	5,000	5,000
	<u>15,000</u>	<u>15,000</u>

(c) Capital Expenditure Commitments

Capital expenditure commitments
contracted for:

Capital improvements	30,000	40,000
	<u>30,000</u>	<u>40,000</u>

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2009

15 Capital and Leasing Commitments continued

(c) Capital Expenditure Commitments continued

Payable:

- not later than 12 months

30,000	40,000
<u>30,000</u>	<u>40,000</u>

16 Contingent Liabilities and Contingent Assets

The company does not have any contingent liabilities or assets as determined by the board.

17 Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Identification of Related Parties

Ultimate parent entity

Deniliquin RSL Club Ltd

Inner Clubs forming part of the report

RSL Fishing Club, RSL Netball Club, RSL Ladies Bowls, RSL Carpet Bowls, RSL Mens Bowling Club, RSL / West Cricket Club, RSL Rock 'N' Roll Club, RSL Squash Club.

18 Interests of Key Management Personnel

	Short-term benefits \$	Post employment benefit \$	Total \$
2009			
Total compensation	93,548	7,788	101,336
2008			
Total compensation	91,951	33,639	125,590

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2009

19 Cash Flow Information

(a) Reconciliation of cash

	2009	2008
Note	\$	\$
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	4	4
	471,941	469,579
	471,941	469,579

(b) Reconciliation of Cash Flow from Operations with Profit

	2009	2008
	\$	\$
Net income/loss for the period	(51,448)	(938,404)
Non-cash flows in profit		
Depreciation	652,181	713,490
Net (profit) loss on disposal of property, plant and equipment	(11,395)	12,571
Unrealised (gains) losses on investments	(137,023)	546,256
Impairment loss	-	90,719
Changes in assets and liabilities		
(Increase)/decrease in trade receivables	(87,708)	34,069
(Increase)/decrease in prepayments	(987)	(6,797)
(Increase)/decrease in inventories	19,237	(541)
Increase/(decrease) in trade payables and accruals	65,589	(1,244)
Increase/(decrease) in provisions	7,927	912
	456,373	451,031

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2009

20 Financial Risk Management

(a) Effective interest rates and re-pricing analysis

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice.

	2009						
	Effective interest rate	Total \$	6 months or less \$	6 - 12 months \$	1 - 2 years \$	2 - 5 years \$	More than 5 years \$
Debt securities held to maturity	7.05 %	200,000	20,000	20,000	40,000	120,000	-
Cash and cash equivalents	2.97 %	471,941	471,941	-	-	-	-
Financial assets at fair value through profit and loss	2.87 %	1,085,415	1,085,415	-	-	-	-
Secured Bank Loans:							
Loans	6.57 %	(539,881)	(43,596)	(43,596)	(87,192)	(261,576)	(103,921)
Total		1,217,475	1,533,760	(23,596)	(47,192)	(141,576)	(103,921)

Deniliquin RSL Club Ltd

ABN: 22 001 055 698

Notes to the Financial Statements

For the Year Ended 31 December 2009

20 Financial Risk Management continued

(a) Effective interest rates and re-pricing analysis continued

	2008						
	Effective interest rate	Total \$	6 months or less \$	6 - 12 months \$	1 - 2 years \$	2 - 5 years \$	More than 5 years \$
Debt securities held to maturity	7.05 %	240,000	20,000	20,000	40,000	160,000	-
Cash and cash equivalents	1.00 %	469,579	469,579	-	-	-	-
Financial assets at fair value through profit and loss	10.91 %	917,244	917,244	-	-	-	-
Secured Bank Loans:							
Loans	9.83 %	(485,000)	(30,000)	(30,000)	(60,000)	(180,000)	(185,000)
Total		1,141,823	1,376,823	(10,000)	(20,000)	(20,000)	(185,000)

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2009

20 Financial Risk Management continued

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Parent	2009		2008	
	Net Carrying Value	Net Fair value	Net Carrying Value	Net Fair value
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	471,941	471,941	469,579	469,579
Trade and other receivables	118,197	118,197	34,439	34,439
Investments - available-for-sale	1,085,415	1,085,415	1,117,244	1,117,244
Investments - held-for-maturity	200,000	200,000	240,000	240,000
Total financial assets	<u>1,875,553</u>	<u>1,875,553</u>	<u>1,861,262</u>	<u>1,861,262</u>
Financial Liabilities				
Trade and other payables	398,029	398,029	339,889	339,889
Bank debt	539,881	539,881	485,000	485,000
Total financial liabilities	<u>937,910</u>	<u>937,910</u>	<u>824,889</u>	<u>824,889</u>

21 Members' Guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$ 10 each towards meeting any outstandings and obligations of the company. At 31 December 2009 the number of members was 6,055 (2008: 6,208).

22 Events After the Balance Sheet Date

(a) Investment property - as of February 2010 one of the club investment properties has undertaken a change of use. The house on the rental property is in the process of being knocked down. At this stage the board is not able to determine demolition cost nor the effect on the land value. The financial report was authorised for issue on 16 February 2010 by the board of directors.

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2009

23 Company Details

Registered office

The registered office of the company is:

Deniliquin RSL Club Ltd

End Street

Deniliquin NSW 2710

Deniliquin RSL Club Ltd

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Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 7 to 26, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 31 December 2009 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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

Director

Director

Dated