



ANNUAL
FINANCIAL REPORT
2010/2011

BRIGHTON RSL CLUB
www.brightonrsl.com.au

BRIGHTON-LE-SANDS RSL CLUB LIMITED
ABN 19 001 001 707 | 30 JUNE 2011

Brighton-Le-Sands RSL Club Limited

Directors' Report

The directors present their report together with the financial report of Brighton-Le-Sands RSL Club Limited for the year ended 30 June 2011 and the auditor's report thereon.

Directors

The Directors of the Company in office at any time during or since the end of financial year are:

Name	Occupation & Period of Directorship
Barry Norman Worling	Retired Supervisor Department of Defence, Navy President, appointed November 2005 Acting President from August 2005 – November 2005 Vice President, appointed November 2003 Director since July 1999 Director July 1995 – July 1998
Alan John Schofield	Retired Building Consultant Vice President, appointed November 2006 Director since November 2005
Neil Pierson Tooze	Company Director Director since October 2003
Christopher John McCarthy	Retired Manager Director since November 2006
Mark George Winspear	Electrical Contractor Director since November 2006 Director October 2002 – November 2005 Director July 1997 – June 2000
Rod Leonard Brooks (Retired 21.11.2010)	Retired Tax Agent Director since November 2007
Gary Sydney Walke	Retired Radio Technician Director since November 2009
John Cyril Dunnell (Appointed 21.11.2010)	Retired Survey Draftsman Director since November 2010

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

Brighton-Le-Sands RSL Club Limited

Directors' Report (continued)

Directors' Meetings

The numbers of directors' meetings attended by each of the directors of the company during the financial year are:

Director	Meetings Attended	Meetings Held*
Barry Norman Worling	11	12
Alan John Schofield	11	12
Neil Pierson Tooze	12	12
Christopher John McCarthy	12	12
Mark George Winspear	12	12
Rod Leonard Brooks	5	5
Gary Sydney Walke	12	12
John Cyril Dunnell	7	7

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

Company Secretary

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

Scott Philip Wheelihan

Mr. Wheelihan was appointed Company Secretary on 6 January 2006 and is also the Chief Executive Officer of Brighton-Le-Sands RSL Club Limited.

Membership

The Company is a company limited by guarantee and is without share capital.

The number of members as at 30 June 2011 and the comparison with the prior year is as follows:

	2011	2010
Associate Members	2739	2888
RSL Members	81	86
RSL Members life subscriber	21	27
Life Members	1	1
RSL Associate Members	6	5
Club Patron	1	1
	<hr/>	<hr/>
	2849	3008
	<hr/>	<hr/>

Operating Results

The net profit from ordinary activities after tax for the year amounted to \$303,952, compared with a profit of \$257,825 for the prior year. This resulted after charging \$471,638 (2010: \$477,660) for depreciation/amortisation.

Brighton-Le-Sands RSL Club Limited

Directors' Report (continued)

Objectives

Short term

The Club's objectives emanate from its origins as an RSL Sub Branch established as a support organisation for the men and women who served in the Australian Defence Force.

As now a Licensed Club, the short term objectives remain similar in that the club seeks to provide members and their guests with a safe and welcoming environment with a commitment to ensuring the Club is community focused with service oriented employees seeking to improve the Club's facilities.

Long term

The long term objectives of the Club is to continuously improve its services and facilities whilst ensuring sound financial management such as good cash flow in an ever changing environment.

Strategy for achieving the objectives

The strategy for achieving the objectives involves the Club conducting a strategic review of its operations annually and identifying the key aspects required to achieve the objectives. Items seen as key aspects include:

- Maintaining a Customer Focused culture.
- Educating and further developing our people.
- Improving Efficiencies.
- Growing our Business.
- Assisting the Community.
- Providing a safe and welcoming environment.
- Continuously improving clubs facilities to meet changing consumer demands

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company during the financial year which has affected the trading activities during the year ended 30 June 2011.

Principal Activities

The principal activity of the company during the year is the conduct and promotion of a licensed social club for members of the company.

There were no significant changes in the nature of this activity during the year.

How these activities assist in achieving the objectives

The principal activities of the Club assist in achieving the objectives by way of the strategies used by the company to improve its facilities.

Events Subsequent to the Reporting 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.

Likely and Future Developments and Expected Results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental Regulations

The Company's operations are not subject to any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

The Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

Brighton-Le-Sands RSL Club Limited

Directors' Report (continued)

Dividends

In accordance with the Constitution, no dividends can be paid and accordingly no dividends were paid or declared since the start of the financial year. (2010: Nil)

Indemnification of Officers

The Company has provided for and paid premiums during the year for directors' and officers' liability and legal expenses' insurance contracts.

The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome;
- Other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty or improper use of information or position to gain a personal advantage.

The Directors have not included details of the nature of the liabilities covered or the amounts of the premiums paid with respect to the directors' and officers' liability and legal expenses' insurance contracts; as such disclosure is prohibited under the term of contract.

Proceedings on behalf of the 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.

Auditor's Independence Declaration

The Directors have received the Auditor's Independence Declaration. The Declaration is set out on the following page.

Signed in accordance with a resolution of the Board of Directors and signed for and on behalf of the Directors by:



Director

.....
Barry Norman Worling



Director

.....
Alan John Schofield

Dated at Sydney this 8th day of September 2011.

Brighton-Le-Sands RSL Club Limited

Auditor's Independence Declaration

To the Directors of Brighton-Le-Sands RSL Club Limited, 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 2011 there has been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

DONOVAN ALLMAN & CO
Chartered Accountants



R R Allman, F.C.A.

Level 8
815 Pacific Highway
Chatswood NSW 2067

Dated at Sydney this 8th day of September 2011.

Brighton-Le-Sands RSL Club Limited

Independent Audit Report

To the members of Brighton-Le-Sands RSL Club Limited

The Financial Report and Directors' Responsibilities

We have reviewed the financial report of Brighton-Le-Sands RSL Club Limited, which comprises the Balance Sheet as at 30 June 2011, and the Income Statement, Statement of Changes in Equity and Statement of Cash Flow for the year ended that date, a summary of significant accounting policies, other selected explanatory notes and the Directors Declaration.

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls 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 the Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit procedures and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

Our audit involves performing procedures to obtain audit evidence about the amounts and other disclosures in the financial report. The procedures selected depend on the auditor's judgment, 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.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In conducting our audit we complied with the independence requirements of the Corporations Act 2001.

Audit Opinion

In our opinion, the financial report of Brighton-Le-Sands RSL Club Limited is drawn up in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- complying with Accounting Standards in Australia and the *Corporations Regulations 2001*;

DONOVAN ALLMAN & CO
Chartered Accountants



R R Allman, F.C.A.

Level 8
815 Pacific Highway
Chatswood NSW 2067

Dated at Sydney this 8th day of September 2011.

Brighton-Le-Sands RSL Club Limited

Directors' Declaration

The directors of Brighton-Le-Sands RSL Club Limited declare that:

- (a) In the Directors' opinion the financial statements and notes set out on pages 9 to 27, are in accordance with the Corporations Act 2001, including:
- giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance, for the financial year ended on that date; and
 - complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) at the date of this declaration there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Director

.....
Barry Norman Worling



Director

.....
Alan John Schofield

Dated at Sydney this 8th day of September 2011.

Brighton-Le-Sands RSL Club Limited

Balance Sheet As at 30 June 2011

	Note	2011 \$	2010 \$
ASSETS			
Current Assets			
Cash		1,028,973	774,033
Receivables		9,993	3,823
Investments		1,006,467	751,973
Inventories		34,622	36,050
Other	6	52,485	60,975
Total Current Assets		<u>2,132,540</u>	<u>1,626,854</u>
Non Current Assets			
Property, Plant and Equipment	7	7,869,610	8,029,711
Deferred Tax Assets	5(c)	434,500	500,000
Total Non Current Assets		<u>8,304,110</u>	<u>8,529,711</u>
TOTAL ASSETS		<u>10,436,650</u>	<u>10,156,565</u>
LIABILITIES			
Current Liabilities			
Payables	8	330,275	347,273
Provisions	9	232,047	224,994
Other	10	23,000	27,318
Total Current Liabilities		<u>585,322</u>	<u>599,585</u>
Non-Current Liabilities			
Payables	8	-	8,603
Deferred tax liabilities	5(d)	7,000	8,000
Total Non-Current Liabilities		<u>7,000</u>	<u>16,603</u>
TOTAL LIABILITIES		<u>592,322</u>	<u>616,188</u>
NET ASSETS		<u>9,844,328</u>	<u>9,540,376</u>
ACCUMULATED FUNDS		<u>9,844,328</u>	<u>9,540,376</u>

The Balance Sheet should be read in conjunction with the accompanying Notes to the Financial Statements.

Brighton-Le-Sands RSL Club Limited

Income Statement As at 30 June 2011

	Note	2011 \$	2010 \$
Revenue from Continuing Operations			
Sale of goods		1,268,781	1,337,451
Rendering of Services		4,082,784	3,829,181
Other Revenue		157,770	117,844
		<hr/>	<hr/>
Total revenue from continuing operations	2	5,509,335	5,284,476
		<hr/>	<hr/>
Expenses (excluding depreciation & amortisation)			
Cost of sales		541,196	579,801
Employee benefits and expenses		1,707,634	1,581,014
Entertainment, marketing & promotional costs		644,664	610,680
Poker machine duties and taxes		686,700	633,875
Cleaning, rent, rates, electricity & gas		296,820	297,241
Insurance expenses		93,396	92,823
Repairs and maintenance		175,498	135,108
Security expenses		141,147	131,561
Other expenses from ordinary activities		308,725	340,643
		<hr/>	<hr/>
		4,595,780	4,402,746
		<hr/>	<hr/>
Earnings before depreciation and amortisation expenses, borrowing costs		913,555	881,730
		<hr/>	<hr/>
Depreciation and amortisation		471,638	477,660
Loss on disposal of assets		12,666	36,601
Finance costs		8,008	19,398
Donations and Grants		52,791	45,746
		<hr/>	<hr/>
Profit before income tax		368,452	302,325
		<hr/> <hr/>	<hr/> <hr/>

The Income Statement should be read in conjunction with the accompanying Notes to the Financial Statements.

Brighton-Le-Sands RSL Club Limited

Statement of Changes in Equity
As at 30 June 2011

	Note	2011 \$	2010 \$
Total equity at the beginning of the financial year		9,540,376	9,282,551
Profit for the year before income tax	3	368,452	302,325
Income Tax Expenses	5	(64,500)	(44,500)
Profit for the year after income tax		303,952	257,825
Total equity at the end of the financial year		9,844,328	9,540,376

The Statement of Changes in Equity should be read in conjunction with the accompanying Notes to the Financial Statements.

Brighton-Le-Sands RSL Club Limited

Summarised Profit and Loss Statement As at 30 June 2011

	Note	2011 \$	2010 \$
INCOME			
Net Trading Results			
- Poker Machines		2,341,906	2,176,766
- Bar		13,670	32,401
- Clubkeno		24,154	33,792
- Coffee Shop		(17,759)	(9,185)
- Dining Room		43,809	29,700
- Raffles		(24,669)	(23,340)
- Bingo		17,312	16,444
- TAB		(28,081)	-
Members' Subscriptions		28,532	31,745
Interest Received		79,464	42,860
Function Income		60,262	57,955
Sundry Income		23,436	17,630
Workers Compensation		2,978	-
Apprentice Incentive		-	2,273
GST Rebate		17,180	17,180
		2,582,194	2,426,221
EXPENDITURE			
Club Amenities		442,730	415,853
Operating and Administration Expenses		1,717,042	1,660,236
Function Expenses		1,179	2,061
Donations and Grants		52,791	45,746
		2,213,742	2,123,896
OPERATING PROFIT FOR THE YEAR		368,452	302,325

Brighton-Le-Sands RSL Club Limited

Cash Flow Statement As at 30 June 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		5,335,116	5,145,391
Payments to Suppliers & Employees		(4,615,052)	(4,376,888)
Interest Received		82,428	39,540
GST Rebate		17,180	17,180
Rental Income		75,122	76,426
Net Cash provided by operating activities	14(b)	894,794	901,649
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Disposal of Fixed Assets		9,545	23,000
Payment for Investments		(254,494)	(600,047)
Payment for Property, Plant & Equipment		(333,749)	(253,195)
Net Cash provided by investing activities		(578,698)	(830,242)
CASH FLOWS FROM FINANCING ACTIVITIES			
Redemption of Investments		-	-
Repayment of loans		(59,656)	(217,898)
Mortality Fund Payments		(1,500)	(500)
Net Cash provided by financing activities		(61,156)	(218,398)
NET INCREASE / (DECREASE) IN CASH HELD		254,940	(146,991)
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		774,033	921,024
CASH AT 30 JUNE 2011	14(a)	1,028,973	774,033

The Cash Flow Statement should be read in conjunction with the accompanying Notes to the Financial Statements

Brighton-Le-Sands RSL Club Limited

Notes to the Financial Statements For the Year Ended 30 June 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations.

Compliance with IFRS

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards (IFRS).

In preparing the financial report the Company has taken the exemptions available to non profit entities.

Historical Cost Convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain class of property, plant and equipment and investment property.

(b) Revenue Recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sale of Goods

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods and is recognised (net of rebates, returns, discounts and other allowances) when control of the goods passes to the customer.

Rendering of Services

Revenue from rendering services comprises revenue from gaming facilities together with other services to members and other patrons of the club and is recognised when the services are provided.

Interest Revenue

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

Sale of Property, Plant and Equipment

The gross proceeds of property, plant and equipment sales are recognised as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs)

Contribution of Assets

Contributions of assets and contributions to assist in the acquisition of assets, being non-reciprocal transfers, are recognised as revenue at the fair value of the asset received when the company gains control of the contribution, except when the contributions are by owners.

Brighton-Le-Sands RSL Club Limited

Notes to the Financial Statements For the Year Ended 30 June 2011 (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the Balance Sheet are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the Balance Sheet.

(d) Income Taxes

Income taxes are accounted for using the comprehensive balance sheet liability method whereby:

- The tax consequences of recovering (settling) all assets (liabilities) are reflected in the financial statements;
- Current and deferred tax is recognised as income or expense except to the extent that the tax relates to equity items or to a business combination;
- A deferred tax assets is recognised to the extent that it is probable that future taxable profit will be available to realise the asset;
- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

The Company adopts the principle of mutuality and is liable for income tax only on income derived from non-members and from investments.

(e) Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset is compared to the asset's carrying value.

Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Cash Assets

Cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts.

(g) Receivables

Trade debtors and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at balance date using the first-in-first-out basis.

(i) Leases

Payments made under operating leases are expensed on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

Brighton-Le-Sands RSL Club Limited

Notes to the Financial Statements For the Year Ended 30 June 2011 (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Investments and Other Financial Assets

The company classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(k) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in value in active markets such as trading and available-for-sale securities is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

(l) Property, Plant and Equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line/diminishing value methods to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives. Club building and improvements are amortised at 2.5% to 10% on the straight line method and the majority of plant and equipment is depreciated at 7.5% to 40% on the reducing balance method.

(m) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Employee Benefits

Charges are made against profits to provide for accrued salary and holiday and long service leave entitlements at rates in accordance with employees' entitlements under the relevant Statutes and Awards and as approved by the Board.

Superannuation Plan

The company contributes to several defined contribution superannuation plan(s). Contributions are recognised as an expense as they are made. The company has no legal or constructive obligation to fund any deficit.

(o) Reward Points

The liability for prizes given in exchange for bonus points accumulated by members playing poker machines is only recognised when the relevant claims for prizes are made.

The Brighton Bucks expired on 30 June and all bonus points reset to 0 from 1 July 2011.

Brighton-Le-Sands RSL Club Limited

Notes to the Financial Statements
For the Year Ended 30 June 2011 (continued)

	2011 \$	2010 \$
2. REVENUE FROM CONTINUING OPERATIONS		
Sale of Goods Revenue		
Bar and coffee shop sales	1,268,781	1,337,451
Rendering of Services Revenue		
Poker machines – net clearances	3,737,100	3,493,059
Function income	60,262	57,955
Raffle income	121,597	116,562
Bingo income	20,054	18,847
Members' subscriptions	28,532	31,745
Keno commission	68,993	73,930
Tab commission	2,652	-
Other commission and sundry income	26,414	19,903
GST rebate	17,180	17,180
Total Rendering of Services Revenue	4,082,784	3,829,181
Other Revenue		
Interest income	79,464	42,860
Rental income	78,306	74,984
Total Other Revenue	157,770	117,844
Total Revenue from Continuing Operations	5,509,335	5,284,476

Brighton-Le-Sands RSL Club Limited

Notes to the Financial Statements
For the Year Ended 30 June 2011 (continued)

	2011	2010
	\$	\$
3. EXPENSES		
(a) Profit before income tax includes the following specific expenses:		
Finance costs		
Interest and finance charges	8,008	19,398
Rent expense relating to operating leases		
Minimum lease payments	5,076	33,087
Depreciation		
Plant and equipment	258,128	262,207
Building	213,510	215,453
Movements in provisions for:		
Employee benefits	(15,983)	23,032
Poker Machine Revenue Tax	17,266	(2,800)
CDSE	5,771	11,561
Net loss on disposal of non-current assets	12,666	36,601
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4. AUDITOR'S REMUNERATION		
During the year the following fees were paid or payable for services provided by the auditor:		
Audit services: audit & review of financial reports	24,000	25,000
Other services: taxation/other assurance services	6,000	17,000
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	\$30,000	\$42,000
	<hr/> <hr/>	<hr/> <hr/>

Brighton-Le-Sands RSL Club Limited

Notes to the Financial Statements
For the Year Ended 30 June 2011 (continued)

	2011	2010
	\$	\$
5. TAXATION		
(a) Income Tax Expense		
<p>The Income Tax Assessment Act, 1997 (amended) provides that under the concept of mutuality clubs are only liable for income tax on income derived from non-members and from outside entities.</p> <p>The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:</p>		
Prima facie tax payable on profit from ordinary activities before Income tax at 30%	110,536	90,698
Add / (Less) tax effect of:		
Net income and expenditure items relating to member activity	31,492	36,754
Other deductible items	(75,761)	(65,086)
Carried forward losses recouped	(66,267)	(62,366)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Current income tax applicable to above at 30%	-	-
(Decrease) Increase in deferred tax liability	(1,000)	500
Decrease in deferred tax asset (Refer to Note 5c)	65,500	44,000
(Overprovided) in prior year	-	-
	<hr/>	<hr/>
Income tax attributable to operating profit	64,500	44,500
	<hr/> <hr/>	<hr/> <hr/>
(b) Current Tax Liabilities		
Provision for current income tax		
Movements during the year:	-	-
Balance at beginning of year	-	-
Income tax paid	-	-
Current year's income tax expense on profit	-	-
Under/(over) provision in prior year	-	-
	<hr/>	<hr/>
	-	-
	<hr/> <hr/>	<hr/> <hr/>

Brighton-Le-Sands RSL Club Limited

Notes to the Financial Statements
For the Year Ended 30 June 2011 (continued)

	2011	2010
	\$	\$
5. TAXATION (continued)		
(c) Deferred Tax Assets		
The balance comprises temporary difference recognised in the profit & loss attributable to:		
Depreciation on buildings	73,500	77,000
Provisions	30,000	29,000
Temporary differences	11,000	8,300
Carried forward losses	320,000	385,700
	<hr/>	<hr/>
Net deferred tax assets	434,500	500,000
	<hr/>	<hr/>
(c) Deferred Tax Assets		
Movements		
Opening balance	500,000	544,000
Credited/(charged) to the income statement	(65,500)	(44,000)
	<hr/>	<hr/>
Closing balance	434,500	500,000
	<hr/>	<hr/>
(d) Deferred Tax Liabilities		
The balance comprises temporary differences attributable to:		
Prepayments and accrued income	7,000	8,000
	<hr/>	<hr/>
Net deferred tax liabilities	7,000	8,000
	<hr/>	<hr/>
Movements		
Opening balance	8,000	7,500
Credited/(charged) to the income statement	(1,000)	500
	<hr/>	<hr/>
Closing balance	7,000	8,000
	<hr/>	<hr/>

Brighton-Le-Sands RSL Club Limited

Notes to the Financial Statements
For the Year Ended 30 June 2011 (continued)

	2011	2010
	\$	\$
6. OTHER ASSETS - CURRENT		
Prepayments	37,093	42,254
Accrued income	15,392	18,721
	<hr/>	<hr/>
	52,485	60,975
	<hr/> <hr/>	<hr/> <hr/>
 7. PROPERTY, PLANT & EQUIPMENT		
Freehold Land - at cost	2,854,885	2,854,885
Buildings and improvements, at cost	5,545,897	5,540,597
Less: Amortisation	(1,407,275)	(1,193,765)
	<hr/>	<hr/>
	6,993,507	7,201,717
	<hr/>	<hr/>
 Poker Machines, Plant and Equipment - at cost	4,081,079	3,918,096
Less: Accumulated Depreciation	(3,204,976)	(3,090,102)
	<hr/>	<hr/>
	876,103	827,994
	<hr/>	<hr/>
 Total Property, Plant and Equipment	 7,869,610	 8,029,711
	<hr/> <hr/>	<hr/> <hr/>

Core Properties

The registered proprietors of the consolidated property situated at 351-361 Bay Street, Brighton-Le-Sands are Brighton-Le-Sands RSL Club Limited and RSL Custodian Pty Limited as trustee for the Brighton-Le-Sands Sub Branch.

Brighton-Le-Sands RSL Club Limited

Notes to the Financial Statements
For the Year Ended 30 June 2011 (continued)

	2011 \$	2010 \$
7. PROPERTY, PLANT & EQUIPMENT (continued)		
Reconciliations		
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:		
Freehold land	2,854,885	2,854,885
Building and Improvements		
Carrying amount at beginning of year	4,346,832	4,535,940
Additions	5,300	30,400
Disposals	-	(4,055)
Depreciation expense	(213,510)	(215,453)
Carrying amount at end of year	4,138,622	4,346,832
Poker Machines & Equipment		
Carrying amount at beginning of year	457,304	489,789
Additions	187,616	180,757
Disposals	(14,457)	(35,973)
Depreciation expense	(184,984)	(177,269)
Carrying amount at end of year	445,479	457,304
Plant, Motor Vehicle, Furniture and Equipment		
Carrying amount at beginning of year	370,690	433,163
Additions	140,833	42,037
Disposals	(7,755)	(19,581)
Depreciation expense	(73,144)	(84,929)
Carrying amount at end of year	430,624	370,690
Total carrying amount at end of year	7,869,610	8,029,711

Brighton-Le-Sands RSL Club Limited

Notes to the Financial Statements
For the Year Ended 30 June 2011 (continued)

	2011	2010
	\$	\$
8. TRADE & OTHER PAYABLES		
<u>Current</u>		
Trade Creditors and Accruals	303,226	269,171
Loan payable	18,446	19,027
Hire Purchase Creditors	8,603	59,075
	<hr/>	<hr/>
	330,275	347,273
	<hr/> <hr/>	<hr/> <hr/>
<u>Non-Current</u>		
Hire Purchase Creditors	-	8,603
	<hr/>	<hr/>
	-	8,603
	<hr/> <hr/>	<hr/> <hr/>
9. PROVISIONS		
<u>Current</u>		
Holiday Pay	90,000	106,376
Long Service Leave	25,500	25,108
Poker Machine Revenue Tax	66,466	49,200
CDSE	50,081	44,310
	<hr/>	<hr/>
	232,047	224,994
	<hr/> <hr/>	<hr/> <hr/>
10. OTHER LIABILITIES		
<u>Current</u>		
Members Subscription in Advance	13,000	12,634
Income in Advance	-	3,184
Mortality Fund Capital	10,000	11,500
	<hr/>	<hr/>
	23,000	27,318
	<hr/> <hr/>	<hr/> <hr/>

Brighton-Le-Sands RSL Club Limited

Notes to the Financial Statements
For the Year Ended 30 June 2011 (continued)

	2011 \$	2010 \$
11. CONTINGENT LIABILITIES	-	-
	<hr/> <hr/>	<hr/> <hr/>
12. CAPITAL & LEASING COMMITMENTS		
Capital Commitments	-	-
	<hr/> <hr/>	<hr/> <hr/>
Operating Leasing Commitments		
Payable not later than 1 year	4,200	-
Payable later than 1 year but not later than 3 years	7,000	-
	<hr/>	<hr/>
	11,200	-
	<hr/> <hr/>	<hr/> <hr/>
13. SEGMENT REPORTING		
<p>The Company operates predominantly in the hospitality and entertainment industry.</p> <p>The Company's operations and customers are located predominantly in Sydney, New South Wales. The Company provides a range of function, food, beverage, gaming and other entertainment facilities to members and guests.</p>		
14. CASH FLOW		
(a) Reconciliation of Cash		
<p>Cash as at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:</p>		
Cash assets	1,028,973	774,033
	<hr/>	<hr/>
	1,028,973	774,033
	<hr/> <hr/>	<hr/> <hr/>

Brighton-Le-Sands RSL Club Limited

Notes to the Financial Statements
For the Year Ended 30 June 2011 (continued)

	2011	2010
	\$	\$
14. CASH FLOW (continued)		
(a) Reconciliation of Net Cash Provided By Operating Activities with Profit (Loss) from Ordinary Activities After Income Tax		
Profit (Loss) from ordinary activities after income tax	303,952	257,825
Add/(less) non-cash items		
Depreciation and amortisation	471,638	477,660
Loss on disposal of non-current assets	12,666	36,601
Amounts set aside (credit) to provisions	7,053	31,793
(Increase)/decrease in deferred tax assets	65,500	44,000
(Decrease)increase in deferred tax liabilities	(1,000)	500
Increase/(decrease) in income taxes payable	-	-
	<hr/>	<hr/>
Net cash provided by operating activities before changes in assets and liabilities	859,809	848,379
Changes in assets and liabilities during the financial year		
(Increase) Decrease in inventories	1,428	(3,484)
(Increase) Decrease in other assets	2,320	(4,872)
Increase in payables & other liabilities	31,237	61,626
	<hr/>	<hr/>
Net cash provided by/(used in) operating activities	<u>894,794</u>	<u>901,649</u>

15. 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.

50% of Club premises are rented from the Committee of Brighton RSL Sub-Branch on a month-by-month bases at a rental charge of \$30,000 per annum (GST inclusive). The terms of the lease of the Club premises from the Sub-Branch is considered favourable to the Club.

Brighton-Le-Sands RSL Club Limited

Notes to the Financial Statements
For the Year Ended 30 June 2011 (continued)

	2011	2010
	\$	\$
16. INTERESTS OF KEY MANAGEMENT PERSONNEL		
(a) Key management personnel		
<p>The following were key management personnel of the Company at any time during the reporting period and unless otherwise indicated were directors for the entire period:</p>		
Non-executive Directors	Executive	
Barry N Worling	Scott P Wheelihan	(Chief Executive Officer)
Alan J Schofield	Darren J Bull	(Operations Manager)
Neil P Tooze		
Christopher J McCarthy		
Mark G Winspear		
Rod L Brooks (Retired 21.11.2010)		
Gary S Walke		
John C Dunnell (Appointed 21.11.2010)		
(b) Key Management Personnel Compensation		
Short term employee benefits	186,016	163,814
Directors honoraria	10,000	4,000
	196,016	167,814
	196,016	167,814

Apart from the details disclosed in this note, no director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

Brighton-Le-Sands RSL Club Limited

Notes to the Financial Statements For the Year Ended 30 June 2011 (continued)

	2011	2010
	\$	\$
17. FINANCIAL INSTRUMENTS		
<p>The Company's financial instruments consist mainly of deposits with bank, local money market instruments, and short-term investments, accounts receivable and payable.</p>		
<p>The totals of each category of financial instruments to these financial statements are as follows:</p>		
Financial Assets:		
Cash and cash equivalents	1,028,973	774,033
Investments – interest bearing deposits, etc	1,006,467	751,973
Total Financial Assets	<u>2,035,440</u>	<u>1,526,006</u>
Financial Liabilities:		
Employee entitlements	115,500	131,484
Trade and other payables	257,997	300,573
Total Financial Liabilities	<u>373,497</u>	<u>432,057</u>

18. COMPANY DETAILS

The Club is incorporated and domiciled in Australia as a company limited by guarantee.

The registered office of the Company is:

Brighton-Le-Sands RSL Club Limited
351 Bay Street
Brighton-Le-Sands NSW 2216

Members' Limited Liability

In accordance with the Constitution of the Company every member of the company undertakes to contribute an amount limited to \$5 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter.