

**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

Your directors present this report on the company for the financial year ended 30th June 2011.

The names of the directors in office at the date of this report are:

	<b>Qualifications</b>	<b>Board Service</b>
B. Blaikie	Retired	7 yrs
R. Cannon	Retired	8 yrs
F. Cini	Housewife	2 yrs
B. Eveleigh	OHS Advisor/Admin Support Officer	2 yrs
W. McKinlay	Proprietor	5 yrs
R. Risby	Housewife	1 yr
C. Ross	Plant Mechanic	5 yrs
B. Slade	Sales Consultant	1 yr

**Operating Results**

The net profit after income tax expense for the year was \$565,662.89. (2010 year net profit was \$415,573.20).

**Principal Activities**

The principal activities of the company during the financial year were to provide comfortable recreational facilities and amenities for members and guests.

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

Operational improvements included a refurbished TAB and the installation of the latest gaming technology with the FlexiNet TITO system.

**Objectives and Strategy**

The company's short-term strategies are to maintain a high standard of customer service and to provide modern and comfortable facilities for its members and their guests.

The company is continually introducing new and improved facilities, it financially supports local charities, sporting and community groups, and provides meeting and function rooms for community groups to utilise.

The company's long term strategy is to maintain a high revenue base which includes introducing various sources of diversified income, two of which are already in place, the revenue from the Centabrook Motor Inn and the rent from the Hungry Jacks site.

The company sets a high standard of service and facilities in its aim to be the Premier Club of the Upper Hunter.

With the membership base growing the Board and Management are always reviewing their strategic planning for future expansion of the company.

**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

The company measures its performance by monitoring and managing the following ratios, margins and results:

	<b>2011</b>	<b>2010</b>
- Gearing Ratio	20.73%	25.79%
- Bar Gross Profit	54.80%	54.00%
- EBITDA (earnings before interest, tax, (depreciation and amortisation)	\$1,484,827	\$1,038,790
- Gross Profit from Trading up by 13%		
- Wages up by .25%		
- Net Profit (before Fair Value Adjustments ) up by 41%		

**Meetings of Directors**

During the financial year 12 meetings of directors were held. Attendances by each director were as follows:

<b>Names</b>	<b>Board Meetings</b>		<b>Special Meetings</b>	
	<b>Held</b>	<b>Attended</b>	<b>Held</b>	<b>Attended</b>
B. Blaikie	12	11	5	5
R. Cannon	12	9	5	3
F. Cini	12	12	5	3
B. Eveleigh	12	9	5	4
A. Janssen (resigned 28.06.11)	11	9	4	3
V. Mathews (resigned 24.01.11)	7	2	3	3
W. McKinlay	12	12	5	3
G. O'Keefe (resigned 24.01.11)	7	3	3	3
R. Risby (appointed 24.01.11)	5	5	1	1
C. Ross	12	12	5	5
B. Slade (appointed 24.01.11)	5	5	1	0

The secretary of the club is the Chief Executive Officer, D.A. Egan.

**Members Guarantee**

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entity. At 30 June 2011, the total amount that members of the company are liable to contribute if the company is wound up is \$116,420 (2010:\$114,780).

**Auditor's Independence Declaration**

The Auditor's Independence Declaration for the year ended 30 June 2011 has been received and can be found on the following page.

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

**FRANCES CINI**

**Treasurer**

**26<sup>th</sup> August 2011**

**Muswellbrook**

# *Davies, Thompson & Wright*

A.B.N. 70 340 182 044

**Partners:**

Timothy G. Looby B.E.C. Dip.Fin.Man. C.A.  
Tracey L. Lawler B.Comm. C.A.  
Scott P. Collins B.Comm./B.Econ. C.A.

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**MUSWELLBROOK R.S.L.SUB-BRANCH CLUB LIMITED**

A.B.N. 95 001 047 025

**AUDITORS INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**

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We declare that, to the best of our knowledge and belief, during the year ended 30 June 2011 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.

**Davies, Thompson & Wright**  
**Chartered Accountants**

**TRACEY L. LAWLER**  
**Partner**

**26<sup>th</sup> August 2011**  
**Muswellbrook**

Liability limited by a scheme  
approved under Professional  
Standards Legislation



**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	Note	2011 \$	2010 \$
Revenue	2	4,478,778.77	4,035,843.26
Cost of Goods Sold		(411,441.57)	(387,593.69)
Direct Costs			
- employee benefits expense		(459,276.18)	(454,615.15)
- other direct costs		(745,770.76)	(661,658.57)
Gross Profit on Trading		2,862,290.26	2,531,975.85
Profit from Rental Activities		169,523.61	33,538.89
Other Income	2	248,228.34	219,552.88
Administration & Operating Expenses			
- depreciation and amortisation expense		(637,048.99)	(522,551.00)
- employee benefits expense		(558,599.17)	(554,681.19)
- entertainment & amenities		(255,380.88)	(265,107.40)
- interest paid		(104,449.90)	(88,636.20)
- repairs & maintenance		(106,534.64)	(122,326.86)
- other expenses		(849,527.54)	(813,431.66)
<b>PROFIT BEFORE INCOME TAX</b>	<b>3</b>	<b>768,501.09</b>	<b>418,333.31</b>
Income Tax Expense	4	(24,741.00)	(2,760.11)
<b>PROFIT FOR THE YEAR</b>		<b>743,760.09</b>	<b>415,573.20</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>			
Fair value adjustment - motel furniture & plant	12	(82,500.00)	-
Fair value adjustment - demolition of buildings	12	(95,597.20)	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>(178,097.20)</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>565,662.89</b>	<b>415,573.20</b>

The accompanying notes form part of the financial report

**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE 2011**

	Note	2011 \$	2010 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	910,129.33	557,913.13
Trade and other receivables	7	75,979.83	12,769.71
Inventories	8	30,731.07	26,904.48
Other assets	9	66,780.70	61,088.82
<b>TOTAL CURRENT ASSETS</b>		1,083,620.93	658,676.14
<b>NON-CURRENT ASSETS</b>			
Investments	10	1,002.14	1,002.14
Property, plant and equipment	11	7,056,877.36	6,730,528.67
Investment property	12	2,013,023.17	2,136,113.80
Intangibles	13	1,174,586.16	1,098,507.91
<b>TOTAL NON-CURRENT ASSETS</b>		10,245,488.83	9,966,152.52
<b>TOTAL ASSETS</b>		11,329,109.76	10,624,828.66
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	574,303.38	343,807.01
Borrowings	15	282,153.84	268,960.80
Current tax liabilities	16	20,320.00	-
<b>TOTAL CURRENT LIABILITIES</b>		876,777.22	612,767.81
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	15	2,647,583.86	2,775,215.16
Provisions	17	83,848.99	81,608.89
<b>TOTAL NON-CURRENT LIABILITIES</b>		2,731,432.85	2,856,824.05
<b>TOTAL LIABILITIES</b>		3,608,210.07	3,469,591.86
<b>NET ASSETS</b>		7,720,899.69	7,155,236.80
<b>EQUITY</b>			
Reserves	18	75,234.79	75,234.79
Retained earnings		7,645,664.90	7,080,002.01
<b>TOTAL EQUITY</b>		7,720,899.69	7,155,236.80

The accompanying notes form part of the financial report

MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED  
A.B.N. 16 000 992 012

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2011

	RETAINED PROFITS	RESERVES	TOTAL
<b>BALANCE AT 1 JULY 2009</b>	6,664,428.81	75,234.79	6,739,663.60
Profit attributable to the company	415,573.20	-	415,573.20
<b>BALANCE AT 30 JUNE 2010</b>	7,080,002.01	75,234.79	7,155,236.80
Profit attributable to the company	565,662.89	-	565,662.89
<b>BALANCE AT 30 JUNE 2011</b>	7,645,664.90	75,234.79	7,720,899.69

The accompanying notes form part of the financial report

**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**STATEMENT OF CASH FLOW**  
**AS AT 30TH JUNE 2011**

	Note	2011 \$	2010 \$
		<b>INFLOWS (OUTFLOWS)</b>	<b>INFLOWS (OUTFLOWS)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from operations		5,290,360	4,301,374
Payments in the course of operations		(3,446,270)	(3,214,644)
Interest received		12,435	4,872
Interest paid		(218,600)	(88,636)
Income tax (paid)/refund		(1,208)	(5,471)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>5</b>	<u>1,636,717</u>	<u>997,495</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant & equipment		(1,110,665)	(2,632,621)
Proceeds from sale of property, plant & equipment		11,150	3,000
Payment for intangibles		(70,548)	(760,432)
<b>NET CASH USED IN OR FROM INVESTING ACTIVITIES</b>		<u>(1,170,063)</u>	<u>(3,390,053)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(184,299)	(73,926)
Proceeds from borrowings		69,861	2,484,000
<b>NET CASH USED IN OR FROM FINANCING ACTIVITIES</b>		<u>(114,438)</u>	<u>2,410,074</u>
<b>NET INCREASE OR DECREASE IN CASH HELD</b>		352,216	17,516
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<u>557,913</u>	<u>540,397</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>6</b>	<u>910,129</u>	<u>557,913</u>

The accompanying notes form part of the financial report

**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

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The financial statements are for Muswellbrook RSL Sub-Branch Club Limited as an individual company, incorporated and domiciled in Australia. Muswellbrook RSL Sub-Branch Club Limited is a company limited by guarantee.

## **1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

### **Revenue**

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Dividends are brought to account when received.

Interest is brought to account on an accruals basis for bank term deposits.

All revenue is stated net of the amount of goods and services tax (GST).

### **Inventories**

Inventories are measured at the lower of cost and current replacement cost.

### **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses. In the event the carrying amount of property, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

### **Depreciation**

The depreciable amount of all fixed assets, including capitalised leased assets, but excluding freehold land, is depreciated over the asset's useful life to the company commencing from the time the asset is available for use. Buildings are depreciated on a straight line basis.

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.5%
Plant & Equipment	7.5 to 50%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

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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.

**Leases**

Leases of property, plant and equipment, 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, recognising an asset and a liability equal to the 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 recognised 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.

**Financial Instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired.

**Impairment of Assets**

At the end of each reporting period, the company 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.

Where it is not possible to estimate the recoverable amount of an assets class, the company estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

**Employee Benefits**

Provision is made in respect of the company's liability for annual leave and long service leave at balance date. Long service leave is accrued in respect of all employees with more than 5 years' service with the company.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

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**Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position. Receivables and payables are stated inclusive of the amount of GST receivable or payable.

Cash flows are presented in the statement of cash flows exclusive of GST.

**Income Tax**

Income tax expense, shown on the statement of comprehensive income, is calculated in accordance with the Waratah's formula. It is calculated on an annual basis, with a corresponding provision for income tax payable raised.

**Intangibles**

Intangibles are initially recognised at cost. Borrowing expenses are amortised on a straight line basis over five years. Poker machine licences are initially recognised at the purchase price paid. Poker machine licences are not amortised as they do not have a finite useful life. Intangibles are tested annually for impairment and carried at cost less accumulated impairment losses where applicable.

**Comparative Figures**

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial 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 company 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 Judgements**

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 company.

**Investments**

Investments brought to account are at cost or at valuation. The carrying amount of investments is reviewed annually to ensure it is not in excess of the recoverable amount of the investments.

**Investment Property**

Investment property, comprising rental properties is held to generate long-term rental yields. All tenant leases are on an arm's length basis. Investment property is carried at cost, fair value or directors valuation.

**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	Note	2011 \$	2010 \$
<b>2 REVENUE AND OTHER INCOME</b>			
<b>Revenue</b>			
Revenue from sales			
- bar		910,735.20	842,967.87
- poker machine		3,568,043.57	3,192,875.39
<b>Total Revenue</b>		4,478,778.77	4,035,843.26
Profit from rental Activities		169,523.61	33,538.89
<b>Other Income</b>			
- interest received		12,469.04	4,871.58
- profit on disposal of property, plant & equipment		7,238.00	-
- commissions		145,228.20	117,072.72
- members subscriptions		15,832.49	15,026.79
- other revenue		67,384.60	82,500.15
- dividends received		76.01	81.64
<b>Total Other Income</b>		248,228.34	219,552.88
<b>Total Revenue and Other Income</b>		4,896,530.72	4,288,935.03
<b>3 PROFIT FOR THE YEAR</b>			
<b>Expenses</b>			
Interest paid or payable to other persons		104,449.90	88,636.20
<b>Loss on disposal of non-current assets:</b>			
- property, plant & equipment		49,573.96	14,304.91
<b>Auditor Remuneration</b>			
- auditing services		11,200.00	10,100.00
- other services		5,790.00	3,870.00
		16,990.00	13,970.00
<b>4 INCOME TAX EXPENSE</b>			
Income tax expense attributable to: profit before income tax		24,741.00	2,760.11

**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>5 CASH FLOW INFORMATION</b>		
<b>a) Reconciliation of Cash:</b>		
For the purpose of this statement of cash flows, cash includes:		
Cash on hand and in at call deposits and short term deposits of up to three months with banks or financial institutions, net of bank overdrafts.		
<b>b) Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Profit after income tax	743,760.09	415,573.20
(Profit)/Loss on disposal of non-current assets	42,335.96	14,305.00
Depreciation & amortisation of non-current assets	675,822.99	531,820.00
Employee provisions	2,240.10	10,232.00
Changes in net assets & liabilities		
(Increase)/Decrease in:		
Current receivables	(63,210.12)	(4,966.00)
Current inventories	(3,826.59)	208.00
Other current assets	(5,691.88)	(8,494.00)
Intangibles	(5,530.00)	1,308.00
Increase/(Decrease) in:		
Current payables	230,496.37	39,177.00
Other current liabilities	20,320.00	(1,668.00)
	1,636,716.92	997,495.00
<b>CASH FLOWS FROM OPERATIONS</b>	<b>1,636,716.92</b>	<b>997,495.00</b>
<b>6 CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	60,000.00	55,000.00
Cash Poker Machine Hoppers	-	10,746.00
Cash Float Auto Teller	26,000.00	26,000.00
Commonwealth Bank of Australia		
Current Account	540,122.53	266,779.59
Poker Machine Cheque Account	23,542.29	24,682.25
Keno Account	214,083.45	140,983.80
Term Deposit - TAB	7,498.72	7,332.90
TAB Cheque Account	38,882.34	26,388.59
	910,129.33	557,913.13
<b>Total cash and cash equivalents</b>	<b>910,129.33</b>	<b>557,913.13</b>
TAB Limited has a security deposit guarantee of \$5,000 over the TAB Term Deposit.		
<b>7 TRADE AND OTHER RECEIVABLES</b>		
Sundry Trade and Other Debtors	28,480.92	12,769.71
Deposit Capital Purchase	47,498.91	-
	75,979.83	12,769.71
	<b>75,979.83</b>	<b>12,769.71</b>

**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>8 INVENTORIES</b>		
Stock on Hand Bar (at Cost)	30,731.07	26,904.48
	<u>30,731.07</u>	<u>26,904.48</u>
<b>9 OTHER ASSETS</b>		
Accrued Income	55.47	21.16
Prepayments	60,911.16	58,805.77
Income Tax Refundable	-	2,261.89
GST Refundable	5,814.07	-
	<u>66,780.70</u>	<u>61,088.82</u>
	<u>66,780.70</u>	<u>61,088.82</u>
<b>10 INVESTMENTS</b>		
<b>NON-CURRENT</b>		
Shares in Listed Companies (at Cost)	1,002.14	1,002.14
	<u>1,002.14</u>	<u>1,002.14</u>
<b>11 PROPERTY, PLANT &amp; EQUIPMENT</b>		
Tennis Court - at Cost	29,536.25	29,536.25
	<u>29,536.25</u>	<u>29,536.25</u>
Clubhouse Land - at Cost	433,000.00	433,000.00
	<u>433,000.00</u>	<u>433,000.00</u>
Clubhouse Buildings & Improvements - at Cost	6,432,791.81	6,397,130.45
Less: Accumulated Depreciation	1,667,611.00	1,505,351.00
	<u>4,765,180.81</u>	<u>4,891,779.45</u>
	<u>4,765,180.81</u>	<u>4,891,779.45</u>
Motor Vehicles - at Cost	76,076.82	83,130.22
Less: Accumulated Depreciation	23,177.00	35,058.00
	<u>52,899.82</u>	<u>48,072.22</u>
	<u>52,899.82</u>	<u>48,072.22</u>
Furniture & Plant - at Cost	2,911,132.06	2,282,685.43
Less: Accumulated Depreciation	1,816,404.09	1,582,904.81
	<u>1,094,727.97</u>	<u>699,780.62</u>
	<u>1,094,727.97</u>	<u>699,780.62</u>
Poker Machines - at Cost	1,443,944.42	1,287,318.33
Less: Accumulated Depreciation	958,964.66	862,216.95
	<u>484,979.76</u>	<u>425,101.38</u>
	<u>484,979.76</u>	<u>425,101.38</u>

**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Bowling Green & Grounds Improvement (at RSL) – at Cost	232,484.75	232,484.75
Less: Accumulated Depreciation	42,932.00	36,226.00
	189,552.75	196,258.75
Crockery – at Cost	7,000.00	7,000.00
<b>Total property, plant &amp; equipment</b>	<b>7,056,877.36</b>	<b>6,730,528.67</b>

Aggregate depreciation and amortisation allocated during the year are recognised as expenses.

**Movements in Carrying Amounts**

Movements in the carrying amount for each applicable class of property, plant and equipment between the beginning and the end of the current financial year:

	<b>Club House Building &amp; Improvements</b>	<b>Furniture &amp; Plant</b>	<b>Poker Machines</b>
<b>2011</b>			
Balance at the beginning of the year	4,891,779.45	699,780.62	425,101.38
Additions at Cost	35,661.36	629,494.63	307,755.10
Disposals	-	(8.00)	(24,344.01)
Depreciation	(162,260.00)	(234,539.28)	(223,532.71)
Carrying amount at end of year	4,765,180.81	1,094,727.97	484,979.76
<b>2011</b>			
Balance at the beginning of the year	48,072.22	196,258.75	
Additions at Cost	38,381.82	-	
Disposals	(23,543.22)	-	
Depreciation	(10,011.00)	(6,706.00)	
Carrying amount at end of year	52,899.82	189,552.75	

**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>12 INVESTMENT PROPERTY</b>		
Managers Residence 1A St. Heliers St.		
- at Cost	253,017.94	241,595.18
Less: Accumulated Depreciation	92,534.00	86,034.00
	160,483.94	155,561.18
Property 94 Hill St. - at Cost	147,436.00	147,436.00
Land & Buildings		
105 Bridge St. - at Cost	-	1,156,728.69
Land 105 Bridge St. - at Cost	406,728.69	-
Buildings 105 Bridge St. - at Valuation 14/9/10	750,000.00	-
Less: Accumulated Depreciation	18,750.00	-
	731,250.00	-
Furniture & Plant Motel - at Cost	-	120,000.00
Motel Furniture & Plant - at Cost	9,467.19	-
Less: Accumulated Depreciation	700.00	-
	8,767.19	-
Motel Furniture & Plant - at Valuation 14/9/10	37,500.00	-
Less: Accumulated Depreciation	12,684.00	-
	24,816.00	-
Property 141 Bridge St. - at Cost	-	146,442.47
Less: Accumulated Depreciation	-	9,876.00
	-	136,566.47
Land - 141 Bridge St. - at Valuation 30/6/11	80,000.00	-

**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Property 143 Bridge St. - at Cost	-	153,089.39
Less: Accumulated Depreciation	-	39,074.00
	-	114,015.39
Land - 143 Bridge St. - at Valuation 30/6/11	85,000.00	-
Property 145 Bridge St. - at Cost	-	152,161.07
Less: Accumulated Depreciation	-	26,355.00
	-	125,806.07
Land - 145 Bridge St. - at Valuation 30/6/11	110,000.00	-
Car Park Extension - at Cost	63,583.80	-
Property 129 - 139 Bridge St. - at Directors Valuation	180,000.00	180,000.00
Improvements 129 Bridge St. - at Cost	14,957.55	-
<b>Total investment property</b>	<b>2,013,023.17</b>	<b>2,136,113.80</b>

The purchase of the Centabrook Motor Inn on 30 June 2010 is reflected in investment property. As the purchase transaction took place on the final day of the financial year no depreciation was allocated on the buildings or plant and equipment associated with the purchase for the year ended 30 June 2010.

The carrying value of specific investment property was adjusted down to fair value during the year where the property was affected by significant changes, such as the demolition of buildings to expand the car park for the Hungry Jacks site. The downward adjustments are reflected in the statement of comprehensive income.

**13 INTANGIBLE ASSETS**

Poker Machine Licenses – at Cost	586,442.16	515,893.91
Borrowing Costs	8,144.00	2,614.00
Goodwill – at Cost	580,000.00	580,000.00
	1,174,586.16	1,098,507.91

**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>14 TRADE AND OTHER PAYABLES</b>		
<b>CURRENT</b>		
Sundry Trade Creditors	332,458.73	155,481.60
Accrued Expenses	22,768.74	13,791.13
Members' Subscriptions in Advance	20,325.81	20,818.26
Deferred Creditors	469.93	534.04
GST Payable	106,504.71	70,149.71
Annual Leave Entitlements	91,775.46	83,032.27
	574,303.38	343,807.01
	574,303.38	343,807.01
<b>15 BORROWINGS</b>		
<b>CURRENT</b>		
Capital Finance (Motor Vehicle)	9,782.88	9,782.88
CBFC – Bus Loan	-	10,093.92
Commonwealth Bank – Loan	249,084.00	249,084.00
Poker Machine Finance	23,286.96	-
	282,153.84	268,960.80
	282,153.84	268,960.80
<b>NON-CURRENT</b>		
Capital Finance (Motor Vehicle)	6,411.88	14,360.05
CBFC – Bus Loan	-	13,646.48
Commonwealth Bank – Loan	885,504.24	1,032,208.63
Commonwealth Bank – Loan	1,715,000.00	1,715,000.00
Poker Machine Finance	40,667.74	-
	2,647,583.86	2,775,215.16
	2,647,583.86	2,775,215.16
<b>Total Borrowings</b>	2,929,737.70	3,044,175.96
	2,929,737.70	3,044,175.96
<p>As at 30 June 2011, the company has an approved Better Business Loan Facility with the Commonwealth Bank, with an agreed repayment term ending 26 June 2017. The bank has a registered equitable mortgage over the company asset(s) and undertaking(s) and a registered mortgage over commercial property (club) situated at 113 Bridge Street Muswellbrook, with yearly covenant reporting. The company has a second Better Business Loan with the bank as at 30 June 2010 currently with interest only monthly repayments. The bank has a registered equitable mortgage over the non-residential property at 105 Bridge Street Muswellbrook (Centabrook Motor Inn). The company's finance contract is subject to a charge over the goods purchased.</p>		
<b>16 CURRENT TAX LIABILITIES</b>		
Income Tax Payable	20,320.00	-
	20,320.00	-

**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>17 PROVISIONS</b>		
Provision for Long Service Leave:		
Balance at the beginning of the year	81,608.89	78,772.00
Additional provisions raised during year	20,736.60	5,850.91
Amounts used	(18,496.50)	(3,014.02)
Balance at end of year	83,848.99	81,608.89
<b>Analysis of Total Provisions</b>		
Current	-	-
Non-Current	83,848.99	81,608.89
	83,848.99	81,608.89

The number of employees at the end of the year was 24 (2010:30).

The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

**18 RESERVES**

Asset Revaluation Reserve	41,846.34	41,846.34
Capital Profits Reserve	33,388.45	33,388.45
	75,234.79	75,234.79

**19 RELATED PARTY TRANSACTIONS**

The names of persons who were directors of the company during the financial year are set out in the Directors Report. Directors in the course of carrying out their duties at meetings and on other occasions are provided with meals and liquor on a complimentary basis. The directors of the company are not paid for their services, other than for out of pocket expenses incurred whilst carrying out duties as a director. This is paid to the president and treasurer, as passed at the Annual General Meeting. All other transactions with Directors are at normal terms and conditions no more favourable than available to other parties.

**Directors**

Relatives of directors employed by the company on normal terms and conditions as follows:

B. Blaikie - D.A. Egan

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

**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Executives Remuneration Practices</b>		
The C.E.O. of the company commenced under contract from 16 August 2005. The Administration Manager of the company commenced on the 12 July 2005.		
The executives receive a superannuation guarantee contribution required by the government, which is currently 9% and do not receive any other retirement benefits. All remuneration paid to executives is valued at the cost to the company and expensed.		
<b>Key Management Personnel Compensation</b>		
Key management personnel are defined as having authority and responsibility for planning, directing and controlling the company's activities including directors.		
- short-term benefits	187,429.08	183,790.13
- post employment benefits	16,643.15	16,329.34
<b>Total compensation</b>	<b>204,072.23</b>	<b>200,119.47</b>

**20 FINANCIAL INSTRUMENTS**

**a) Interest Rate Risk**

Interest rate is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. The effective weighted average interest rates on the company's financial assets and financial liabilities is as follows.

	Interest Rate (%)	Floating Interest Rate	Fixed Interest Maturing	
			Within 1 Year	Later than 1 Year
<b>Financial Assets</b>				
Cash on hand	0.0%	86,000.00	-	-
Cash at bank	0.0%	23,542.29	-	-
Cash at bank	2.75%	540,122.53	-	-
Cash at bank	2.70%	-	7,498.72	-
Cash at Bank	0.05%	38,882.34	-	-
Cash at Bank	0.0%	214,083.45	-	-
		<b>902,630.61</b>	<b>7,498.72</b>	<b>-</b>
<b>Financial Liabilities</b>				
CBA Loan	8.35%	-	249,084.00	885,504.24
Capital Finance (Motor Vehicle)	9.20%	-	9,782.88	6,411.88
CBA Loan	7.35%	-	-	1,715,000.00
Poker Machine Finance		-	23,286.96	40,667.74
		<b>-</b>	<b>282,153.84</b>	<b>2,647,583.86</b>

**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	2011	2010
	\$	\$
<b>i) Financial Assets</b>		
At the date of this report, cash is the only material financial asset held by the company. Interest rate risk exposure is limited to fluctuations in the interest rates available on at call and short term cash investments.		
<b>ii) Financial Liabilities</b>		
The company's financial liabilities consist mainly of accounts payable and loan funding used to raise finance for ordinary operations. Interest rate risk exposure is generally limited to the fixed contract rates for equipment finance and variable rates for the Commonwealth bank loan facilities.		
<b>b) Credit Risk</b>		
The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements. The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.		
<b>c) Liquidity Risk</b>		
The company manages this risk by comparing the maturity profile of financial liabilities with the realisation profile of financial assets, only investing surplus cash with major financial institutions and preparing cash flow budgets to forecast future cash requirements.		
<b>d) Net Fair Values</b>		
The net fair values of financial assets and financial liabilities of the company, approximate their carrying values, which are disclosed in the statement of financial position and in the notes to and forming part of the accounts.		

**21 CAPITAL EXPENDITURE COMMITMENTS**

Capital expenditure commitments contracted for capital expenditure projects, substantially related to poker machines, furniture and a ticket redemption centre, with deposits paid at 30 June 2011 of \$47,498.91 and the balance remaining of:

Not later than 1 year	139,058.73	-
	139,058.73	-

**22 CAPITAL MANAGEMENT**

Management controls the capital of the company to ensure that adequate cash flows are generated to fund its provision of services to members and their guests and that returns from investments are maximised. The Board of Directors ensures that the overall risk management strategy is in line with this objective.

The company's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the company's capital by assessing the company's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
The gearing ratios for the years ended 30 June 2011 and 30 June 2010 are as follows:		
Total borrowings	2,929,737.70	3,044,175.96
Less cash and cash equivalents	910,129.33	557,913.13
Net Debt	2,019,608.37	2,486,262.83
Total Equity	7,720,899.69	7,155,236.80
Total Capital	9,740,508.06	9,641,499.63
Gearing Ratio	20.73%	25.79%

**23 COMPANY DETAILS**

The registered office and principal place of business of the company is:

113 Bridge Street  
MUSWELLBROOK NSW 2333

**24 MEMBERS' GUARANTEE**

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company. At 30 June 2011 the number of members was 5,821 (2010:5,739)

**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001:
  - (a) comply with Australian Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2011 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.

**FRANCES CINI**

**Treasurer**  
**26<sup>th</sup> August 2011**  
**Muswellbrook**

# Davies, Thompson & Wright

A.B.N. 70 340 182 044

**Partners:**

Timothy G. Looby B.E.C. Dip.Fin.Man. C.A.  
Tracey L. Lawler B.Comm. C.A.  
Scott P. Collins B.Comm./B.Econ. C.A.

60 Brook Street  
MUSWELLBROOK NSW 2333  
P.O. Box 128  
Phone (02) 6543 2766  
Fax (02) 6543 4059  
Email: dtw@hunterlink.net.au

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**

**A.B.N. 16 000 992 012**

**Report on the Financial Report**

We have audited the accompanying financial report of Muswellbrook RSL Sub-Branch Club Limited, which comprises the statement of financial position as at 30 June 2011, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

**Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

**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. Those 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 company's preparation of the financial report that gives a true and fair view 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 company'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*.

Liability limited by a scheme  
approved under Professional  
Standards Legislation



# *Davies, Thompson & Wright*

A.B.N. 70 340 182 044

**Partners:**

Timothy G. Looby B.E.C. Dip.Fin.Man. C.A.  
Tracey L. Lawler B.Comm. C.A.  
Scott P. Collins B.Comm./B.Econ. C.A.

60 Brook Street  
MUSWELLBROOK NSW 2333  
P.O. Box 128  
Phone (02) 6543 2766  
Fax (02) 6543 4059  
Email: dtw@hunterlink.net.au

**Opinion**

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

- (i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Davies, Thompson & Wright**  
**Chartered Accountants**

**TRACEY L. LAWLER**  
**Partner**

**29<sup>th</sup> August 2011**  
**Muswellbrook**

# *Davies, Thompson & Wright*

A.B.N. 70 340 182 044

**Partners:**

Timothy G. Looby B.E.C. Dip.Fin.Man. C.A.  
Tracey L. Lawler B.Comm. C.A.  
Scott P. Collins B.Comm./B.Econ. C.A.

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**

**A.B.N. 16 000 992 012**

**Scope**

Our Auditors' Report on the financial statements of Muswellbrook RSL Sub-Branch Club Limited which comprises the statement of financial position as at 30th June, 2011, the statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to and forming part of the accounts for the year ended on that date, presented on the preceding pages, does not relate to the additional financial information presented hereinafter.

This additional information presented in the following report, namely the detailed trading statement and detailed profit and loss statement have been prepared from the accounting records of the club and we do not express an opinion thereon.

**Davies, Thompson & Wright  
Chartered Accountants**

**TRACEY L. LAWLER  
Partner**

**29<sup>th</sup> August 2011  
Muswellbrook**

Liability limited by a scheme  
approved under Professional  
Standards Legislation



**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**TRADING STATEMENT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b><u>BAR TRADING ACCOUNT</u></b>		
Bar Sales	910,735.20	842,967.87
<b><u>Less: Cost of Goods Sold</u></b>		
Bar Opening Stock	26,904.48	27,112.70
Bar Purchases	415,268.16	387,385.47
	<hr/>	<hr/>
	442,172.64	414,498.17
Closing Stock	30,731.07	26,904.48
	<hr/>	<hr/>
	411,441.57	387,593.69
	<hr/>	<hr/>
<b>GROSS PROFIT 54.8% (2010 YEAR 54.0%)</b>	499,293.63	455,374.18
<b><u>Less: Direct Costs</u></b>		
Bar Running Expenses	5,283.40	9,797.34
Bar Stocktake Fees	6,000.00	5,971.81
Bar Wages	189,384.34	185,278.88
	<hr/>	<hr/>
	200,667.74	201,048.03
	<hr/>	<hr/>
<b>PROFIT/(LOSS) FROM TRADING</b>	298,625.89	254,326.15
<b><u>POKER MACHINE TRADING ACCOUNT</u></b>		
Gross Clearance	11,524,500.05	10,450,442.91
Less: Prizes & Refills	7,956,456.48	7,257,567.52
	<hr/>	<hr/>
<b>NETT REVENUE</b>	3,568,043.57	3,192,875.39
<b><u>Less: Direct Costs</u></b>		
Poker Machine Repairs	39,186.71	34,835.28
Poker Machine Performance Reports	9,721.00	8,586.00
Poker Machine Turnover Tax	650,878.10	569,959.95
Poker Machine Wages	269,891.84	269,336.27
Poker Machine Monitoring	32,857.05	28,080.68
Department of Gaming Fees	1,844.50	4,427.51
	<hr/>	<hr/>
	1,004,379.20	915,225.69
	<hr/>	<hr/>
<b>PROFIT FROM TRADING</b>	2,563,664.37	2,277,649.70
	<hr/>	<hr/>
<b><u>GROSS PROFIT FROM TRADING</u></b>	2,862,290.26	2,531,975.85
	<hr/>	<hr/>

**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b><u>INCOME</u></b>		
Gross Profit from Trading	2,862,290.26	2,531,975.85
ATM Commission	36,154.56	16,475.04
Sponsorship	2,600.00	1,400.00
Green Fees	2,566.32	2,790.04
Keno Commission	85,877.89	80,123.62
Machine Commission	7,204.66	9,644.87
TAB Commission	15,991.09	10,829.19
Dividends Received	76.01	81.64
Interest Received	12,469.04	4,871.58
Insurance Recoveries	42,135.78	57,904.86
GST Subsidy	17,180.00	17,180.00
Sundry Income	350.00	2,013.64
Tennis Court	1,052.50	1,211.61
Members' Subscriptions	15,832.49	15,026.79
Training Rebate	1,500.00	-
Room Hire	25,448.44	17,156.82
Profit on Disposal of Non-Current Assets	7,238.00	-
 Rent 129 Bridge Street	 14,364.68	 21,514.80
Less: Expenses	14,761.87	-
	(397.19)	21,514.80
 Rent 141/145 Bridge Street	 -	 866.67
Less: Expenses	-	10,256.53
	-	(9,389.86)
 Rent 1A St Heliers St	 24,040.56	 9,000.00
Less: Expenses	15,512.68	10,885.87
	8,527.88	(1,885.87)
 Rent 94 Hill Street	 8,454.85	 8,714.80
Less: Expenses	3,962.97	2,571.80
	4,491.88	6,143.00
 Motel Income	 574,530.07	 -
Less: Expenses	443,077.47	-
	131,452.60	-
 <b>TOTAL INCOME</b>	 <b>3,280,042.21</b>	 <b>2,785,067.62</b>

**MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED**  
**A.B.N. 16 000 992 012**

**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	2011	2010
	\$	\$
<b><u>EXPENDITURE</u></b>		
Auditor's Remuneration Auditing Services	16,990.00	13,970.00
Bank Charges	3,833.15	4,177.01
Borrowing Costs	1,308.00	1,308.00
Cash Shortage	720.81	546.14
Cleaning & Waste Disposal	145,566.47	144,653.07
Computer Software	5,864.49	3,224.28
Directors' Out of Pocket Expenses	5,100.00	5,100.00
Directors' & CEO Expenses	11,521.04	8,016.78
Depreciation		
Furniture & Plant	234,539.28	165,814.00
Poker Machines	223,532.71	182,225.00
Bowling Greens & Clubhouse	6,706.00	6,850.00
Clubhouse Building	162,260.00	156,619.00
Motor Vehicle	10,011.00	11,043.00
Dining Room Expenses	4,342.30	3,260.62
Donations	65,648.50	70,967.25
Electricity	98,687.79	91,770.06
Entertainment & Amenities	255,380.88	265,107.40
General Expenses	5,594.59	25,502.82
Insurance	78,085.90	74,756.99
Interest Paid	104,449.90	88,636.20
Keno Expenses	8,018.61	6,074.81
Long Service Leave	20,736.60	5,850.91
Loss on Disposal Non-Current Assets	49,573.96	14,304.91
Mortuary Benefits Paid	1,400.00	2,700.00
Motor Vehicle Expenses		
Car	5,944.53	5,188.55
Bus	19,066.43	15,178.47
Payroll Tax	29,138.36	26,054.31
Postage, Stationery & Advertising	79,393.60	95,112.95
Promotions	86,110.72	94,835.77
Rates	21,994.41	22,878.33
Repairs & Maintenance	106,534.64	122,326.86
Security Services	16,128.53	17,035.59
Seminars	10,588.62	8,603.27
Staff Training	3,272.35	6,782.85
Staff Drinks & Meals	11,159.51	6,918.84
Subscriptions & Licences	13,403.45	12,648.00
Superannuation Contributions	89,044.03	87,274.05
TAB Expenses	6,049.36	1,251.91
Telephone	11,045.32	10,359.13
Uniforms	4,430.02	4,704.45

MUSWELLBROOK R.S.L. SUB-BRANCH CLUB LIMITED  
A.B.N. 16 000 992 012

**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	2011	2010
	\$	\$
Wages		
Administration	123,011.45	127,589.14
Managers	121,993.43	115,873.43
Club Running	3,651.10	3,553.11
Bus	25,664.51	29,158.53
Door	81,619.26	82,756.97
Keno	54,363.00	49,600.00
TAB	13,591.00	12,399.00
Property Maintenance	54,471.51	56,172.55
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<b>TOTAL EXPENDITURE</b>	2,511,541.12	2,366,734.31
Fair Value Adjustment – Motel Furniture & Plant	82,500.00	-
Fair Value Adjustment – Demolition of Buildings	95,597.20	-
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<b>TOTAL EXPENDITURE INCLUDING ADJUSTMENTS</b>	2,689,638.32	2,366,734.31
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<b><u>NET PROFIT BEFORE INCOME TAX</u></b>	590,403.89	418,333.31
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