



Wagga RSL Club Annual Report
(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, 16th October 2012 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 subparagraphs (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 traveling 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 2012/2013.

“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) \$12,650 to the President
- (ii) \$7,084 to the Vice President
- (iii) \$3,036 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 1.2% to reflect 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 2012

I am honoured to be your President of the Wagga RSL Club and very proud to be able to present my report for the year ended 30th June 2012. The Wagga RSL Club has enjoyed a very solid year of trading and as a result a very pleasing profit. The city of Wagga Wagga has experienced strong growth and Wagga RSL Club continues to adapt to the clubs growth in membership.

The Wagga RSL Club and Commercial Club continue to be well patronised and respected with great support shown from members, guests and visitors to our great city. Continued refurbishment, extensions and renovations to both clubs provide all with a comfortable and inviting environment.

The Commercial Club is making its mark with revenue increases across all sections of the club. It has been tastefully renovated and furnished, with the gaming section now in a more private area. Regular well known shows and corporate functions are becoming an identifiable trait at the Commercial Club. Benny's Restaurant continues to flourish offering both Cantonese and quality Australian meals. The installation of the coffee shop, Caffebar, has been very well received by all. The offering of light meals and quality coffee is proving to be very popular. Thanks must go to Graeme Boland and his team as well as Benny & Ann Cheng, Danny & Helen Lum and their supportive employees.

The Wagga RSL Club has continued to diversify its income stream in the last twelve months. We have now proudly secured majority ownership of the RSL Club Motel. This plus the ownership of other properties in Kincaid, Dobbs, Gurwood & Goonigul streets show the financial strength of the clubs.

The Board continues to support a large number of charities and organisations across our community and beyond. Some of this has been through direct funding but majority through the Community Development Support Expenditure Scheme. This has totalled \$294,594 for the twelve month period. Some of these key recipients have included Murrumbidgee Life Education, Schizophrenia Fellowship of NSW, Technical Aid to the Disabled and Wagga Wagga Jazz Festival.

Every effort continues to be made to ensure members and guests feel welcome and safe in our clubs. It is particularly rewarding to see so many families enjoying themselves and making use of the many facilities on offer including the kidz klub, courtesy bus and daily promotions. We take great pride in our staff and wish to thank every one of them for their hard work. Often we forget to thank some such as the bus driver and the bingo caller, to all keep up your great work - you are appreciated and highly respected.

Our hard working team is managed by a dedicated and respected leadership unit. Andrew Bell has strong ideals and is always thinking about what's next. His committed support team including all the administration staff continue to work efficiently and are a credit to us, again thank you.

The dining options at our club give members and visitors the opportunity to enjoy quality Australian & Chinese meals at both venues. The Club Grill & the Club Café at the RSL Club continue to attract large crowds and I congratulate Nathan Gale and his team for their continued efforts. The Pearl City Chinese Restaurant continues its success having a great reputation of serving exceptional Asian food. Thanks to Allan & Ivy Cheng and their wonderful staff for maintaining a remarkable offering.

Thanks must go to the Wagga RSL Sub-branch which is respectfully led by life member Mr Kevin Kerr, his committee and members. Their continued and unwavering support is much appreciated.

Congratulations to our sports clubs. The RSL Cricket Club first and second grade teams took home the 2012 premierships. This is the RSL's fourth title in five years, cementing the clubs place in Wagga Cricket Association's history. Both the RSL Men's and Ladies bowling clubs have been extremely successful with large numbers enjoying what could be seen as the best greens within our City. Special mention must go to Gerard Suckling and Logan Franklin for maintaining the greens to such an impeccable standard.

As mentioned previously the RSL Club Motel is now under RSL Club Management and is trading very strong. We welcome Bronwyn and Brendan to our team and thank them for their commitment. They are doing an excellent job and their dedication and enthusiasm has resulted in a dramatic increase in patronage.

To say I am proud falls far short of my feelings. Sincere thanks go to my fellow directors Phillip Elliot (Vice President), Sally Whitley, Phillip McIntosh, Peter Thomas, Foot Porter and John Gray. Thank you for representing the Board in such a professional manner.

Before closing, again I would like to thank Andrew and his team as well as all the members and visitors who continue to support our clubs.



A handwritten signature in blue ink, appearing to read 'John Keyes'. The signature is stylized and fluid.

Mr John Keyes
President

Trivial Facts

For year ended 30 June 2012

WAGGA RSL CLUB & COMMERCIAL CLUB

Members	20700
Restaurants	3
Bars	5
Function Rooms	10
Catering Seats	526
Meals served per year	186,676
Drinks served per year	466,835
People entering the club this year	274,323
Number of gaming machines	229
Number of staff	119
Number of community groups supported this year	123
Number of free room hires given this year	612



Photos from Left to right: Lions Chariot for Charity Race, Wagga Flood Appeal, The Mammoth Monthly Megadraw at the Commercial Club

WAGGA RSL CLUB MOTEL

Number of rooms	46
Number of staff	10
Guests accommodated for	19,024
Wotif customer rating	4.2 out of 5
Number of the rooms cleaned	11,766

Directors Report

For year ended 30 June 2012

Your Directors present their report on the company and its controlled entity for the financial year ended 30 June 2012. 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)	14	Retired	11/12
Phillip Elliott (Vice President)	5	Manager	11/12
John Gray	8	Retired	8/12
Phillip McIntosh	5	General Manager	11/12
Rodney Porter	4	Proprietor	11/12
Peter Thomas	4	Manager	10/12
Sally Whitley	2	CPA	12/12

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 \$1,281,198.

Significant Changes

During the year, the company obtained a controlling interest in Kuz Pty Ltd (Wagga RSL Motel). This company has been consolidated into this financial report. No other significant changes in the company's state of affairs occurred during the financial year.

Other than the above, no significant change in the nature of these 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 Rodney Porter
Mr John Gray	Mr Peter Thomas
Mr Phillip McIntosh	Mrs Sally Whitley
Mr Phillip Elliott	

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 2012

Auditor's Independence Declaration

Under section 307C of the corporations act 2001
to the directors of Wagga RSL Club Limited ABN 12 000 947 071

I hereby declare, that to the best of my knowledge and belief, during the year ended 30 June 2012 there have 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.


John L Bush & Campbell
Chartered Accountants


Peter J King
Partner

Dated this 28th day of August 2012

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	Note	Consolidated Group	
		2012	2011
		\$	\$
Revenue	2	14,377,038	11,591,521
Cost of goods sold		(1,469,990)	(1,155,693)
Buildings & maintenance expenses		(2,272,663)	(2,368,919)
Depreciation and amortisation expenses		(1,367,034)	(1,032,310)
Employee benefits expenses		(3,956,711)	(3,417,994)
Members expenses and donations		(2,429,946)	(2,056,468)
Interest expense		(369,373)	(235,499)
Motel operating expenses		(375,047)	-
Other expenses		(636,906)	(393,579)
Profit (Loss) before income tax		1,499,368	931,059
Income Tax Expense	5	(111,406)	-
Profit for the year		1,387,962	931,059
Other comprehensive income:			
Non-Controlling Interest - share of profit		(106,764)	-
Other comprehensive income for the year		(106,764)	-
Total comprehensive income for the year		1,281,198	931,059

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

		Consolidated Group	
	Note	2012(\$)	2011(\$)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	494,393	266,710
Trade and other receivables	7	93,489	31,877
Inventories	8	186,768	173,959
Other current assets	9	23,092	11,597
TOTAL CURRENT ASSETS		797,742	484,143
NON-CURRENT ASSETS			
Financial assets	10	405,272	1,971,737
Property, plant and equipment	11	23,154,514	16,699,133
Investment property	12	3,455,000	2,451,088
Intangible assets	13	1,720,742	1,702,092
TOTAL NON-CURRENT ASSETS		28,735,528	22,824,050
TOTAL ASSETS		29,533,270	23,308,193

<i>Statement of financial position continued</i>		Consolidated Group	
	Note	2012(\$)	2011(\$)
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	987,552	753,803
Financial liabilities	15	3,380,255	1,065,619
Provisions	16	377,950	314,693
TOTAL CURRENT LIABILITIES		4,745,757	2,134,115
NON-CURRENT LIABILITIES			
Financial liabilities	15	4,208,638	2,416,943
Deferred tax liabilities	17	920,716	-
TOTAL NON-CURRENT LIABILITIES		5,129,354	2,416,943
TOTAL LIABILITIES		9,875,111	4,551,058
NET ASSETS		19,658,159	18,757,135
EQUITY			
Reserves	18	3,427,289	1,706,639
Retained earnings		15,931,368	17,050,496
Non Controlling Interest		299,502	-
TOTAL EQUITY		19,658,159	18,757,135

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

Consolidated Group	Note	Retained earnings(\$)	Asset Revaluation Reserve(\$)	Non Controlling Interest(\$)	Total(\$)
Balance at 1 July 2010		16,119,437	1,706,639	-	17,826,076
Profit attributable to equity		931,059	-	-	931,059
Balance at 30 June 2011		17,050,496	1,706,639	-	18,757,135
Consolidation of subsidiary		(2,400,325)	1,720,650	273,738	(405,937)
Profit attributable to equity		1,281,198		106,764	1,387,962
Dividends paid		-	-	(81,000)	(81,000)
Balance at 30 June 2012		15,931,368	3,427,289	299,502	19,658,159

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012(\$)	2011 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		13,775,276	11,457,653
Payments to suppliers and employees		(10,789,249)	(9,527,690)
Dividends received		329	142,950
Interest received		545	1,372
Income tax paid		(111,406)	-
Finance Costs		(369,373)	(150,656)
Net cash provided by operating activities	21	2,506,123	1,923,629

Statement of cash flows continued	Note	2012(\$)	2011 (\$)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(1,795,232)	(1,759,347)
Payments for investment property		(1,112,503)	-
Payments for other investments		(12,000)	(12,000)
Net cash used in investing activities		(2,919,735)	(1,771,347)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts/(repayment) of borrowings		2,616,857	(128,416)
Dividends Paid		(81,000)	-
Subsidiary share buy back		(2,100,000)	-
Net cash used in financing activities		435,857	(128,416)
Net increase (decrease) in cash held		22,245	23,866
Cash at beginning of financial year		(146,156)	(170,022)
Cash introduced through consolidation		164,762	-
Cash at end of financial year	6	40,851	(146,156)

Notes to the financial statements

For year ended 30 June 2012

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

Principals 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 intragroup 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 state 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.

Note 2 Revenue and Other Income

	Consolidated Group	
	2012(\$)	2011(\$)
Revenue		
Sale of goods	2,850,876	2,598,762
Accommodation income	1,525,621	-
Dividends received	329	142,950
Interest received	545	1,372
Poker machine income	8,052,873	7,491,545
Commissions	364,981	273,048
Sundry income	857,446	721,370
Membership subscriptions	91,759	153,302
Revaluation of investments	393,184	20,544
Impairment Reversals	18,650	-
Rental income	220,772	188,628
	<u>14,377,038</u>	<u>11,591,521</u>

Note 3 Auditor's Remuneration

	Consolidated Group	
	2012(\$)	2011(\$)
Auditor's Remuneration		
Audit Services	33,000	30,800
Other Services	1,250	6,725
	<u>34,250</u>	<u>37,525</u>

Note 4 Profit

	Consolidated Group	
	2012(\$)	2011(\$)
Significant Revenue		
Revaluation of Investment Property	411,650	-
Revaluation of other investments	(18,466)	20,544
	<u>393,184</u>	<u>20,544</u>
Significant Expenses		
Depreciation of property, plant and equipment	1,367,034	1,032,310

Note 5 Income Tax Expense

	Consolidated Group		<i>Income tax expense continued</i>	2012(\$)	2011(\$)
	2012(\$)	2011(\$)			
The components of tax expense comprise:			Taxable income	564,682	204,216
Total Income Tax payable for this year	135,987	-	Tax at 30%	169,405	61,264
Movements in deferred tax liability	(24,581)	-	Less tax effect of: - Franking credits	57,999	61,264
Income tax expense	<u>111,406</u>	<u>-</u>	Income tax attributed to the group	<u>111,406</u>	<u>-</u>
The Prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:					
Sales Revenue:					
Mutual Income	11,479,733	12,816,263			
Fully Taxable	2,820,101	703,856			
Non Taxable (exempt income)	91,759	153,302			
	<u>14,391,593</u>	<u>13,673,421</u>			
Taxable Income					
Non member's income (14%)	1,607,163	1,794,277			
Fully taxable income	2,820,101	703,856			
	<u>4,427,264</u>	<u>2,498,133</u>			
Allowable Expenses					
Non members expenses (14%)	1,378,996	1,578,024			
Fully deductible expenses	2,481,419	666,170			
Prior years tax losses utilised	2,167	49,723			
	<u>3,862,582</u>	<u>2,293,917</u>			

Note 6 Cash and Cash Equivalents

	Consolidated Group	
	2012(\$)	2011(\$)
Cash on Hand	253,118	253,142
Cash at Bank	241,275	13,567
	<u>494,393</u>	<u>266,710</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 & Cash Equivalents	494,393	266,710
Bank Overdraft (Note 15)	(453,542)	(412,867)
	<u>40,851</u>	<u>(146,156)</u>

Note 7 Trade and Other Receivables

	Consolidated Group	
	2012(\$)	2011(\$)
Current		
Trade Debtors	93,489	31,877
	<u>93,489</u>	<u>31,877</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.

Note 8 Inventories

	Consolidated Group	
	2012(\$)	2011(\$)
Current		
At cost		
Stock on Hand	186,768	173,959
	<u>186,768</u>	<u>173,959</u>

Note 9 Other Current Assets

	Consolidated Group	
	2012(\$)	2011(\$)
Prepayments	23,092	11,597

Note 10 Financial Assets

	Consolidated Group	
	2012(\$)	2011(\$)
Non-Current		
Long Service Leave Investment Portfolio	391,588	395,636
Shares in Listed Companies	13,684	16,101
Shares - RSL Club Motel	-	1,560,000
	<u>405,272</u>	<u>1,971,737</u>

Note 11 Property, Plant & Equipment

	Consolidated Group	
	2012(\$)	2011(\$)
LAND AND BUILDINGS		
Freehold land at fair value:		
Land – Core Property	2,760,000	2,350,000
Land - Other	446,400	-
	<u>3,206,400</u>	<u>2,350,000</u>
Buildings at fair value		
Buildings – Core Property	12,942,369	11,776,498
Buildings - Other	4,753,600	-
Less: accumulated depreciation	(744,867)	(290,775)
	<u>16,951,102</u>	<u>11,485,723</u>
Total Land and Buildings	<u>20,157,502</u>	<u>13,835,723</u>
PLANT AND EQUIPMENT		
At Cost	9,601,934	8,173,161
Less: accumulated depreciation	(6,604,922)	(5,309,751)
Total Plant and Equipment	<u>2,997,012</u>	<u>2,863,410</u>
Total Property, Plant and Equipment	<u>23,154,514</u>	<u>16,699,133</u>

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 2010	2,350,000	11,371,875	2,700,671	16,422,546
Additions	-	401,252	893,580	1,294,832
Disposals	-	-	-	-
Revaluation increments/(decrements)	-	-	-	-
Depreciation expense	-	(287,404)	(730,844)	(1,018,248)
Balance at 30 June 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)
Carrying amount at 30 June 2012	3,206,400	16,951,102	2,997,012	23,154,514

Note 12 Investment Property

	Consolidated Group	
	2012(\$)	2011(\$)
Investment Property – at market value	3,455,000	2,451,088

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 2011	2,451,088
Reclassifications	(520,241)
Additions	1,112,503
Revaluation	411,650
Carrying amount at 30 June 2012	3,455,000

Note 13 Intangible Assets

	Consolidated Group	
	2012(\$)	2011(\$)
Poker Machine Entitlements	1,569,292	1,569,292
Water Licences	254,850	254,850
Less: Accumulated Impairment Expense	(103,400)	(122,050)
	151,450	132,800
Total	1,720,742	1,702,092

Note 14 Trade & Other Payables

	Consolidated Group	
	2012(\$)	2011(\$)
Current		
Accrued Expenditure	392,627	230,751
Trade Creditors	322,784	332,466
Income Tax Payable	10,003	-
Other Creditors	11,100	11,500
GST Payable	251,038	179,086
	987,552	753,803

Note 15 Financial Liabilities

	Consolidated Group	
	2012(\$)	2011(\$)
Current		
Bank Overdraft	453,542	412,867
Loans - Bank	2,926,712	652,752
Total current borrowings	3,380,255	1,065,619
Non-Current		
Loans - Bank	4,208,638	2,416,943
Total Borrowings	7,588,892	3,482,562

The borrowings are secured by:

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

Note 16 Provisions

	Consolidated Group	
	2012(\$)	2011(\$)
Provision for Employee Entitlements	377,950	314,693
Total provisions	377,950	314,693

Note 17 Deferred Tax Liabilities

	Consolidated Group	
	2012(\$)	2011(\$)
Deferred tax liabilities	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

	Consolidated Group	
	2012(\$)	2011(\$)
Total compensation	455,456	456,885

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.

Note 21 Cash Flow Information

	Consolidated Group	
	2012(\$)	2011(\$)
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit (Loss) after income tax	1,281,198	931,059
Non-cash flows in profit		
Profit on sale of non-current assets	(20,677)	-
Change in net market value	(393,184)	(1,903)
Depreciation	1,367,034	1,032,310
Impairment Reversals	(18,650)	-
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase) Decrease in current inventories	(12,809)	(39,062)
(Increase) Decrease in current receivables	(61,612)	12,356
(Increase) Decrease in other assets	(11,495)	16,860
Increase (Decrease) in trade creditors	313,061	(17,753)
Increase (Decrease) in provisions	63,257	(10,239)
	2,506,123	1,923,629

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.

	Consolidated Group	
	2012(\$)	2011(\$)
Statement of Financial Position		
ASSETS		
Current assets	676,956	484,143
Non-current assets	24,875,732	22,824,050
TOTAL ASSETS	25,552,688	23,308,193
LIABILITIES		
Current liabilities	4,723,900	2,134,115
Non-current liabilities	808,638	2,416,943
TOTAL LIABILITIES	5,532,538	4,551,058
NET ASSETS	20,020,150	18,757,135
EQUITY		
Retained Earnings	18,313,511	17,050,496
Reserves	1,706,639	1,706,639
TOTAL EQUITY	20,020,150	18,757,135
Statement Of Comprehensive Income		
Total Profit	1,263,015	931,059
Total Comprehensive Income	1,263,015	931,059

Parent information continued	2012(\$)	2011(\$)
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	2,319,330	2,321,497

Note 23 Controlled Entities

	Percentage Owned (%)	
	2012(\$)	2011(\$)
Controlled entities consolidated		
Subsidiaries of Wagga RSL Club Kuz Pty Ltd	75	43

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	2012(\$)	2011(\$)
Financial Assets			
Cash and cash equivalents	6	494,393	266,710
Trade and other receivables	7	93,489	31,877
Total Financial Assets		587,882	298,587
Financial Liabilities			
Trade and other payables	14	987,552	753,803
Financial liabilities	15	7,588,893	3,482,562
Total Financial Liabilities		8,576,445	4,236,365
		(7,988,563)	(3,937,778)

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 counterparties 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

Note 26 Capital and Leasing Commitments

The following represent commitments that are contracted but not capitalised in the financial statements.

	Consolidated Group	
	2012(\$)	2011(\$)
Not later than 12 months (inc GST)	12,066	429,744
Between 12 months and 5 years (inc GST)	22,915	-
Greater than 5 years	-	-
	<hr/> 34,981	<hr/> 429,744

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 outstanding and obligations of the entity. At 30 June the number of members was 20,700.

Director's Declaration

For year ended 30 June 2012

The Directors of the company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) Comply with Accounting Standards; and
 - (b) Give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the company.
2. 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 2012

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 2012, 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.

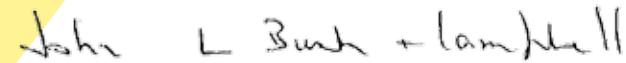
Independence

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 2012 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 2012

Profit and Loss Statement

For year ended 30 June 2012

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 2012. 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

John L Bush & Campbell
Chartered Accountants

Peter J King

Peter J King
Partner

Wagga Wagga

Dated this 28th day of August 2012

	2012(\$)	2011(\$)
SALES		
Sales Revenue	2,850,876	2,598,762
LESS: COST OF GOODS SOLD		
Opening Stock	173,959	134,897
Purchases	1,482,799	1,194,755
Closing Stock	(186,768)	(173,959)
	1,469,990	1,155,693
GROSS PROFIT FROM TRADING	1,380,886	1,443,069
OTHER INCOME		
Poker Machine Income	8,052,873	7,491,545
Accommodation Income	1,525,621	-
Commissions	364,981	273,048
Sundry Income	836,769	720,234
Dividends Received	329	142,950
Interest Received	545	1,372
Membership Subscriptions	91,759	153,302
Revaluation of Investments	393,184	20,544
Profit on Sale of Assets	20,677	1,136

	2012(\$)	2011(\$)
<i>Other income continued</i>		
Impairment Reversals	18,650	-
Rental Income	220,772	188,628
	11,526,162	8,992,759
	12,907,048	10,435,828
EXPENSES		
Accountancy Fees	40,964	44,798
Amenities - Members	2,135,352	1,779,496
Auditor's Remuneration	34,250	37,525
Bank Charges	50,325	25,480
Cleaning	419,563	389,582
Computer Expenses	90,191	71,894
Contractor Expenses	72,438	-
Depreciation	1,367,034	1,032,310
Directors' Honorariums & Board Expenses	36,125	29,959
Donations	294,594	264,072
Electricity	551,243	516,052
Insurance	166,273	150,656
Interest Paid	369,373	235,499

	2012(\$)	2011(\$)
<i>Expenses continued</i>		
Leave Provisions Adjustments	63,257	(10,239)
Legal Costs	184,891	69,841
Licence Fees	7,365	16,605
Other Motel Operating Expenses	375,047	-
Payroll Tax	161,419	151,864
Printing, Stationery & Postage	85,267	58,106
Property Maintenance	46,789	39,426
Rates & Taxes	132,986	75,111
Repairs & Maintenance	916,836	946,920
Security Costs	38,973	32,918
Training, travel & sundry staff costs	256,962	216,087
Subscriptions	33,177	47,583
Superannuation	307,639	283,714
Telephone	38,037	36,814
Wages	3,131,309	2,962,696
	11,407,680	9,504,769
Profit (Loss) before income tax	1,499,368	931,059

The accompanying notes form part of these financial statements.

