

**WALLSEND RSL & COMMUNITY CLUB LIMITED**  
**(ACN 000 958 136)**

**CONCISE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 MAY 2009**

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**WALLSEND RSL & COMMUNITY CLUB LIMITED**  
**(ACN 000 958 136)**

**DIRECTORS' REPORT**

Your Directors presents their report for the financial year ended 31 May 2009.

1. The names of the Directors in office at the date of this report are:

| Name       | Occupation  | Number of years service as a Director of the Company |
|------------|---|--|
| W. Kiehne  | Retired (formerly Business Manager)               | 18   |
| B. Twomey  | Retired (formerly Industry Supervisor)            | 25   |
| N. Babbage | Retired (formerly Mechanical Engineering Planner) | 21   |
| P. Moore   | Senior Education Officer                          | 23   |
| G. Screen  | Chief Executive Officer                           | 7  |
| M. Frost   | Financial Executive                               | 4  |
| I. Healey  | Retired (formerly Sales Executive)                | 13   |

Refer to a separate report attached for details of Director Attendances.

## **2. Activities**

The principal activities of the Company in the course of the financial year ended 31 May 2009 were the running of the Club in accordance with its objectives for the benefit of its members.

## **3. Results**

The net result of operations after applicable income tax was a profit of \$1,340,048 (2008 profit of \$1,355,721).

## **4. Review of Operations**

The Club has experienced increases in most areas of trading and this coupled with a strong control over operating expenses has resulted in an increased operating profit, with last years result including a profit on the Robert Street property of \$424,463.

## **5. Significant Changes**

There have been no significant changes in the activities conducted by the Club in the year under review.

## **6 Events Subsequent to Balance Date**

Since the end of the financial year the Directors are not aware of any matters or circumstances not otherwise dealt with in the report or accounts that has significantly or may significantly affect the operations of the Club, the results of those operations, or the state of affairs of the Club in subsequent financial years.

## **7. Likely Developments and Expected Results**

No new developments are anticipated in the operations of the Club, with continued growth in revenue levels and controlling of costs where possible. The board is continuing to assess the needs of members and the community to provide the best of facilities.

## **8. Indemnifying Officer or Auditor**

The Club has, not during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Company:

\* Indemnified or made any relevant agreements for indemnifying against a liability incurred as an officer, including costs expenses in successfully defending legal proceedings: or

\* paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings;

During the financial year, the Company has paid a premium in respect of a contract of insurance insuring Directors and Officers (including former and future Directors and Officers) against certain liabilities incurred in that capacity. Disclosure of the total amount of premiums and the nature of the liabilities in respect of such insurance is prohibited by the contract of the insurance.

**WALLSEND RSL & COMMUNITY CLUB LIMITED**  
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**DIRECTORS' REPORT (Cont.)**

**9. Directors Benefits**

Since the end of the previous financial year no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due to be received by Directors shown in the accounts or received as the fixed salary of a full time employee of the Club) by reason of a contract made by the Club or by a related corporation with the Director or with a firm of which they are a member, or with a Company in which they have a substantial financial interest in.

**10. Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 31 May 2009 has been received and can be found on page 5 of the financial report.

**11. Environmental Regulations**

The Club's operations are subject to various environmental regulations under both Commonwealth and State Legislations. The Directors are not aware of any breaches of the legislation during the financial year, which are material in nature.

**12. Financial Report Issue Date**

The financial report was authorised for issue by the Directors on 21 July 2009. The Company has the power to amend and re-issue the financial report.

**13. Company Secretary**


The Company Secretary is Mr John Hume. Mr Hume has been an employee of Wallsend RSL & Community Club Limited since May 2002 and was appointed to the position of Company Secretary at that date. Prior to this Mr Hume has held management positions in other large Registered Clubs in the Sydney area.

**14. Dividends**

The Company being a non-profit organisation is prevented from paying dividends by it's constitution.



W. Kiehne - President



P. Moore - Director

Dated: 21 July 2009

**WALLSEND RSL & COMMUNITY CLUB LIMITED**  
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**DIRECTORS' MEETING ATTENDANCES**

The number of Board meetings held during the financial year ended 31 May 2009 was 12, being 12 normal monthly Board meetings. The details of each Directors attendances at those meetings is given below:

| <b><u>Director</u></b> | <b><u>Monthly</u></b> | <b><u>Eligible to Attend</u></b> |
|------------------------|-----------------------|----------------------------------|
| W. Kiehne              | 12                    | 12                               |
| B. Twomey              | 10                    | 12                               |
| N. Babbage             | 12                    | 12                               |
| P. Moore               | 11                    | 12                               |
| G. Screen              | 10                    | 12                               |
| M. Frost               | 12                    | 12                               |
| I. Healey              | 9                     | 12                               |

**PROPERTY REPORT**

The Directors have determined that all property of the Club shall be classified as follows in accordance with section 41J of the Registered Clubs Acts 1976 :-

As at balance date the Club's core property included 5 - 13 Tyrrell Street, Wallsend and 4 Tyrrell Street, Wallsend.

The Club's non core property at balance date included 12 and 14 Charles Street, Wallsend and 15 - 17 Tyrrell Street,

**CROSBIE WARREN SINCLAIR**

ACCOUNTANTS &amp; BUSINESS ADVISERS


**WALLSEND RSL & COMMUNITY CLUB LIMITED**  
**(ACN 000 958 136)****AUDITOR'S INDEPENDENCE DECLARATION**  
**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**  
**TO THE DIRECTORS OF**  
**WALLSEND RSL & COMMUNITY CLUB LIMITED**

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



B. A Perkins - Partner



Crosbie Warren Sinclair  
Certified Practising Accountants

Dated: 21 July 2009

# CROSBIE WARREN SINCLAIR

ACCOUNTANTS & BUSINESS ADVISERS

WALLSEND RSL & COMMUNITY CLUB LIMITED

(ACN 000 958 136)

## INDEPENDENT AUDIT REPORT TO MEMBERS

To the members of Wallsend RSL & Community Club Limited.

### Report on the Financial Report

We have audited the accompanying concise financial report of Wallsend RSL & Community Club Limited, comprising the balance sheet as at 31 May 2009, the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes which was derived from the financial report of Wallsend RSL & Community Club Limited for the year ended 31 May 2009. We expressed an unmodified auditor's opinion on that financial report in our audit report dated 21 July 2009.

### *The Financial Report and Directors Responsibility*

The Directors are responsible for preparation and presentation of the concise financial report in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports and the Corporations Act 2001.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the concise financial report based on our procedures, which were conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements.

Our procedures in respect of the audit of the concise financial report include testing that the information in the concise financial report is consistent with the full financial report, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Australian Accounting Standards AASB 1039: Concise Financial Reports.

### *Matters relating to the electronic presentation of the audited concise financial report*

The auditor's report relates to the concise financial report of Wallsend RSL & Community Club Limited (the Company) for the year ended 31 May 2009 included on Wallsend Diggers web site. The Company's Directors are responsible for the integrity of the Wallsend Diggers web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited concise financial report to confirm the information included in the audited concise financial report presented on this web site.

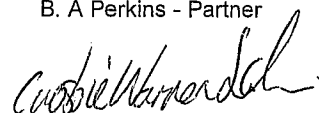
### Independence.

We are independent of the Company and have met the independence requirements of the Australian professional ethical pronouncements and the Corporations Act 2001.

### Audit Opinion

In our opinion, the information reported in the concise financial report of Wallsend RSL & Community Club Limited for the year ended 31 May 2009 is consistent, in all material respects, with the financial report from which it was derived and complies with Australian Accounting Standard AASB 1039: Concise Financial Reports. For a better understanding of the scope of our audit, this auditor's report should be read in conjunction with our audit report on the financial report.

  
B. A. Perkins - Partner

  
Crosbie Warren Sinclair  
Certified Practising Accountants

Dated: 21 July 2009


**WALLSEND RSL & COMMUNITY CLUB LIMITED**  
**(ACN 000 958 136)**

**DIRECTORS' DECLARATION**

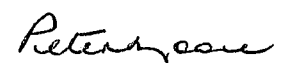
The Directors of the Company declare that the concise financial report of Wallsend RSL & Community Club Limited for the financial year ended 31 May 2009 as set out on pages 8 to 12:

- (a) complies with Australian Accounting Standard AASB 1039 Concise Financial Reports; and
- (b) has been derived from and is consistent with the full financial report of Wallsend RSL & Community Club Limited for the financial year.

This declaration is made in accordance with a resolution of the Board of Directors and signed for on behalf of the Directors by:



W. Kiehne - Director



P. Moore - Director

**Dated: 21 July 2009**

**WALLSEND RSL & COMMUNITY CLUB LIMITED**  
**(ACN 000 958 136)**

**DISCUSSION AND ANALYSIS OF THE FINANCIAL REPORT**

**Information on Wallsend RSL & Community Club Limited Concise Financial Report**

The concise financial report has been prepared in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports and Corporations Act 2001 and is an extract from the full financial report. The concise financial report is presented in Australian Dollars.

The financial statements, specific disclosures and other information included in the concise financial report is derived from and is consistent with the full 2009 financial report of Wallsend RSL & Community Club Limited. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of the company as the full financial report. The accounting policies have been consistently applied by the Company and are consistent with the previous financial year.

A copy of the full financial report and auditors report will be sent to any member, free of charge, upon request.

The following discussion has been included to assist members in understanding the concise financial report.

**Statement of Income**

The result for the year is an operating profit after income tax of \$1,340,048 compared to an operating profit after income tax of \$1,355,721 for the previous year. Included in the previous year is the profit realised on the sale of Club property of \$424,463.

The Club has experienced increases in bar and gaming revenues for the year which have more than offset increased operating expenses with increased duty tax payable on poker machine revenue.

**Balance Sheet**

The Balance Sheet sets out the assets and liabilities of the Club as at 31 May 2009, disclosing current assets of \$3,635,862 compared to current liabilities of \$2,102,785 with the Club's working capital position continuing to improve. With the net profit achieved net assets have increased from \$13,260,187 to \$14,600,235.

**Cashflow Statement**

The cashflow statement discloses net cash inflows from operating activities of \$2,623,740 which is a significant increase on the previous year. These funds generated have been used to pay for building works, equipment, poker machines and repay borrowings' with the net increase in cash held overall of \$467,808.

**Statement of Changes in Equity**

The statement of changes in equity for the year ended 31 May 2009 reflects the profit for the year.

**WALLSEND RSL & COMMUNITY CLUB LIMITED**  
**(ACN 000 958 136)**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 MAY 2009**

|  | 2009<br>\$        | 2008<br>\$        |
|--|-------------------|-------------------|
| Bar Sales  | 2,222,934         | 2,195,265         |
| Catering Sales   | 2,401,582         | 2,419,482         |
| Poker Machine Net Revenue  | 9,558,925         | 8,785,224         |
| Rental Income  | 62,101            | 45,066            |
| TAB Commission   | 28,478            | 22,840            |
| Keno Commission  | 91,053            | 86,153            |
| Interest Received  | 101,009           | 104,230           |
| Profit on Sale of Assets   | 56,715            | 489,808           |
| Other Income   | 170,659           | 182,138           |
| Gain on Revaluation of Investment Properties   | -                 | 15,000            |
| <b>Total Trading and Other Income</b>  | <b>14,693,456</b> | <b>14,345,206</b> |
| <b>Expenses</b>  |                   |                   |
| Bar Cost of Goods Sold   | 931,828           | 926,432           |
| Bar Direct Expenses  | 555,388           | 558,881           |
| Catering Cost of Goods Sold  | 1,155,155         | 1,189,237         |
| Catering Direct Expenses   | 1,126,484         | 1,038,109         |
| Poker Machine Direct Expenses  | 4,356,533         | 4,202,999         |
| Rental Expenses  | 15,643            | 10,531            |
| TAB Direct Expenses  | 65,959            | 65,697            |
| Keno Direct Expenses   | 97,436            | 90,382            |
| Other Expenses   | 5,048,982         | 4,907,217         |
| <b>Total Expenses</b>  | <b>13,353,408</b> | <b>12,989,485</b> |
| <b>Net Profit/(Loss) Before Income Tax</b>   | <b>1,340,048</b>  | <b>1,355,721</b>  |
| Income Tax Expense   | -                 | -                 |
| <b>Profit attributable to members of Wallsend RSL<br/>&amp; Community Club Limited</b> | <b>1,340,048</b>  | <b>1,355,721</b>  |

**WALLSEND RSL & COMMUNITY CLUB LIMITED**  
**(ACN 000 958 136)**

**BALANCE SHEET**  
**AS AT 31 MAY 2009**

|                                      | 2009<br>\$        | 2008<br>\$        |
|--------------------------------------|-------------------|-------------------|
| <b>CURRENT ASSETS</b>                |                   |                   |
| Cash and Cash Equivalents            | 3,310,476         | 2,842,668         |
| Receivables                          | 17,586            | 17,002            |
| Inventories                          | 100,108           | 105,917           |
| Other Current Assets                 | 207,692           | 138,158           |
| <b>TOTAL CURRENT ASSETS</b>          | <b>3,635,862</b>  | <b>3,103,745</b>  |
| <b>NON-CURRENT ASSETS</b>            |                   |                   |
| Property, Plant and Equipment        | 13,284,289        | 13,285,516        |
| Investment Properties                | 900,000           | 900,000           |
| Capital Work In Progress             | 44,514            | 101,118           |
| Intangible Assets                    | 595,804           | 278,468           |
| <b>TOTAL NON-CURRENT ASSETS</b>      | <b>14,824,607</b> | <b>14,565,102</b> |
| <b>TOTAL ASSETS</b>                  | <b>18,460,469</b> | <b>17,668,847</b> |
| <b>CURRENT LIABILITIES</b>           |                   |                   |
| Trade and Other Payables             | 1,246,856         | 1,248,634         |
| Interest Bearing Liabilities         | 443,984           | 494,984           |
| Provisions                           | 277,346           | 258,623           |
| Other Current Liabilities            | 134,599           | 129,859           |
| <b>TOTAL CURRENT LIABILITIES</b>     | <b>2,102,785</b>  | <b>2,132,100</b>  |
| <b>NON-CURRENT LIABILITIES</b>       |                   |                   |
| Interest Bearing Liabilities         | 1,603,500         | 2,140,500         |
| Provisions                           | 153,949           | 136,060           |
| <b>TOTAL NON-CURRENT LIABILITIES</b> | <b>1,757,449</b>  | <b>2,276,560</b>  |
| <b>TOTAL LIABILITIES</b>             | <b>3,860,234</b>  | <b>4,408,660</b>  |
| <b>NET ASSETS</b>                    | <b>14,600,235</b> | <b>13,260,187</b> |
| <b>MEMBERS' FUNDS</b>                |                   |                   |
| Reserves                             | 517,757           | 517,757           |
| Accumulated Profit                   | 14,082,478        | 12,742,430        |
| <b>TOTAL MEMBERS' FUNDS</b>          | <b>14,600,235</b> | <b>13,260,187</b> |

**WALLSEND RSL & COMMUNITY CLUB LIMITED**  
**(ACN 000 958 136)**

**CASHFLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MAY 2009**

|   | 2009<br>\$         | 2008<br>\$         |
|---|--------------------|--------------------|
| <b>Cash Flows from Operating Activities</b>                             |                    |                    |
| Receipts from Members and Guests  | 15,977,410         | 15,216,672         |
| Payments to Suppliers and Employees                                     | (13,341,223)       | (12,981,749)       |
| Interest Received   | 101,009            | 104,230            |
| Interest Paid   | (175,557)          | (196,250)          |
| Rent Received   | 62,101             | 45,066             |
| <i>Net Cash Flows provided by (used in) Operating Activities</i>        | <u>2,623,740</u>   | <u>2,187,969</u>   |
| <b>Cash Flows from Investing Activities</b>                             |                    |                    |
| Proceeds from Sale of Plant and Equipment                               | 90,341             | 70,774             |
| Proceeds from Sale of Property  | -                  | 800,000            |
| Payments for Plant and Equipment  | (1,340,938)        | (2,359,996)        |
| Payments for Intangibles  | (317,335)          | (214,056)          |
| <i>Net Cash Flows provided by (used in) Investing Activities</i>        | <u>(1,567,932)</u> | <u>(1,703,278)</u> |
| <b>Cash Flows from Financing Activities</b>                             |                    |                    |
| Proceeds from Borrowings  | -                  | 812,106            |
| Repayment of Borrowings   | (588,000)          | (466,000)          |
| <i>Net Cash Flows provided by (used in) Financing Activities</i>        | <u>(588,000)</u>   | <u>346,106</u>     |
| <b>Net Increase/(Decrease) in Cash Held</b>                             | 467,808            | 830,797            |
| <b>Cash and Cash Equivalents at the Beginning of the Financial Year</b> | <u>2,842,668</u>   | <u>2,011,871</u>   |
| <b>Cash and Cash Equivalents at the End of the Financial Year</b>       | <u>3,310,476</u>   | <u>2,842,668</u>   |

**WALLSEND RSL & COMMUNITY CLUB LIMITED**  
**(ACN 000 958 136)**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MAY 2009**

|                                     | 2009<br>\$               | 2008<br>\$               |
|-------------------------------------|--------------------------|--------------------------|
| <b>Opening Balances 1 June 2008</b> |                          |                          |
| Accumulated Profit                  | 12,742,430               | 11,386,709               |
| Reserves                            | <u>517,757</u>           | <u>517,757</u>           |
|                                     | 13,260,187               | 11,904,466               |
| <br>                                |                          |                          |
| Profit for Year                     | 1,340,048                | 1,355,721                |
| <br>                                |                          |                          |
| <b>Closing Balances 31 May 2009</b> |                          |                          |
| Accumulated Profit                  | 14,082,478               | 12,742,430               |
| Reserves                            | <u>517,757</u>           | <u>517,757</u>           |
|                                     | <u><u>14,600,235</u></u> | <u><u>13,260,187</u></u> |