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ANNUAL REPORT 2012-13 WAGGA RSL CLUB
(inc Commercial Club Wagga)



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Notice of annual General Meeting

Notice is hereby given that the Annual General Meeting of Wagga RSL Club Ltd will be held on Tuesday, 8th October 2013 at 7.00pm at the Club premises, Dobbs St, Wagga Wagga.

Business

1. To receive and consider the report of the Directors
2. To receive and consider the Financial Statements:
 - a) Trading Profit and Loss Account
 - b) Statement of Comprehensive Income
 - c) Statement of Financial Position
 - d) Statement of Cash Flows
 - e) Notes to Financial Accounts
3. To receive and consider the Auditors Report
4. To declare the election of the Directors for the ensuing period
5. To confirm the appointment of the Auditors
6. Any other relevant business of which due notice has been given.

By order of the Board of Directors.



Andrew Bell
General Manager

Notice of Resolutions

Ordinary Resolution 1

“That pursuant to the Registered Clubs Act 1976, as amended, the members hereby approve and agree to the members of the Board and Senior Management during the period preceding the next Annual General Meeting receiving the following benefits and the members further acknowledge that the benefits outlined in sub-paragraphs (a) to (i) are not available to members generally, but, only to those members who are elected to the Board of Directors of the Club, or Senior Managers;

- a. Reasonable meals and refreshments for each Director in conjunction with each Board or Committee Meeting;
- b. Reasonable costs or expenses in relation to the professional development and education of Directors and Managers including:
 - (i) Attending meetings of associations of which the Club is a member or Managers or Directors of the Club are members;
 - (ii) Attending seminars, lectures, trade displays, organised study tours, fact finding tours and other similar events as may be determined by the Board from time to time;
 - (iii) Attending other registered clubs or gaming premises for the purpose of observing their facilities and methods of operation;
 - (iv) Attending conferences and training sessions in relation to their roles and responsibilities under the Registered Clubs Act, the Corporation Act 2001 and any other relevant legislation.
- c. Reasonable costs or expenses of attending functions whilst representing the Club with partners where appropriate;
- d. Reasonable costs or expenses of travelling by either private or public transport to and from Directors or other duly constituted meetings held within the Club or elsewhere;
- e. Reasonable costs or expenses in relation to such other duties including entertainment of special guests of the Club and other promotional activities approved by the Board;
- f. Reasonable costs or expenses in relation to the provision of uniforms and associated apparel for the use of each Director or Senior Manager when representing the Club;
- g. The provision of a specially reserved parking space at the Club for the use of the President when attending the Club to carry out his duties;
- h. Reasonable costs or expenses in relation to presentations to members (other than in the form of money) or to other persons to acknowledge services, which in the opinion of the Directors, were of benefit to the Club;
- i. Reasonable costs or expenses relating to the sponsorship by payment of money or provision of benefits to such sporting events, sports or community organisations, which, in the opinion of the Directors will be beneficial to the Club or the community over and above such expenditure required under the Community Development Support Expenditure Scheme.”

Explanatory Message

Pursuant to the requirements of the Registered Clubs Act 1976, the Club is required at each Annual General Meeting to have approved by Ordinary Resolution, the benefits to be provided to the Directors of the Club. The benefits, which are provided, are the standard benefits to have been provided to Directors of the Club over a number of years. The purpose of this Resolution is to comply with the requirements of the Registered Clubs Act.

Notes To Members Regarding Ordinary Resolution 1

To be passed, Ordinary Resolution 1 must receive a simple majority of votes in its favour from those persons present at the Meeting who are eligible to vote. Proxy voting is not permitted under the Registered Clubs Act.

Ordinary Resolution 2

Approval of Honoraria for Directors for the year 2013/2014.
"That pursuant to the Registered Clubs Act 1976, as amended, the members hereby approve and agree to the members of the Board, during the period preceding the next Annual General Meeting receiving Honoraria for the positions named, and the sums referred to below, in respect of services rendered to the Club and the members further acknowledge that the Honoraria are not available to members generally, but only those members who are elected to the Board of Directors of the Club:

- (i) \$12,954 to the President
- (ii) \$7,254 to the Vice President
- (iii) \$3,109 to each other Director"

Explanatory Message

Pursuant to the requirements of the Registered Clubs Act 1976, the Club is required to have the Honoraria for Directors approved by the members at the Annual General Meeting. The Honoraria has been adjusted by 2.4% to reflect the increase in the Consumer Price Index (CPI) and will continue to be adjusted on an annual basis as approved at the 2011 Annual General Meeting. The purpose of this Resolution is to comply with the requirements of the Registered Clubs Act.

Notes To Members Regarding Ordinary Resolution 2

To be passed, Ordinary Resolution 2 must receive a simple majority of votes in its favour from those members present at the Meeting who are eligible to vote. Proxy voting is not permitted under the Registered Clubs Act. The Board recommends Ordinary Resolution 2 to the Meeting.



From top left: Peter Thomas, John Gray, Sally Whitley, Phillip Elliott From bottom left: Rodney (Foot) Porter, John Keyes, Phillip McIntosh

President's Report

for year ended 30 June 2013



This has been possibly one of the hardest financial years encountered by many businesses and individuals across Australia but still we have seen enormous support of our clubs from members, visitors, community organisations and businesses.

The Wagga RSL & Commercial Clubs have done its best to provide quality products & services in an enjoyable environment all at a cost effective price. Thanks to our members and visitors the Club has secured a pleasing profit of \$1,242,544 for the past twelve months trading.

2012/2013 has seen major changes to our catering department particularly at the RSL Club. Our new contractors in the Bistro have worked very hard to supply quality, cost effective meals while listening to the requests of members and guests. We do appreciate the efforts shown by Tim and his team. A great winner has been the discounted meals provided to our lunch time bingo players who now enjoy a free game of bingo.

The Pearl City Chinese Restaurant continues to be a credit to the RSL Club with quality food attracting a large volume of patrons. Thanks to Allan, Ivy and your hard working team, we really appreciate your efforts. A major facelift to Pearl City is scheduled for January 2014. The upgrade will incorporate more seating and a fusion between the old Pearl City atmosphere and a modern, bold interior.

Our Sub Clubs continue to play an integral part in our day to day activities. To the RSL Men's & Ladies Bowling Clubs and the RSL Cricket Club, we thank you all for your support and dedication to the promotion of your games to the city of Wagga Wagga. The Sports Bar at the RSL provides an enjoyable meeting place for these and many other sporting bodies along with their supporters.

Our Clubs continue to support a number of charities and organisations across our community and beyond. This includes direct, Club Grants and in kind funding with over a staggering \$360,000 donated over the last twelve months. Some of the thankful recipients this year have included Wagga Women's Health Centre, Micah House, Oura Progress Association, Wagga Wagga Jazz, The Cancer Council NSW and many more.

This support is extended with our strong association with the Wagga RSL Sub Branch. President Kevin Kerr, his committee and members are a credit to our club and the Wagga region. We thank them for providing such exceptional welfare and advocacy services to serving and ex-service persons.

Renovations are always on the horizon to ensure our members and guests are provided with a modern and comfortable environment. The most exciting of these has been the completion of the outdoor 'Deck' at the Commercial Club. It has a great 'wow' factor providing a modern, picturesque and entertaining area for all to enjoy. Smokers will be accommodated for in a dedicated smoking area to be built at the rear of the club. Catering at the Commercial Club continues to be strong with Benny's dining offering both Cantonese and quality Australian meals. A special thank you to Benny, Ann, Denny, Helen and their supportive employees. The Caffebar at the Commercial Club is proving to be a great option for that scrumptious snack and coffee and is now offering a larger selection of fresh goodies to choose from.

For the two clubs to meet the needs of members and guests a strong management and support team is imperative. This team is led by Andrew Bell (General Manager) Terry Williams, Mick McGann, Renee Asgill, Jo Thomas, Rosemary Durigo & Christine Williams. This team is strongly supported by an exceptional administration team who show great dedication to their roles at all times.

The Board would like to personally thank every staff member of the two Clubs for the efficient manner in which they work. Nearly every day the Board listens to members and visitors voicing their appreciation of how well they are treated by our staff.

The RSL Club Motel continues to trade exceptionally well thanks to our highly effective management team, Brownyn and Brendan. We acknowledge and appreciate their long hours in ensuring our motel is a place for travellers to enjoy and trust that you are happy being part of our clubs team. A recent major refurbishment of the rooms has been well received.

Sincere thanks go to my fellow directors Phillip Elliot (Vice President), Sally Whitley, Phillip McIntosh, Peter Thomas, Foot Porter and John Gray. You are a champion team who never makes decisions in haste and are committed to achieving the best outcomes. The professionalism of this Board is a credit to our clubs and as your President it is a pleasure to be the leader of such a team.

Once again thank you to all for your continued support and patronage.



Mr John Keyes
President

Trivial Facts for 2013

Wagga RSL and Commercial Club



**320,858 visits to our c
125 staff • supported 1
643 free room hires giv
5 bars • 3 restaurants •
4.4 out of 5 sco**



lubs • 21,268 members
37 community groups
ven • 10 function rooms
2 cafés • 4½ star motel
re on wotif.com

Director's Report

For year ended 30 June 2013

Your Directors present their report on the company and its controlled entity for the financial year ended 30 June 2013. The names of the Directors of the company in office at any time during, or since the end of the year are:

Name	Years of Service	Occupation	Meetings Attended
John Keyes (President)	15	Retired	12/12
Phillip Elliott (Vice President)	6	Manager	11/12
John Gray	9	Retired	11/12
Phillip McIntosh	6	General Manager	10/12
Rodney Porter	5	Proprietor	11/12
Peter Thomas	5	Manager	10/12
Sally Whitley	3	CPA	10/12

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

Operating Profit

The profit of the consolidated group for the financial year after providing for income tax amounted to \$1,242,544

Significant Changes

No significant changes in the nature of the Company's activities occurred during the year.

Principal Activities

The principal activities of the company during the financial year were the operation of a licensed club. 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.

Future Developments

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 Issues

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

Dividends

In accordance with the Articles of Association, the Parent Company is a company limited by guarantee to the extent of \$2.00 per member and accordingly no shares or debentures have been issued and no dividends have been recommended or paid, since the start of the financial year.

Indemnifying Officer or Auditor

During or since the end of the financial year the company has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The company has paid premiums to insure each of the following 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 Director of the company, other than conduct involving a wilful breach of duty in relation to the company.

Mr John Keyes
Mr John Gray
Mr Phillip McIntosh
Mr Phillip Elliott

Mr Rodney Porter
Mr Peter Thomas
Mrs Sally Whitley

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page. Signed in accordance with a resolution of the Board of Directors:



Mr John Keyes
President



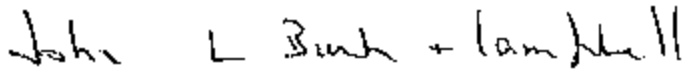
Mr Phillip Elliott
Vice President

Dated this 28th day of August 2013

Auditor's Independence Declaration

I hereby declare, that to the best of my knowledge and belief, during the year ended 30 June 2013 there have been:

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



John L Bush & Campbell
Chartered Accountants



Peter J King
Partner

Dated this 28th day of August 2013

Statement of Comprehensive Income

For year ended 30 June 2013

		Consolidated Group	
	Note	2013	2012
		\$	\$
Revenue	2	14,439,438	14,377,038
Cost of goods sold		(1,506,692)	(1,469,990)
Buildings & maintenance expenses		(2,539,682)	(2,272,663)
Depreciation and amortisation expenses		(1,501,462)	(1,367,034)
Employee benefits expenses		(4,139,737)	(3,956,711)
Members expenses and donations		(2,157,851)	(2,429,946)
Interest expense		(424,761)	(369,373)
Motel operating expenses		(207,386)	(375,047)
Other expenses		(640,752)	(636,906)
Profit (Loss) before income tax		1,321,115	1,499,368
Income Tax Expense	5	(49,624)	(111,406)
Profit for the year		<u>1,271,491</u>	<u>1,387,962</u>
Other comprehensive income:			
Non-Controlling Interest - share of profit		(28,947)	(106,764)
Other comprehensive income for the year		<u>(28,947)</u>	<u>(106,764)</u>
Total comprehensive income for the year		<u>1,242,544</u>	<u>1,281,198</u>

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2013

		Consolidated Group	
	Note	2013	2012
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	471,518	494,393
Trade and other receivables	7	101,017	93,489
Inventories	8	140,805	186,768
Other assets	9	18,765	23,092
TOTAL CURRENT ASSETS		732,105	797,742
NON-CURRENT ASSETS			
Other assets	9	250,000	-
Financial assets	10	499,486	405,272
Property, plant and equipment	11	23,863,842	23,154,514
Investment property	12	4,074,285	3,455,000
Intangible assets	13	1,773,435	1,720,742
TOTAL NON-CURRENT ASSETS		30,461,048	28,735,528
TOTAL ASSETS		31,193,153	29,533,270
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	1,246,217	987,552
Borrowings	15	3,310,919	3,380,255
Provisions	16	372,551	377,950
TOTAL CURRENT LIABILITIES		4,929,687	4,745,757

		Consolidated Group	
		2013	2012
	Note	\$	\$
NON-CURRENT LIABILITIES			
Borrowings	15	4,504,561	4,208,638
Deferred tax liabilities	17	896,334	920,716
TOTAL NON-CURRENT LIABILITIES		<u>5,400,895</u>	<u>5,129,354</u>
TOTAL LIABILITIES		<u>10,330,582</u>	<u>9,875,111</u>
NET ASSETS		<u><u>20,862,571</u></u>	<u><u>19,658,159</u></u>
EQUITY			
Reserves	18	3,427,289	3,427,289
Retained earnings		17,173,913	15,931,368
Non Controlling Interest		261,369	299,502
TOTAL EQUITY		<u><u>20,862,571</u></u>	<u><u>19,658,159</u></u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For year ended 30 June 2013

Consolidated Group	Note	Retained Earnings \$	Asset Revaluation Reserve \$	Non Controlling Interest	Total \$
Balance at 1 July 2011		17,050,496	1,706,639		18,757,135
Profit attributable to equity		1,281,198	-	106,764	1,387,962
Consolidation of subsidiary		(2,400,325)	1,720,650	273,738	(405,937)
Dividends paid				(81,000)	(81,000)
Balance at 30 June 2012		<u>15,931,369</u>	<u>3,427,289</u>	<u>299,502</u>	<u>19,658,160</u>
Profit attributable to equity		1,242,544		28,947	1,271,491
Dividends paid				(67,080)	(67,080)
Balance at 30 June 2013		<u><u>17,173,913</u></u>	<u><u>3,427,289</u></u>	<u><u>261,369</u></u>	<u><u>20,862,571</u></u>

Statement of Cash Flows

For year ended 30 June 2013

		Consolidated Group	
	Note	2013	2012
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		14,327,785	13,775,276
Payments to suppliers and employees		(11,138,543)	(10,789,249)
Dividends received		1,404	329
Interest received		825	545
Income tax paid		(49,624)	(111,406)
Finance costs		(424,761)	(369,373)
Net cash provided by operating activities	21	<u>2,717,086</u>	<u>2,506,123</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(2,258,374)	(1,795,232)
Payments for investment property		(619,284)	(1,112,503)
Payments for other investments		(312,179)	(12,000)
Payments for intangibles		(52,694)	-
Net cash used in investing activities		<u>(3,242,531)</u>	<u>(2,919,735)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts/(repayment) of borrowings		511,920	2,616,857
Dividends Paid		(67,080)	(81,000)
Subsidiary share buy back			(2,100,000)
Net cash used in financing activities		<u>444,840</u>	<u>435,857</u>
Net increase (decrease) in cash held		(80,605)	22,245
Cash at beginning of financial year		40,851	(146,156)
Cash introduced through consolidation		-	164,762
Cash at end of financial year	6	<u>(39,754)</u>	<u>40,851</u>

Notes to Financial Statements

For year ended 30 June 2013

NOTE 1

Statement of Significant Accounting Policies

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

The consolidated financial statements and notes represent those of Wagga RSL Club Limited and its controlled entity ("the consolidated group"). Wagga RSL Club Limited is a company limited by guarantee.

Early adoption of Accounting Standards

The Directors have elected under s.334(5) of the Corporations Act 2001 to apply AASB 1053 'Application of Tiers of Australian Accounting Standards' and AASB 2010-2 'Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements' in advance of their effective dates. AASB 1053 and AASB 2010-2 are not required to be applied until annual reporting periods beginning on or after 1 July 2013. The impact of the adoption of these standards is disclosed at note 1 to the financial statements.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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

Accounting Policies

Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Wagga RSL Club Limited at the end of the reporting period. A controlled entity is any entity over which Wagga RSL Club Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities.

A list of controlled entities is contained at Note 23 to the financial statements.

In preparing the consolidated financial statements, all intra-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-Controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent are shown separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests' interest in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Inventories

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

Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation.

Increases in the carrying amount arising on revaluation of property, plant & equipment are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income. 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.

Plant & equipment

Plant & equipment is measured on the cost basis less any depreciation and impairment losses.

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 over the assets useful life. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant & Equipment	10-40%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the group commits itself to either purchase or sell the asset (ie trade date accounting adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expenses to profit or loss immediately.

Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible 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, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

Intangibles

Poker machine licences and water licences are recorded at either cost or deemed cost and have an infinite life. Licences are assessed annually for impairment.

Employee Benefits

Provisions are made for the group'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 the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

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 in the statement of financial position.

Revenue and Other Income

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

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all involvement in those goods.

Poker machine revenue is shown net of Gaming Machine Tax that was paid to the Office of State Revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue is recognised when the right to receive a dividend has been established.

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 Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cashflows net of any GST.

Comparative Figures

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

Adoption of New and Revised Accounting Standards

During the current year the group adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. Other than AASB 1053 and AASB 2010-2 the group has decided against early adoption of these standards.

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised, recorded in an asset and a liability equal to present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Income Tax

The mutuality principle has been applied to the calculation of the parent company's income tax. The club has estimated that the assessable proportion of mutual income represented by results of trading attributable to non members of the group is to be 14%.

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

Deferred income tax expense reflects the movements in deferred tax assets and deferred tax liability balances during the year.

Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the group during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates

The freehold land and buildings were independently valued at 30 June 2010 by Cosgraves Property Advisers. The valuation was based on fair value in use for financial reporting purposes assuming part of a viable going concern..

The investment properties were independently valued at 30 June 2012 by Opteon (Southern Inland NSW) Pty Ltd. The valuation was based on fair market value. The critical assumptions adopted in determining the valuation include the location of the land and buildings.

Application of new and revised Accounting Standards

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported in these financial statements.

AASB 1053 'Application of Tiers of Australian Accounting Standards' and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements'

AASB 1053 establishes a differential financial reporting framework consisting of two tiers of reporting requirements for general purpose financial statements, comprising Tier 1: Australian Accounting Standards and Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements (RDR). AASB 2010-2 makes amendments to each Standard and Interpretation indicating the disclosures not required to be made by 'Tier 2' entities or inserting 'RDR' paragraphs requiring simplified disclosures for 'Tier 2' entities. The adoption of these standards has resulted in significantly reduced disclosures, largely in respect of income tax, segments, impairment, related parties, share-based payments, financial instruments and cash flows.

The financial statements were authorised for issue by the board of Directors at the date of signing.

Consolidated Group

2013

2012

\$

\$

NOTE 2**Revenue and Other Income**

Sale of goods	2,849,388	2,850,876
Accommodation income	1,646,374	1,525,621
Dividends received	1,404	329
Interest received	825	545
Poker machine income	8,361,969	8,052,873
Commissions	280,695	364,981
Sundry income	852,337	857,446
Membership subscriptions	102,339	91,759
Revaluation of investments	86,851	393,184
Impairment reversals	-	18,650
Rental income	257,256	220,772
	<u>14,439,438</u>	<u>14,377,038</u>

NOTE 3**Auditor's Remuneration**

Audit Services	35,550	33,000
Other Services	-	1,250
	<u>35,550</u>	<u>34,250</u>

NOTE 4**Profit****Significant Revenue**

Revaluation of investment property	-	411,650
Revaluation of other investments	-	(18,466)

Significant Expenses

Depreciation of property, plant and equipment	1,501,462	1,367,034
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Consolidated Group

NOTE 52013
\$2012
\$**Income Tax Expense**

The components of tax expense comprise:

Total income tax payable for this year	74,006	135,987
Movements in deferred tax liability	(24,382)	(24,581)
Income tax expense	<u>49,624</u>	<u>111,406</u>

The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:

Sales Revenue

Mutual Income	11,951,727	11,479,733
Fully Taxable	3,127,635	2,820,101
Non Taxable (exempt income)	102,339	91,759
	<u>15,181,701</u>	<u>14,391,593</u>
Taxable Income		
Non member's income (14%)	1,673,242	1,607,163
Fully taxable income	2,921,860	2,820,101
	<u>4,595,102</u>	<u>4,427,264</u>
Allowable Expenses		
Non members expenses (14%)	1,381,972	1,378,996
Fully deductible expenses	2,754,490	2,481,419
Prior years tax losses utilised	-	2,167
	<u>4,136,462</u>	<u>3,862,582</u>
Taxable income	<u>458,640</u>	<u>564,682</u>
Tax at 30%	137,592	169,405
Less tax effect of:		
- Franking credits	87,968	57,999
Income tax attributed to the group	<u>49,624</u>	<u>111,406</u>

Consolidated Group

	2013	2012
	\$	\$
NOTE 6		
Cash and Cash Equivalents		
Cash on Hand	264,179	253,118
Cash at Bank	207,339	241,275
	<u>471,518</u>	<u>494,393</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash and Cash Equivalents	471,518	494,393
Bank Overdraft (Note 15)	(511,272)	(453,542)
	<u>(39,754)</u>	<u>40,851</u>

NOTE 7

Trade and Other Receivables

Current

Trade Debtors	101,017	93,489
	<u>101,017</u>	<u>93,489</u>

The group does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

i) Provision for Impairment of Receivables

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. No trade receivables have been impaired.

ii) Credit Risk – Trade and Other Receivables

The group does not have any material credit risk exposure to any single receivable or group of receivables.

Consolidated Group

2013

2012

\$

\$

NOTE 8

Inventories

Current

At cost:

Stock on Hand

140,805

186,768

NOTE 9

Other Assets

Current

Prepayments

18,765

23,092

Non-Current

Share buyback deposit

250,000

-

Total Other Assets

268,765

23,092

NOTE 10

Financial Assets

Non-Current

LSL Investment Portfolio – at market value

119,241

391,558

Shares in Listed Companies – at market value

16,325

13,684

BT Portfolio – at market value

363,920

-

499,486

405,272

Consolidated Group

2013

2012

\$

\$

NOTE 11**Property, Plant and Equipment****LAND AND BUILDINGS****Freehold land at fair value:**

Land – Core Property	2,760,000	2,760,000
Land - Other	446,400	446,400
	<u>3,206,400</u>	<u>3,206,400</u>

Buildings at fair Value

Buildings – Core Property	13,675,369	12,942,369
Buildings - Other	4,767,395	4,753,600
Less: accumulated depreciation	(1,207,966)	(744,867)
	<u>17,234,798</u>	<u>16,951,102</u>

Total Land and Buildings

	<u>20,441,198</u>	<u>20,157,502</u>
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PLANT AND EQUIPMENT

At Cost	10,803,743	9,601,934
Less: accumulated depreciation	(7,381,099)	(6,604,922)

Total Plant and Equipment

	<u>3,422,644</u>	<u>2,997,012</u>
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Total Property, Plant and Equipment

	<u><u>23,863,842</u></u>	<u><u>23,154,514</u></u>
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NOTE 11 continued**Movements in Carrying Amounts**

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

	Freehold Land \$	Buildings \$	Plant and Equipment \$	Total \$
Balance at 1 July 2011	2,350,000	11,485,723	2,863,410	16,699,133
Addition of subsidiary	446,400	4,753,600	306,942	5,506,942
Reclassifications	410,000	110,241	-	520,241
Additions	-	1,060,082	735,150	1,795,232
Depreciation expense	-	(458,544)	(908,490)	(1,367,034)
Balance at 30 June 2012	<u>3,206,400</u>	<u>16,951,102</u>	<u>2,997,012</u>	<u>23,154,514</u>
Additions		1,008,981	1,249,393	2,258,374
Disposals		-	(47,584)	(47,584)
Depreciation expense		(542,501)	(958,961)	(1,501,462)
Carrying amount at 30 June 2013	<u><u>3,206,400</u></u>	<u><u>17,417,582</u></u>	<u><u>3,239,860</u></u>	<u><u>23,863,842</u></u>

Consolidated Group

2013

2012

\$

\$

NOTE 12**Investment Property**

Investment Property – at market value	4,074,285	3,455,000
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Movements in Carrying Amounts

Movement in the carrying amounts for investment property between the beginning and the end of the current financial year is as follows:

Balance at 30 June 2012	3,455,000	2,451,088
Reclassifications	-	(520,241)
Additions	619,285	1,112,503
Revaluation - to profit and loss	-	411,650
Carrying amount at 30 June 2013	4,074,285	3,455,000

NOTE 13**Intangible Assets**

Poker Machine Entitlements – at cost	1,621,985	1,569,292
Water Licences – at cost	254,850	254,850
Less: accumulated impairment expense	(103,400)	(103,400)
	151,450	151,450
Total	1,773,435	1,720,742

NOTE 14**Trade and Other Payables****Current**

Accrued Expenditure	221,600	392,627
Trade Creditors	788,902	332,784
Other Creditors	49,195	11,100
GST Payable	186,520	251,038
	1,246,217	987,552

Consolidated Group

	2013	2012
	\$	\$
NOTE 15		
Borrowings		
Current		
Bank Overdraft	511,272	453,542
Bank Bills	2,185,602	2,362,900
Other Bank Loans	614,045	563,813
Total current borrowings	<u>3,310,919</u>	<u>3,380,255</u>
Non-Current		
Bank Bills	3,250,000	3,400,000
Other Bank Loans	1,254,561	808,638
Total non-current borrowings	<u>4,504,561</u>	<u>4,208,638</u>
Total Borrowings	<u>7,815,480</u>	<u>7,588,893</u>

The borrowings are secured by:

- a) Registered mortgage over the Commercial Club premises located at 77 Gurwood Street Wagga;
- b) Registered mortgage over the Wagga RSL Club premises located at Dobbs Street Wagga;
- c) Registered mortgage over Wagga RSL Motel premises located at 156 Kincaid Street Wagga;
- d) Registered mortgage over property located at 149 Gurwood Street Wagga;
- e) Registered mortgage over properties located at 18,20,22 Goonigul Avenue Wagga;
- f) Registered mortgage over property located at 158 Kincaid Street Wagga;
- g) Deed of covenant over the club including charge over liquor licence;
- h) Fixed and floating charge over all existing and future assets and undertakings.

NOTE 16**Provisions**

Provision for Employee Entitlements	<u>372,551</u>	<u>377,950</u>
Total provisions	<u>372,551</u>	<u>377,950</u>

Consolidated Group

2013
\$

2012
\$

NOTE 17

Deferred tax liabilities

896,334

920,716

NOTE 18

Reserves

Asset Revaluation Reserve

The asset revaluation reserve records the revaluations of non current assets.

NOTE 19

Key Management Personnel Compensation

Total Compensation

442,029

455,456

NOTE 20

Related Party Transactions

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

Consolidated Group

2013

2012

NOTE 21

\$

\$

Cash Flow Information**Reconciliation of Cash Flow from Operations with Profit after Income Tax**

Profit (Loss) after income tax	1,242,544	1,281,198
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Non-cash flows in profit

(Profit)/loss on disposal of non-current assets	13,903	(20,677)
---	--------	----------

Change in net market value of investments	(86,851)	(393,184)
---	----------	-----------

Depreciation	1,501,462	1,367,034
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Impairment Reversals	-	(18,650)
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Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries

(Increase) Decrease in current inventories	45,963	(12,809)
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(Increase) Decrease in current receivables	(7,528)	(61,612)
--	---------	----------

(Increase) Decrease in other assets	(245,673)	(11,495)
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Increase (Decrease) in trade creditors	258,665	313,061
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Increase (Decrease) in provisions	(5,399)	63,257
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	<u>2,717,086</u>	<u>2,506,123</u>
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Consolidated Group

2013

2012

NOTE 22

\$

\$

Parent Information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

Statement of Financial Position

ASSETS

Current assets	1,116,706	676,956
Non-current assets	26,440,871	24,875,732
TOTAL ASSETS	27,557,577	25,552,688

LIABILITIES

Current liabilities	4,859,029	4,723,900
Non-current liabilities	1,254,561	808,638
TOTAL LIABILITIES	6,113,590	5,532,538
NET ASSETS	21,443,987	20,020,150

EQUITY

Retained Earnings	19,737,348	18,313,511
Reserves	1,706,639	1,706,639
TOTAL EQUITY	21,443,987	20,020,150

Statement Of Comprehensive Income

Total Profit	1,423,837	1,263,015
Total Comprehensive Income	1,423,837	1,263,015

Guarantees

Wagga RSL Club Limited has provided a debt and interest guarantee over the borrowings of its subsidiary.

Carried forward tax losses:

Balance attributable to the parent entity	2,230,333	2,319,330
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Percentage Owned

NOTE 23

Controlled Entities

Controlled entities consolidated

Subsidiaries of Wagga RSL Club Limited:

	2013	2012
	%	%
Kuz Pty Ltd	75	75

NOTE 24

Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and leases. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:

	Note	2013	Consolidated Group	2012
		\$		\$
Financial Assets				
Cash and cash equivalents	6	471,518		494,393
Trade and other receivables	7	101,017		93,489
Total Financial Assets		<u>572,535</u>		<u>587,882</u>
Financial Liabilities				
Trade and other payables	14	1,246,217		987,552
Borrowings	15	7,815,480		7,588,893
Total Financial Liabilities		<u>9,061,697</u>		<u>8,576,445</u>
		<u>(8,489,162)</u>		<u>(7,988,563)</u>

NOTE 24

Financial Risk Management Policies

The Board of Directors overall risk management strategy seeks to assist the group in meeting its financial targets, whilst minimising potential adverse effects of financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include credit risk policies and future cash flow requirements. Specific Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and equity price risk.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential no-performance by counter parties of contract obligations that could lead to a financial loss for the group. The group does not have any material credit risk exposure.

b. Liquidity risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

NOTE 25

Company Details

The Registered Office and Principle place of business is:
Dobbs Street
WAGGA WAGGA NSW 2650

	Consolidated Group	
	2013	2012
NOTE 26	\$	\$
Capital and Leasing Commitments		
The following represent commitments that are contracted but not capitalised in the financial statements.		
not later than 12 months (inc GST)	9,821	12,066
between 12 months and 5 years (inc GST)	13,094	22,915
greater than 5 years	-	-
	<u>22,915</u>	<u>34,981</u>

Commitments include building additions and operating leases for plant and equipment.

NOTE 27

Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstandings and obligations of the entity. At 30 June the number of members was 21,268.

Directors' Declaration

For year ended 30 June 2013

The Directors of the company declare that:

- The financial statements and notes are in accordance with the Corporations Act 2001 and:
 - comply with Accounting Standards; and
 - give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the company.
- In the Directors' opinion 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.



Mr John Keyes
Director



Mr Phillip Elliott
Director

Dated this 28th day of August 2013

Independent Auditors' Report

To the members of Wagga RSL Club Limited

Report on the Financial Report

We have audited the accompanying financial report of Wagga RSL Club Limited and its controlled entity which comprises the consolidated statement of financial position as at 30 June 2013, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors' declaration.

Directors' Responsibility for the Financial Report

The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Regime 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 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 entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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 audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, was provided to the Directors of Wagga RSL Club Limited on the same date as at the date of this auditor's report.

Auditor's Opinion

In our opinion the financial report of Wagga RSL Club Limited and its controlled entity is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the consolidated group's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Corporations Regulations 2001.

John L Bush & Campbell
Chartered Accountants



Peter J King
Partner

Dated this 28th day of August 2013

Disclaimer

The additional financial data presented with this report being the profit and loss statement is in accordance with the books and records of Wagga RSL Club Limited and its controlled entity, which have been subjected to the audit procedures applied in our statutory audit of the entity for the year ended 30 June 2013. It will be appreciated that our statutory audit did not cover all details of additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

In accordance with our Firm's policy, we advise that neither the Firm nor any member or employee of the Firm undertakes responsibility arising in any way whatsoever to any person (other than the entity) in respect of such data, including any errors or omissions therein, arising through negligence or otherwise however caused.

John L Bush & Campbell
Chartered Accountants



Peter J King
Partner

Wagga Wagga
Dated this 28th day of August 2013

Profit and Loss Statement

For year ended 30 June 2013

	Consolidated Group	
	2013	2012
	\$	\$
SALES		
Sales Revenue	2,849,388	2,850,876
LESS: COST OF GOODS SOLD		
Opening Stock	186,768	173,959
Purchases	1,460,729	1,482,799
Closing Stock	(140,805)	(186,768)
	<u>1,506,692</u>	<u>1,469,990</u>
GROSS PROFIT FROM TRADING	<u>1,342,696</u>	<u>1,380,886</u>
OTHER INCOME		
Poker Machine Income	8,361,969	8,052,873
Accommodation Income	1,646,374	1,525,621
Commissions	280,695	363,981
Sundry Income	855,493	836,769
Dividends Received	1,404	329
Interest Received	825	545
Membership Subscriptions	102,339	91,759
Revaluation of Investments	86,851	393,184
Profit on Sale of Assets	-	20,677
Impairment Reversals	-	18,650
Rental Income	257,256	220,772
	<u>11,593,206</u>	<u>11,526,162</u>
	<u>12,935,902</u>	<u>12,907,048</u>

Profit and Loss Statement

For year ended 30 June 2013

	Consolidated Group	
	2013	2012
	\$	\$
EXPENSES		
Accountancy Fees	28,063	40,964
Amenities - Members	1,928,417	2,135,352
Auditor's Remuneration	35,550	34,250
Bank Charges	61,741	50,325
Cleaning	414,119	419,563
Computer Expenses	98,877	90,191
Contractor Expenses	162,353	72,438
Depreciation	1,501,462	1,367,034
Directors' Honorariums & Board Expenses	34,500	36,125
Donations	229,434	294,594
Electricity	617,361	551,243
Insurance	203,446	166,273
Interest Paid	424,761	369,373
Leave Provisions Adjustments	(5,398)	63,257

Profit and Loss Statement

For year ended 30 June 2013

	Consolidated Group	
	2013	2012
	\$	\$
EXPENSES		
Accountancy Fees	28,063	40,964
Amenities - Members	1,928,417	2,135,352
Auditor's Remuneration	35,550	34,250
Bank Charges	61,741	50,325
Cleaning	414,119	419,563
Computer Expenses	98,877	90,191
Contractor Expenses	162,353	72,438
Depreciation	1,501,462	1,367,034
Directors' Honorariums & Board Expenses	34,500	36,125
Donations	229,434	294,594
Electricity	617,361	551,243
Insurance	203,446	166,273
Interest Paid	424,761	369,373
Leave Provisions Adjustments	(5,398)	63,257



Wagga RSL Club

Dobbs St Wagga Wagga
www.waggarsl.com.au



commercial club

Commercial Club Wagga

Gurwood St Wagga Wagga

