



# Annual Report 2009



**Padstow RSL Club Limited**  
ABN 22 001 034 126  
Financial Report for the Year Ended 30 June 2009

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## NOTICE FOR THE ANNUAL GENERAL MEETING OF THE CLUB TO BE HELD ON SUNDAY 25TH OCTOBER 2009

Notice is hereby given that the Annual General Meeting of PADSTOW RSL CLUB LIMITED will be held on Sunday 25th October 2009 commencing at the hour of 1.00pm at the premises of the Club, 24–28 Howard Road, Padstow, New South Wales.

### Business

1. Declare meeting open
2. Apologies
3. Confirm minutes of the last Annual General Meeting held 26th October 2008.
4. Receive and consider the reports:
  - President
  - General Manager
  - Directors
  - Auditors
5. Receive and consider the Statement of Financial Position (Balance Sheet) and Statement of Financial Performance (Profit and Loss).  
Consider any Ordinary Resolutions whereby due notice has been received.
6. Consider any Special Resolutions whereby due notice has been received.
7. Consider any Ordinary Resolutions whereby due notice has been received.
8. Transact any General Business in accordance with the Club's Constitution and of which written notice has been given.
9. Declare meeting closed.

**Sharon Gammone**  
**General Manager**

### MEMBERS PLEASE TAKE NOTE

**Members are requested to advise the General manager in writing seven (7) days before the date of the Annual General Meeting of any questions relating to the Financial Statements and General Business items.**

## FIRST ORDINARY RESOLUTION

That pursuant to the Registered Clubs Act, 1976;

- a) The Members hereby agree to approve expenditure by the Club of a sum not exceeding \$35,000 excluding any GST until the next Annual General Meeting at the Club for the following activities for Directors.
  - ii) The reasonable cost of a meal and beverage for each Director before or immediately after a Board or Committee meeting on the day of that meeting where such meeting coincides with a normal meal time.
  - iii) The reasonable from time to time on production of documentary evidence of such expenditure.
  - iv) The provision of Corporate Attire to Directors, and cleaning expense of same, so that whilst on duty and on official occasions they can represent the corporate image of the Club.
  - v) The reasonable costs (including travel and accommodation expenses) of Directors attending the Registered Clubs Association of NSW (Clubs NSW) Annual General Meeting or similar organisations' Annual General Meetings as determined by the Board from time to time.
  - vi) The reasonable costs of Directors attending ClubsNSW Association Meetings, Western Metropolitan Region Meetings or similar organisations' Meeting as determined by the Board from time to time.
  - vii) The reasonable costs of Directors attending the Clubs NSW Directors Institute, Educational Meetings, Gaming Conferences, Seminars, Trade Displays, Visitation to other Registered Clubs for the purpose of observing and assessing their methods of operation and facilities to enable the Board to be kept abreast with current trends and developments which may have significant bearing on the conduct of the Club.
  - viii) The reasonable costs of Directors attending any Club, Charity or Community Function as the representatives of the Club and authorised by the Board to do so.
  - ix) The reasonable costs associated with the attendance of Directors' spouses/partners where that attendance is appropriate and required to represent the Club as determined by the Board from time to time.

- x) The reasonable expenses incurred by Directors either within the Club or elsewhere in relation to such other duties including entertainment of special guests or dignitaries of the Club and other promotional activities performed by Directors which activities and the expenses there from are approved by the Board before payment is made, on production of documentary evidence of such expenditure.
- xi) The refreshment facilities in the Clubs' Boardroom be available for Directors to entertain guests of the Club in the Boardroom and that all beverages and refreshments in the Boardroom be at the expense of the Club.
- xii) The reasonable costs of Directors and their spouses or partners, Life Members and their spouses or partners and invited guests attending the Directors' Dinner and the Life Members' Dinner and authorised by the Board to do so.
- b) The Members acknowledge that the benefits in paragraph (a) are not available to Members generally, but only for those who are Directors of the Club or in respect of paragraphs (a) (viii) Directors' spouses/partners, (a) (ix) special guests or dignitaries of the Club, (a) (x) guests of the Club (a) (xi) Directors' spouses/partners – Life Members and their spouses/partners and invited guests.

## SECOND ORDINARY RESOLUTION

- a) The Members hereby agree to approve the expenditure by the Club of a sum not exceeding \$3,000 until the next Annual General Meeting of the Club for the following activities of the Welfare Officer:
  - ii) The reasonable cost of a meal and beverage for the Welfare Officer before or immediately after the visitations on the day of the visitations where such visitations coincides with a normal meal time.
  - iii) The reasonable expenses incurred by the Welfare Officer travelling to and from the visitations or other official duties as approved by the Board from time to time on production of invoices, receipts or other proper documentary evidence of such expenditure.
  - iv) The provision of Corporate Attire to the Welfare Officer, and cleaning expense of same, so that whilst on duty and on official occasions they can represent the corporate image of the Club.

- v) The reasonable costs associated with the attendance of the Welfare Officer and Partner where that attendance is appropriate and required to represent the Club and authorised by the Board.
- b) The Members acknowledge that the benefits in paragraph (a) are not available to Members generally, but only for the Welfare Officer of the Club or in respect of paragraph (a) (iv) Partner of Welfare Officer.

## NOTES TO MEMBERS

The First Ordinary Resolution is to have Members at the Annual General Meeting approve the expenditure by Club of not exceeding \$35,000 in relation to duties performed by the Directors and in certain cases spouses/partners of Directors, Life Members, their spouses/partners, special guests, dignitaries and invited guests.

The Second Ordinary Resolution is to have Members at the Annual General Meeting approve the expenditure by Club of not exceeding \$3,000 in relation to duties performed by the Welfare Officer and in certain cases the partner of the Welfare Officer.

The resolutions cannot be amended or added to by motions from the floor and must be passed or rejected in their entirety.

## VOTING FOR RESOLUTIONS

For Special Resolution/s to be passed, they must receive votes in favour from not less than three quarters (75%) of those members present and being eligible to do so vote at the Annual General Meeting.

For Ordinary Resolution/s to be passed, they must receive votes in favour from not less than a simple majority (50% + 1 ) of those members present and being eligible to do so vote at the Annual General Meeting

PADSTOW RSL CLUB LIMITED  
ABN 22 001 034 126

## Padstow RSL Club Deceased Members 2009

Britt, Peters	McCardle, Aileen
Elford, Jack	McCabe, James
Fetch, Hilda	McGrath, Albert
Fisher, Douglas	Newans, Terrance
Ford, Thomas	Powell, Murray
Griffiths, Gordon	Robinson, Joyce
Hams, Colin	Sarchfield, Rita
Hardy, Thelma	Simpson, Frank
Hill, William	Sissons, Arthur
Jones, Bruce	Tearle, George Christopher
Lucas, John Joseph	Timmins, Edward
Mackinnon, John	Turnbull, Nigel
Macgibbon, John	Wear, William
Mann, Norma	Williams, Henry

## Padstow RSL Club Life Members

+	S. Jarratt	17.08.1970
+	P. Webb	09.04.1973
+	J. Grant MBE	26.03.1974
+	H. Christie	25.03.1975
	W. Smith OAM	09.04.1976
+	R. Phillips	29.03.1977
	F. Watson	06.04.1986
+	H. Avery	10.05.1987
+	H. Terrett	23.09.1990
+	J. Barker	29.09.1991
+	J. Moon	27.09.1992
	A. Diggelmann	23.09.1995
+	K. Mawson	27.09.1997
+	M. English	23.10.1999
	K. Shields	18.11.2000
	D. DeSantis	27.10.2001
	R. Stonehouse	02.11.2003
	M. Cook	05.11.2005

(+ Denotes Deceased)

## NOTICE OF SPECIAL RESOLUTIONS FOR ANNUAL GENERAL MEETING

### FIRST SPECIAL RESOLUTION

That the Constitution of Padstow RSL Club Limited be amended by:

- a. **deleting** Rule 33(c).
- b. **adding** the words, “(which shall be a proposal for membership by the applicant)” after the word “Club” in line one of Rule 34(a).
- c. **deleting** the words, “and the age” in Rule 34(a)(iii).
- d. **adding** the following to the end of Rule 34(a)(vi), “and in the case of an application for junior membership the signature of the applicant’s parent or guardian”.
- e. **adding** the words, “or any sub- club” to the end of Rules 38(e)(iii) and (vi) and Rules 44(a)(iii) and (v) and the words, “or any committee of any sub-club” to the end of Rule 38(e)(v).
- f. **deleting** Rule 43 and replacing it with the following new Rule 43:
- g. “If a notice of charge is issued to a member pursuant to Rule 42:
- h. the Board by resolution; or
- i. the Secretary (independently of the Board)
- j. shall have power to suspend that member from all rights and privileges as a member of the Club until the charge is heard and determined or for six (6) weeks whichever is the sooner. Such suspension shall be promptly notified in writing to the member concerned.”
- k. **adding** the following new Rules 45(b1) and 45(b2):
  - “(b1) Without limiting Rule 45(a) or (b), if a person has been refused admission to or turned out of the Club in accordance with Rule 45(a)(i), the person must not re-enter or attempt to re-enter the Club within twenty four (24) hours of being refused admission or being turned out.
  - (b2) Without limiting Rule 45(a) or (b), if a person has been refused admission to or turned out of the Club in accordance with Rule 45(a)(i), the person must not:
    - remain in the vicinity of the Club; or
    - re-enter the vicinity of the Club within six (6) hours of being refused admission or being turned out.”
    - deleting the words “certificate of registration” in Rule 45(a)(iii) and replacing them with the word “licence”

## NOTES TO MEMBERS IN RELATION TO THE FIRST SPECIAL RESOLUTION

The First Special Resolution proposes to make a number of amendments to the Constitution in order to update the document to reflect legislative changes in certain areas and bring the Constitution into line with other provisions in the Constitution.

### **Item (a)**

will remove Rule 33(c) in order to reflect the Board's practice of voting by a show of hands on applications for new membership of the Club.

### **Item (b)**

will clarify that a person's application for membership to the Club is a proposal for membership under the Registered Clubs Act.

### **Item (c)**

will remove the requirement for the Club to ask an applicant for membership to provide their age as it is not a requirement of the Registered Clubs Act nor the Corporations Act. It is however a requirement that an applicant provide their date of birth.

### **Item (d)**

simply reflects the requirement elsewhere in the Club's Constitution (Rule 23) for a parent or a guardian of any applicant for Junior membership to consent to the application.

### **Item (e)**

simply extends the prohibition against un-financial members and members whose membership is under suspension from participating in the activities of the Club to its sub-clubs.

### **Item (f)**

will simply confirm that either the Board or the Secretary (independently of the Board) has the power to suspend a member from all rights and privileges of the Club if a notice of disciplinary charge is issued to a member for a period of five weeks or until the hearing takes place, whichever is the sooner.

### **Item (g)**

reflects amendments to the Liquor Act that prohibit persons who have been removed from or refused entry to the Club from re entering or attempting to re-enter the club for a period of 24 hours or from remaining in the vicinity or seeking to re-enter the

vicinity of the Club for a period of 6 hours of being refused admission to or turned out of the Club.

**Item (h)**

reflects the fact that the Club now has a licence under the Liquor Act instead of a certificate of registration under the Registered Clubs Act.

**SECOND SPECIAL RESOLUTION**

That the Constitution of Padstow RSL Club Limited be amended by inserting the following new Rule 42A:

- “(i) The Board may by resolution delegate all of the powers and functions given to the Board by Rule 42 to a Disciplinary Committee comprising not less than three (3) directors of the Club selected by the Board.
- (ii) The Disciplinary Committee shall conduct its activities in accordance with the procedures referred to in Rule 42 save that:
  - (A) a quorum of the Disciplinary Committee shall be three (3) directors of the Club; and
  - (B) all references to the Board in Rule 42, except in Rule 42(i) shall be read as being references to the Disciplinary Committee.
- (iii) The Board shall have power to review a decision of the Disciplinary Committee or order a fresh hearing of any matter determined by the Disciplinary Committee and shall have the power to impose any penalty permitted by Rule 42 on the member charged in substitution for that imposed by the Disciplinary Committee provided that:
  - (A) the procedure set out in Rule 42 is followed; and
  - (B) the member is notified that the Board is exercising the power under this Rule 42A(iii) within forty-two (42) days of the date on which the Disciplinary Committee meeting was held.
- (iv) The Board shall have power by resolution to revoke any delegation to the Disciplinary Committee pursuant to Rule 42A(i) and may hear and determine any charge against a member which by reason of the nature of or the seriousness of the allegations giving rise to the charge, or the identity of or the position or office held by the member, the Board considers that it would not be appropriate for the charge to be heard by the Disciplinary Committee.”

## NOTES TO MEMBERS IN RELATION TO THE SECOND SPECIAL RESOLUTION

The effect of the Second Special Resolution will be to set out in more detail the powers of the Board to delegate its disciplinary powers to a disciplinary committee consisting of no less than 3 directors.

### THIRD SPECIAL RESOLUTION

**Rule 80:** The Board shall have the power at any time and from time to time, to appoint any eligible person to the Board to fill a casual vacancy. The person so appointed shall hold office only until the conclusion of the following Annual General Meeting.

**Rule 80:** 3rd line after the words “only until the conclusion of the” delete the following words; “following Annual General Meeting” and insert the following words in place of; “next Biennial General Meeting.”

**New Rule 80 would then read as follows:**

**Rule 80:** The Board shall have the power at any time and from time to time, to appoint any eligible person to the Board to fill a casual vacancy. The person so appointed shall hold office only until the conclusion of the next Biennial General Meeting.

## NOTES TO MEMBERS

The Third Special Resolution proposes to make an amendment to the Constitution because Rule 80 refers to filling a casual vacancy - ie; The person so appointed shall hold office only until the conclusion of the Biennial General Meeting. Our elections are now held “Biennially” ie; every two (2) years, not “yearly”.

## PROCEDURAL MATTERS IN RELATION TO ALL THE SPECIAL RESOLUTIONS

To be passed each Special Resolution must receive votes from not less than three quarters (3/4) of those members who being eligible to do so vote in person on the Special Resolution at the meeting.

Under the Registered Clubs Act, members who are employees of the Club are not entitled to vote.

Proxy voting is prohibited by the Registered Clubs Act.

Amendments (other than grammatical or other clerical errors or minor typographical corrections which do not change the substance or effect of the special resolutions) will not be permitted from the floor of the meeting.

The Board of the Club recommends each Special Resolution to the members.

**Dated: September 2009**

**By direction of the Board**

**Sharon Gammone**  
**General Manager**

# President's Report 2009

## Prelude to Members

In accordance with Rule 100 of the Club's Constitution and on behalf of the Board of Directors of Padstow R.S.L. Club Limited, I present to you for your consideration the Income Statement, Balance Sheet, Cash Flow Statement, Director's Report and the Auditors' Report for the year to 30th June 2009, which is the 55th Balance Sheet and the 38th Report since becoming a Limited Company.

## Operating Result

The loss for the financial year after providing any applicable income tax amounted to (\$186,866). 2008 Loss was (\$273,710). This is a decrease of \$86,844 to the previous year and in percentage terms, a decrease of 31.73%.

## Review of Operations

The Club earned an operating profit of \$225,650 (2008: \$110,938). This is an increase of \$114,712 to the previous year or in percentage terms an increase of 103.40%, before depreciation of \$366,041 (2008: \$352,269) and finance costs of \$46,475 (2008: \$32,279).

## Appreciation

I wish to express my sincere appreciation and thanks to my fellow Board Members, the outgoing Board Members, General Manager Sharon Gammone, Assistant General Manager Mitch Nakic, Office Manager Lesley Tennant, Welfare Officer Cheryl Blair, our caterer Tony, his wife Susie and Staff, I thank you all for your co-operation and loyalty throughout the year.

To all the Duty Managers, Supervisors and Staff for your courtesy and high standard of service you give to our Members and their guests, making our Club, "The Friendly Club". I thank you.

I also wish to express my sincere appreciation to our Members and their guests for their loyal support during the year for without you the Club would not be able to survive.

## Forecast 2009/2010

Your Board and Management have budgeted for an attainable profit for 2009–2010. the Smoking Legislation and the Poker Machine Tax is still having an impact on the Club Industry. As of July and August, 2009 trading figures have improved on the previous years figures. We are looking forward to the 2008–2009 down turn in the

economy to improve in 2009–2010.

### **Sadness**

It is with sadness and regret we record the passing of Members during the year. We recall with affection and gratitude their memory and good fellowship during the proceeding years.

### **“WE WILL REMEMBER THEM”**

Recognition

As President, it has been a great honour and privilege to follow in the steps of previous Members of the Board who have rendered their services for such a worthy and honourable Club.

### **“THE FRIENDLY CLUB”**

**Alick G. Diggelmann. JP**  
**President**

# General Managers Report

## Dear Members,

I present to you the financial statements for the year ending 30th June 2009.

The 2008–2009 financial year showed a loss of \$186,866 even though this result is still quite substantial it is \$86,844 less than the 2008 loss of \$273,710.

Despite this loss the Club had an increased operating profit of \$114,712 or 103.4%.

I anticipate in the new financial year with the consolidated efforts of the Board and Management we can achieve an even better result for 2009/2010.

## Financials

	2008/2009	2007/2008	Difference
Revenue	2,811,400	2,787,527	23,873
Expenses	2,998,266	3,061,237	62,971
Net Cash	164,993	126,196	38,797
Net Profit	(186,866)	(273,710)	86,844
Community Support	20,000	16,600	3,400
Net Assets	5,271,922	5,358,637	(86,715)
Equity	5,271,922	5,358,637	(86,715)

## Appreciation

I would like to thank President Alick Diggelmann and the Board of Directors for their guidance and support. I look forward to the year ahead.

To Mitch Nakic and Lesley Tennant and all the staff, your hard work and dedication is an integral part of everything we achieve. Thank you.

To the caterers, Tony & Suzie, you have both been a welcome and pleasant change to the Club's catering. Thank you both.

In conclusion, I would like to thank you, the Members, for your valued loyalty, ongoing commitment and support.

**Sharon Gammon**  
General Manager

## Directors Report

Your directors present their report, together with the financial report of Padstow RSL Club Limited (“The Club”), for the year ended 30 June 2009.

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

**Alick G Diggelmann**

**Ross Brown**

**Bruce Cullinan**

**Barry Scott**

**Phillip McCormack**

Appointed on 26/10/2008

Appointed on 26/10/2008

Appointed on 26/10/2008

Resigned on 26/10/2008 and

Re-appointed on 10/06/2009

Resigned on 26/10/2008

**Fredrick Donnelly**

**Cheryl Blair**

**David P De Santis**

**Ernest S Whitmore**

**Malcolm R Cook**

Resigned on 26/10/2008

Resigned on 10/06/2009

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:

Sharon Gammone has been employed at Padstow RSL Club for 10 years. Sharon is also the Club’s General Manager and is a member of CMA (Club Managers Association).

## Principal Activities

The principal activities of the Club during the financial year was to maintain the facilities of a licensed club.

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

## Review of Operations

The Club earned an operating profit of \$ 225,650 (2008: \$ 110,938) before depreciation of \$ 366,041 (2008: \$ 352,369) and finance costs of \$ 46,475 (2008: \$ 32,279).

	2009	2008
	\$	\$
Profit attributable to members	(186,866)	(273,710)
Add back:	-	-
Depreciation	366,041	352,369
Finance costs	46,475	32,279
Operating profit for the year	<u>225,650</u>	<u>110,938</u>

## Operating Results

The loss of the Club after providing for income tax and depreciation amounted to \$ 186,866 (2008: loss \$ (273,710)).

## Dividends Paid, Recommended, and Declared

The Club is precluded from paying dividends to its members and as such, no dividend has been paid or recommended during or since the financial year.

## Indemnifying Officers or Auditors

During the financial year the Club paid premiums to insure all directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of the director of the Club, other than conduct involving a wilful breach of duty in relation to the Club. The amount of premium was \$1,587 (2008: \$1,363).

## Proceedings on Behalf of Club

No person has applied for leave of Court to bring proceedings on behalf of the Club or intervene in any proceedings to which the Club is a party for the purpose of taking responsibility on behalf of the Club for all or any part of those proceedings.

The Club was not a party to any such proceedings during the year.

## Significant Changes in State of Affairs

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

## After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

## Environmental Issues

The Club's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

## 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 8.

## Information on Directors

<b>Name</b>	<b>Occupation/ Qualifications</b>	<b>Position/Special Responsibilities</b>	<b>Years as Director of Club</b>
Alick G Diggelmann	Retired	President	21
Ross Brown	Retired	Senior Vice President	1
Bruce Cullinan	Retired	Vice President	1
Barry Scott	Semi-Retired	Director	1
Phillip McCormack	Retired	Director	4
Fredrick Donnelly	Retired	Director	5
Cheryl Blair	Retired	Director	3
David P De Santis	Company Director	Director	19
Ernest S Whitmore	Retired	Director	7
Malcolm R Cook	Retired	Director	14

## 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		Special Meetings	
	Eligible to attend	Number attended	Eligible to attend	Number attended
Alick G Diggelmann	12	12	3	3
Ross Brown	8	8	2	2
Bruce Cullinan	8	8	2	2
Barry Scott	7	7	2	2
Phillip McCormack	4	4	1	1
Fredrick Donnelly	4	4	1	1
Cheryl Blair	12	12	3	3
David P De Santis	9	9	2	1
Ernest S Whitmore	4	4	1	1
Malcolm R Cook	11	10	1	–

## Information on Directors

<b>Alick G Diggelmann</b>	President 1996-2009 (14 years) Director since 1988 (21 years) Life member of Padstow RSL Limited
Experience	Senior Vice President 1990 - 1995 (6years) Vice President 1989 (1year) Chairman of Finance, Audit, Execute, Property and House Committees Committee Member of Western Metropolitan Region of Clubs NSW Committee Member of S.E.S Awareness Committee Western Region of Clubs NSW Club's Delegate of Western Metropolitan Region of Clubs NSW Club's Delegate of Clubs NSW Member of Club Directors Institute

**Ross Brown**

Experience

Senior Vice President 2008-2009 (1 year)  
 Director since 2008 (1 year)  
 Chairman of Sports Committee  
 Committee Member of Finance, Audit, Executive,  
 Property and House Committees  
 Club's representative for Padstow/ Panania  
 Tasmanian Darts  
 Club's Delegate of Western Metropolitan Region of  
 Clubs NSW  
 Club's Delegate of Clubs NSW  
 Member of Club Directors Institute

**Bruce Cullinan**

Experience

Vice President 2008-2009 (1 year)  
 Director since 2008 (1 years)  
 Chairman of Entertainment and Good Oil Committees  
 Committee Member of Finance, Audit, Executive and  
 Property Committees  
 Member of Club Directors Institute

**Barry Scott**

Experience

Director since 2008 (1 year)  
 Committee Member of Entertainment and Sports  
 Committees  
 Member of Club Directors Institute

**Phillip McCormack**

Experience

Director (4 years)  
 Re-appointed on 10.06.2009 as Director  
 due to resignation of Malcolm R Cook  
 Director 2004-2008 (4 years)  
 Committee Member of Entertainment Committee  
 Member of Club Directors Institute

**Fred Donnelly**

Experience

Director 2002 – 2004 and 2006-2008 (5 years)  
 Committee member of House and Good Oil Committees  
 Member of Club Directors Institute

**Cheryl Blair**

Experience

Director since 2006 (3 years)  
 Committee member of Good Oil and House Committees  
 Member of Club Directors Institute

**David P De Santis**

## Experience

Life Member of Padstow RSL Club Limited  
 Director since 1990 (19 years)  
 Senior Vice President (5 years)  
 Vice President (2 years)  
 Committee Member of Sports and Good Oil Committees  
 Gained Bachelor of Business Degree and  
 Post Graduate in Law  
 Industrial Relations and Personnel Management  
 Fellow of the Australian Institute of Management (FAIM)  
 Member of Club Directors Institute

**Ernest S Whitmore**

## Experience

Director in 1997 and 2003-2008 (7 years)  
 Committee Member of House and Sports Committee  
 Member of Club Directors Institute

**Malcolm R Cook**

## Experience

Life member of Padstow RSL Club Limited  
 Director since 1995 (14 years)  
 Resigned on 10.06.2009  
 Senior Vice President (2 years)  
 Vice President (9 years)  
 Director (3 years)  
 Committee Member of Entertainment Committee  
 Member of Club Directors Institute

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

**Director:****Alick G Diggelmann****Director:****Ross Brown**

Sydney

Dated this 21st day of September 2009

## **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 30 June 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.

**LAWLER PARTNERS**  
Chartered Accountants

**CLAYTON HICKEY**  
Partner

Place: Sydney

## Income Statement for Year Ended 30 June 2009

	Note	2009 \$	2008 \$
Revenue	2	2,811,400	2,787,527
Other income	2	1,210	1,761
Raw materials and consumables used	3	(335,900)	(325,177)
Employee benefits expense		(789,743)	(801,952)
Loss on disposal of assets		(26,686)	(38,573)
Depreciation	3	(366,041)	(352,369)
Entertainment and membership expense		(471,100)	(549,426)
Insurance expense		(48,665)	(51,769)
Poker machine duty		(287,141)	(275,421)
Rates and utilities		(123,824)	(102,599)
Repairs and maintenance expense		(154,329)	(119,791)
Security		(39,075)	(38,350)
Cleaning		(66,062)	(71,318)
Finance costs	3	(46,475)	(32,279)
Other expenses		(244,435)	(303,974)
Profit before income tax		<u>(186,866)</u>	<u>(273,710)</u>
Income tax expense	5	-	-
Profit attributable to members		<u><u>(186,866)</u></u>	<u><u>(273,710)</u></u>

## Balance Sheet 30 June 2009

	Note	2009 \$	2008 \$
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	6	118,856	150,754
Trade and other receivables	7	248	978
Inventories	8	27,986	17,547
Other current assets	9	43,909	49,111
<b>Total current assets</b>		<u>190,999</u>	<u>218,390</u>
<b>Non-current assets</b>			
Financial assets	10	750	750
Property, plant and equipment	11	6,591,918	6,743,458
<b>Total non-current assets</b>		<u>6,592,668</u>	<u>6,744,208</u>
<b>TOTAL ASSETS</b>		<u>6,783,667</u>	<u>6,962,598</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	153,653	179,409
Borrowings	13	360,887	118,166
Provisions	14	67,179	65,596
Other current liabilities	15	10,265	9,077
<b>Total current liabilities</b>		<u>591,984</u>	<u>372,248</u>
<b>Non-current liabilities</b>			
Borrowings	13	158,065	356,490
Deferred tax liabilities	16	701,295	801,446
Provisions	14	60,401	73,777
<b>Total non-current liabilities</b>		<u>919,761</u>	<u>1,231,713</u>
<b>TOTAL LIABILITIES</b>		<u>1,511,745</u>	<u>1,603,961</u>
<b>NET ASSETS</b>		<u>5,271,922</u>	<u>5,358,637</u>
<b>EQUITY</b>			
Reserves	17	2,502,051	2,401,900
Retained earnings		2,769,871	2,956,737
<b>TOTAL EQUITY</b>		<u>5,271,922</u>	<u>5,358,637</u>

## Statement of Changes In Equity For the Year Ended 30 June 2009

2008	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2008	2,956,737	2,401,901	5,358,638
Other adjustments	-	-	(1)
Loss for the year	(186,866)	-	(186,866)
Deferred tax liability movement	-	100,151	100,151
Balance at 30 June 2009	<u>2,769,871</u>	<u>2,502,052</u>	<u>5,271,922</u>

  

	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2007	3,230,447	2,384,735	5,615,182
Other adjustments	-	-	(1)
Loss for the year	(273,710)	-	(273,710)
Deferred tax liability movement	-	17,166	17,166
Balance at 30 June 2008 as restated	<u>2,956,737</u>	<u>2,401,901</u>	<u>5,358,637</u>

The accompanying notes form part of these financial statements

## Statement of Cash Flows

	Note	2009 \$	2008 \$
<b>Cash from operating activities:</b>			
Receipts from customers		2,957,595	2,786,285
Payments to suppliers and employees		(2,746,127)	(2,627,810)
Finance costs		(46,475)	(32,279)
<b>Net cash provided by operating activities</b>	21	<u>164,993</u>	<u>126,196</u>
<b>Cash flows from investing activities:</b>			
Proceeds from sale of plant and equipment		4,206	–
Acquisition of property, plant and equipment		(164,064)	(433,801)
<b>Net cash (used in) investing activities</b>		<u>(159,858)</u>	<u>(433,801)</u>
<b>Cash flows from financing activities:</b>			
Proceeds from borrowings		39,015	299,210
Repayment of borrowings		(76,048)	(102,044)
<b>Net cash (used in) financing activities</b>		<u>(37,033)</u>	<u>197,166</u>
<b>Net (decrease) / increase in cash held</b>		(31,898)	(110,439)
Cash and cash equivalents at beginning of year		150,754	261,193
<b>Cash at end of financial year</b>	6	<u>118,856</u>	<u>150,754</u>

## Notes to the Financial Statements For the Year ended 30 June 2009

### Note 1 Statement of Significant Accounting Policies

#### (a) General information

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and Interpretations, the Corporations Act 2001 and complies with other requirements of the law.

The financial report covers Padstow RSL Club Limited as an individual entity. Padstow RSL Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report of Padstow RSL Club Limited complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The following is a summary of the material accounting policies adopted by the Club in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### (b) Basis of Preparation Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

#### (c) Income Tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their

carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly against equity, in which case the deferred tax is adjusted directly against equity.

**(d) Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

**(e) 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.

**(i) Property**

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

**(ii) Plant and equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**(iii) Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis or diminishing value basis over their useful lives to the Club commencing from the time the asset is held ready for use.

**(iv) Depreciation rates**

The depreciation rates used for each class of depreciable assets are:

Clubhouse and surrounds, at valuation	2.5%
Plant and Equipment	10 – 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

**(f) Financial Instruments****(i) Recognition**

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

**(ii) 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.

**(iii) Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

**(iv) Financial liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

**(v) Impairment**

At each reporting date, the Club assess 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.

**(g) Employee Benefits**

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Club to employee superannuation funds and are charged as expenses when incurred.

**(h) 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**(i) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

**(j) Revenue**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates

allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

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.

Membership subscriptions income is recognised as income in the year to which it relates. Revenue from the rendering of services 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).

**(k) 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 Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the 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 of investing and financing activities, which are disclosed as operating cash flows.

**(l) Comparative Figures**

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

**(m) New Accounting Standards for Application in Future Periods**

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Club has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Club follows:

- AASB 101: Presentation of Financial Statements, AASB 2007 8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007 10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 July 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the

composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Club. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

- AASB 2008 5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008 5) and AASB 2008 6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008 6) detail numerous non urgent but necessary changes to accounting standards arising from the IASB’s annual improvements project. No changes are expected to materially affect the Club.

The Club does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Club’s financial statements.

**Note 2 Revenue**

	<b>2009</b>	<b>2008</b>
	\$	\$
Operating activities		
- Sale of goods	732,749	718,470
- Commissions	36,918	38,032
- Promotions revenue	151,389	183,751
- Poker machine revenue	1,861,325	1,819,945
- Member subscriptions	11,839	10,149
- Gaming tax rebate	17,180	17,180
Total Revenue	<u>2,811,400</u>	<u>2,787,527</u>
Non-operating activities:		
- Sundry	1,210	1,761
Other Income	<u>1,210</u>	<u>1,761</u>

**Note 3 Profit from Ordinary Activities**

Profit has being determined after the following specific expenses:

Raw materials and consumables used	335,900	325,177
Finance Costs	46,475	32,279
Depreciation of property, plant and equipment	366,041	352,369

**Note 4 Auditors' Remuneration**

Remuneration of the auditor of the Club for:

- auditing the financial report	20,000	18,900
	<u>20,000</u>	<u>18,900</u>

**Note 5 Income Tax Expense**

(a) Income Tax Expense:

The Income Tax Assessment Act, 1936 (amended) provides that under the concept of mutuality clubs are only liable for income tax on the income derived from non-members and from outside entities. In view of these special circumstances, it is not appropriate to compare income tax payable with the net profit disclosed in the Income Statement

Prima facie tax payable on profit (loss) before income tax at 30%	<u>(56,871)</u>	<u>(82,113)</u>
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**Add/(Less)**

Net income and expenditure items relating to non member activity	48,590	55,445
Other non deductible expenditure	(54)	665
Tax effect of temporary differences	(12,815)	3,969
Tax losses over provided prior year	-	(5,263)
Tax losses not brought to account	21,150	27,297
Income tax relating to ordinary activities	<u>-</u>	<u>-</u>

**(b) Deferred Tax Assets Not Brought To Account:**

Deferred tax assets in relation to carried forward losses and temporary differences have not been recognised as it is not probable that future taxable assets will be available to utilise these amounts.

Tax losses at 30% (2008: 30%)	118,370.00	97,221.00
Timing differences at 30% (2008 at 30%)	3,178.00	15,992.00
	<u>121,548.00</u>	<u>113,213.00</u>

**Note 6 Cash and Cash Equivalents**

Cash on hand	48,719	48,719
Cash at bank	70,137	102,035
	<u>118,856</u>	<u>150,754</u>

**Note 7 Trade and Other Receivables**
**CURRENT**

Trade receivables	248	341
Other receivables	-	637
	<u>248</u>	<u>978</u>

**Note 8 Inventories**
**CURRENT**

Finished goods - at cost	<u>27,986</u>	<u>17,547</u>
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**Note 9 Other Current Assets**
**CURRENT**

Prepayments	<u>43,909</u>	<u>49,111</u>
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**Note 10 Financial Assets**

Shares in Independent Liquor Group Co-operative - At cost	<u>750</u>	<u>750</u>
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**Note 11 Property Plant and Equipment**

## LAND AND BUILDINGS

Freehold land at valuation	1,600,000	1,600,000
Clubhouse and surrounds, at valuation	4,735,373	4,706,327
Less accumulated depreciation	(357,273)	(227,120)
	<u>4,378,100</u>	<u>4,479,207</u>
Total land and buildings	<u>5,978,100</u>	<u>6,079,207</u>

## PLANT AND EQUIPMENT

Plant and equipment at cost	2,559,991	2,599,455
Less accumulated depreciation	(1,946,173)	(1,935,204)
	<u>613,818</u>	<u>664,251</u>
Total property, plant and equipment	<u>6,591,918</u>	<u>6,743,458</u>

**Revaluation of land and buildings**

The valuation of land, buildings and improvements was performed by Aon Valuation Services, Sydney, independent valuers on 30 June 2006 and was performed on a market value basis. The values are reviewed by the Directors on an annual basis and independent valuations are conducted where the directors believe the value has changed significantly. The revaluation decrement was debited to the asset revaluation reserve in the shareholders' equity.

**Movements in Carrying Amounts**

	<b>Freehold Land at Valuation</b>	<b>Building at Valuation</b>	<b>Plant and equipment at cost</b>	<b>Total</b>
Balance at the beginning of year	1,600,000	4,479,208	664,250	6,743,458
Additions at cost	–	29,045	216,348	245,393
Disposals	–	–	(30,892)	(30,892)
Depreciation	–	(130,153)	(235,888)	(366,041)
Carrying amount at the end of year	<u>1,600,000</u>	<u>4,378,100</u>	<u>613,818</u>	<u>6,591,918</u>

**Note 12 Trade and Other Payables**

CURRENT

Unsecured liabilities	153,653	179,409
Trade payables	153,653	179,409

**Note 13 Borrowings**

CURRENT

Unsecured liabilities

Bank loans	360,887	32,000
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Secured liabilities

Bank loan	–	86,166
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<u>360,887</u>	<u>118,166</u>
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NON-CURRENT

Secured liabilities

Bank loan	82,158	356,490
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Finance Lease Obligation	75,907	–
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<u>158,065</u>	<u>356,490</u>
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Bank loans are secured by registered mortgage over Club's property at 24-28 Howard Road, Padstow.

**Note 14 Provisions**

**(a) Movement in carrying amounts**

Balance at 1 July 2008		139,373
Additional provisions		45,945
Amounts used		(57,738)
Balance at 30 June 2009		<u>127,580</u>

**(b) Analysis of Total Provisions**

Current	67,179	65,596
Non-current	60,401	73,777
	<u>127,580</u>	<u>139,373</u>

### Provision for Short-term Employee Benefits

A provision has been recognised for employee benefits relating to current long service leave, annual leave and sick leave (where sick leave is vesting). The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

### Provision for Long-term Employee Benefits

A provision has been recognised for employee benefits relating to long service leave. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

### Note 15 Other Liabilities

Other Liabilities	10,265	9,077
	<u>10,265</u>	<u>9,077</u>

### Note 16 Deferred tax liabilities

#### (a) Detailed table

Provision for deferred tax	701,295	801,446
	<u>701,295</u>	<u>801,446</u>

### Note 17 Reserves

#### Asset Revaluation Reserve

Assets revaluation reserves	<u>2,401,900</u>	<u>2,401,900</u>
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The asset revaluation reserve records revaluations of non current assets.

### Note 18 Members Guarantees

The Club is limited by guarantee. If the Club is wound up, the articles of association state that each member is required to contribute a maximum of \$2 towards meeting any outstanding obligations of the Club. As at 30 June 2009 the financial members were 3,085 (2008: 3,030).

#### (a) Contingent Assets and Liabilities

The directors are not aware of any contingent liabilities as at the date of this report.

**Note 19 Key Management Personnel Compensation**

**(a) Key Management Personnel**

Names and positions held of key management personnel in office at any time during the financial year are:

Alick G Diggelmann	Director (President)
Ross Brown	Director (Senior Vice President)
Bruce Cullinan	Director (Vice President)
Barry Scott	Director
Phillip McCormack	Director
Fredrick Donnelly	Director
Cheryl Blair	Director (Welfare Officer)
David P De Santis	Director
Ernest S Whitmore	Director
Malcolm R Cook	Director
John McMahon	General Manager (resigned)
Sharon Gammone	General Manager
Milivoj Nakic	Assistant General Manager
Lesley Tennant	Office Manager
Allan Ashton	Patron

**(b) Key Management Personnel Compensation**

	Short-term benefits		Post employment benefits	Total
	Salaries	Allowances	Superannuation	
	\$	\$	\$	\$
Total compensation	62,941	3,041	5,665	71,647

**Note 20 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. There were no transactions with related parties during the financial year.

**Note 21 Cash Flow Information****(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax**

Net income/loss for the period	<b>(186,866)</b>	(273,710)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	<b>366,041</b>	352,369
Loss / (gain) on disposal of plant and equipment	<b>26,686</b>	38,573
Changes in assets and liabilities,		
(Increase)/decrease in receivables	<b>389</b>	(901)
(Increase)/decrease in other assets	<b>5,543</b>	(11,006)
(Increase)/decrease in inventories	<b>(10,439)</b>	3,907
Increase/(decrease) in trade payables and accruals	<b>(25,756)</b>	(6,888)
Increase/(decrease) in provisions	<b>(11,793)</b>	23,335
Increase/(decrease) in other liabilities	<b>1,188</b>	517
Cash flow from operating activities	<b><u>164,993</u></b>	<b><u>126,196</u></b>

**(b) Non-cash Financing and Investing Activities**

During the year the Club acquired plant and equipment with an aggregate fair value of \$81,329 by means of lease. These acquisitions are not reflected in the cash flow statement.

**(c) Loan Facilities**

Loan facilities	<b>799,000</b>	799,000
Amount utilised	<b>(518,952)</b>	(474,656)
	<b><u>280,048</u></b>	<b><u>324,344</u></b>

Finance will be provided under this facility provided the Club have not breached any borrowing requirements.

**Note 22 Financial Instruments**

**(a) Financial Risk Management**

The Club’s financial instruments consist mainly of deposits with banks, accounts receivable and payable and finance leases.

The main risks the Club is exposed to through its financial instruments are interest rate risk and credit risk.

**(b) Interest rate risk**

Interest rate risk is managed by reviewing the maturity of term deposits and cash management accounts and prevailing interest rates on these cash deposits. For further details on interest rate risk refer to Note 22(e).

**(c) Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Club does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Club.

**(d) Sensitivity analysis**

The Club has performed a sensitivity analysis relating to its exposure to interest rate risk and has determined that any fluctuations would not have a material impact on profit or equity. The Club’s borrowings are a 5 year fixed rate facility hence are not affected by changes in market interest rates. Any changes affecting cash and cash equivalents would be minimal.

The Club is not exposed to any other market rate fluctuations.

**(e) Financial Instruments**

**Interest Rate Risk**

The Club’s exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Maturing within 1 Year		Maturing 1 to 5 Years		Non-interest Bearing		Total	
	2009 %	2008 %	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
<b>Financial Assets:</b>												
Cash and cash equivalents	5.3	8.0	70,137	102,035	-	-	-	-	48,719	48,719	118,856	150,754
Receivables	-	-	-	-	-	-	-	-	248	978	248	978
<b>Total Financial Assets</b>	<b>70,137</b>	<b>102,035</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,967</b>	<b>49,697</b>	<b>119,104</b>	<b>151,732</b>		
<b>Financial Liabilities:</b>												
Trade and sundry payables	-	-	-	-	-	-	-	-	153,653	179,409	153,653	179,409
Bank loans	7.6	9.3	-	-	360,887	86,166	82,158	356,490	-	-	443,045	442,656
Finance Lease Obligation	-	-	-	-	-	-	75,907	-	-	-	75,907	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>360,887</b>	<b>86,166</b>	<b>158,065</b>	<b>356,490</b>	<b>153,653</b>	<b>179,409</b>	<b>672,605</b>	<b>622,065</b>		

### **Note 23 Events After the Balance Sheet Date**

No 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.

### **Note 24 Segment Reporting**

The company conducts its activities solely in the registered club industry in Sydney, New South Wales to meet its objectives and for the benefits of its members.

### **Note 25 Company Details**

The registered office and principal place of business of the Club is:  
Padstow RSL Club Limited  
24-28 Howard Road  
Padstow NSW 2211

## Directors' Declaration

The directors of the Club declare that:

1. The financial statements and notes, as set out on pages 9 to 29, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporations Act 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club 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**  
**Alick G Diggelmann**

**Director**  
**Ross Brown**

Sydney  
Dated 21st September 2009

## Independent Audit Report to the members of Padstow RSL Club Limited

### Scope

We have audited the accompanying financial report of Padstow RSL Club Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and statement of cash flows 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 Club 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.

### 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 Club'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**

In conducting our review, we have complied with the independence requirements of Australian professional and ethical pronouncements and the Corporations Act 2001.

In accordance with ASIC Class order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration as set out in the financial report has not changed as at the date of providing our audit opinion.

### **Auditor's Opinion**

In our opinion the financial report of Padstow RSL Club Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Club's financial position as at 30 June 2009 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.

**LAWLER PARTNERS**  
**Chartered Accountants**

**CLAYTON HICKEY**  
**Partner**

Sydney

# Notes

# Notes

**Padstow RSL Club Limited**  
**24 – 28 Howard Road**  
**Padstow NSW 2211**  
**Phone: (02) 9773 0528**