

Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

Financial Statements

For the Year Ended 30 June 2012

Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

For the Year Ended 30 June 2012

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Manilla RSL and Ex Servicemen's Club Limited

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Directors' Report

30 June 2012

Your directors present their report on the company for the financial year ended 30 June 2012.

Directors

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

Names	Position	Appointed/Resigned
Henry Arthur Kelly	President	
William Gregson Thurtell	Senior Vice President	
Ian Leslie Ward	Treasurer	
Patricia Adulla Sing	Director	
David J Northey	Director	
Brenda Anne Saltmarsh	Director	
William Groves	Director	Resigned 30 November 2011 reappointed 26 June 2012
Ivan Darryl Turnbull	Director	Appointed 30 November 2011
Ian Lindsay Bignall	Director	Appointed 30 November 2011
Arnout Hendrick Nieuwenhuis	Junior Vice President	Resigned 30 November 2011
Allan McGrath	Director	Resigned 17 April 2012

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

Principal Activities

The principal activities of Manilla RSL and Ex Servicemen's Club Limited during the financial year were the operation of a licensed club and providing facilities for members.

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

Objectives and strategies

Objectives

The Club's short term objectives are:

- Increase patronage and Club memberships.
- Improve financial position of the Club through increased patronage.

The Club's long term objectives are:

- Improve the Club facilities by upgrading existing areas including bar, furniture and carpeting throughout the Club interior.
- Consider and pursue appropriate strategies in developing new buildings and business expansion opportunities.
- To attract higher numbers of patrons to the Club by catering for as wide a range of community interests as possible.

Manilla RSL and Ex Servicemen's Club Limited

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Directors' Report

30 June 2012

Objectives and strategies continued

Strategies

The Club's strategies to achieve its short term objectives are:

- Refurbishment of Club facilities.
- Upgrading restaurant and kitchen areas.

The Club's strategies to achieve its long term objectives are:

- Consideration of options to construct new facilities.
- Consideration of options to invest in activities complimentary to existing facilities and patronage, within the scope of retaining the heritage of the RSL traditions, and remembering our fallen and returned personnel from all conflicts of war.

Performance measurement

The company regularly measures its performance through budgetary control, review of the company's financial performance and the level of patronage of the club.

Director Information

Information on directors

Henry Arthur Kelly	President
Qualifications	Retired
Experience	19 years as a Director
Ian Leslie Ward	Treasurer
Qualifications	Retired
Experience	14 years as a Director
Arnout Hendrick Nieuwenhuis	Junior Vice President
Qualifications	Retired
Experience	10 years as a Director
Patricia Adulla Sing	Director
Qualifications	Retired
Experience	9 years as a Director
William Gregson Thurtell	Senior Vice President
Qualifications	Retired
Experience	5 years as a Director
Ivan Darryl Turnbull	Director
Qualifications	Retired
Experience	1 years as a Director

Manilla RSL and Ex Servicemen's Club Limited

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Directors' Report

30 June 2012

Director Information continued

Information on directors continued

David J Northey	Director
Qualifications	Retired
Experience	4 years as a Director
William Groves	Director
Qualifications	Retired
Experience	5 years as a Director
Brenda Anne Saltmarsh	Director
Qualifications	Retired
Experience	15 years as a Director
Allan McGrath	Director
Qualifications	Graphic Designer
Experience	2 years as a Director
Ian Lindsay Bignall	Director
Qualifications	Retired
Experience	1 year as a Director

Manilla RSL and Ex Servicemen's Club Limited

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Directors' Report

30 June 2012

Meetings of directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Henry Arthur Kelly	12	12
William Gregson Thurtell	12	10
Ian Leslie Ward	12	12
Patricia Adulla Sing	12	11
David J Northey	12	9
Brenda Anne Saltmarsh	12	11
William Groves	6	4
Ivan Darryl Turnbull	7	7
Ian Lindsay Bignall	7	6
Arnout Hendrick Nieuwenhuis	5	4
Allan McGrath	10	9

Incorporation and Members' Guarantee

The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee.

If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2012 the collective liability of members was \$15,280 (2011: \$11,490).

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out at page 6.

Core and Non-Core Land

Core Land

25 Court Street Manilla, NSW 2346 (Lot 1 DP 235153, Lot X, Y, Z DP 375023 and Lot 21 DP 554245).

Non-Core Land

31 Court Street Manilla, NSW 2346 (Lot 22 DP554245)

35 Court Street Manilla, NSW 2346 (Lot 1, 2 DP213763).

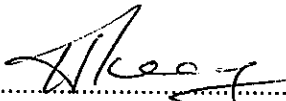
Manilla RSL and Ex Servicemen's Club Limited

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Directors' Report

30 June 2012

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

Director: 
Henry Arthur Kelly

Director: 
Ian Leslie Ward

Dated 13 September 2012

Forsyths

Chartered Accountants

Armidale

92 Rusden Street
PO Box 114
Armidale NSW 2350

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e armidale@forsyths.com.au

Manilla RSL and Ex Servicemen's Club Limited

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Auditors Independence Declaration under Section 307C of the Corporations Act 2001

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

Forsyths

Chartered Accountants


Geoffrey W Allen
Partner

92 Rusden Street, Armidale NSW 2350

13 September 2012

Knowledge with integrity

Liability limited by a scheme approved under the Professional Standards Legislation

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Manilla RSL and Ex Servicemen's Club Limited

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Statement of Comprehensive Income

For the Year Ended 30 June 2012

	Note	2012 \$	2011 \$
Sales revenue	2	1,272,074	1,292,099
Cost of sales		(719,336)	(739,269)
Gross profit		552,738	552,830
Other income	2	190,733	195,600
Marketing expenses		(184,210)	(192,490)
Occupancy expenses		(25,121)	(11,135)
Administrative expenses		(451,234)	(432,670)
Finance costs		(8,431)	(9,187)
Other expenses		(132,777)	(147,832)
Profit before income tax	3	(58,302)	(44,884)
Taxation	4	-	-
Profit for the period		(58,302)	(44,884)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		(58,302)	(44,884)

The accompanying notes form part of these financial statements.

Manilla RSL and Ex Servicemen's Club Limited

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Statement of Financial Position

30 June 2012

	Note	2012 \$	2011 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	195,738	208,971
Trade and other receivables	8	9,993	10,115
Inventories	9	20,202	31,987
Other assets	11	-	3,187
Total current assets		225,933	254,260
Non-current assets			
Property, plant and equipment	10	1,109,338	1,148,509
Total non-current assets		1,109,338	1,148,509
TOTAL ASSETS		1,335,271	1,402,769
LIABILITIES			
Current liabilities			
Trade and other payables	12	111,945	115,957
Borrowings	13	6,761	4,608
Employee benefits	14	92,936	78,602
Total current liabilities		211,642	199,167
Non-current liabilities			
Borrowings	13	92,121	109,176
Employee benefits	14	17,380	21,996
Total non-current liabilities		109,501	131,172
TOTAL LIABILITIES		321,143	330,339
NET ASSETS		1,014,128	1,072,430
EQUITY			
Retained earnings		1,014,128	1,072,430
TOTAL EQUITY		1,014,128	1,072,430

The accompanying notes form part of these financial statements.

Manilla RSL and Ex Servicemen's Club Limited

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Statement of Changes in Equity

For the Year Ended 30 June 2012

2012

	Retained Earnings \$	Total \$
Balance at 1 July 2011	1,072,430	1,072,430
Profit/(loss) for the year	(58,302)	(58,302)
Total other comprehensive income for the year	-	-
Balance at 30 June 2012	<u>1,014,128</u>	<u>1,014,128</u>

2011

	Retained Earnings \$	Total \$
Balance at 1 July 2010	1,117,314	1,117,314
Profit/(loss) for the year	(44,884)	(44,884)
Total other comprehensive income for the period	-	-
Balance at 30 June 2011	<u>1,072,430</u>	<u>1,072,430</u>

The accompanying notes form part of these financial statements.

Manilla RSL and Ex Servicemen's Club Limited

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Statement of Cash Flows

For the Year Ended 30 June 2012

	Note	2012 \$	2011 \$
Cash from operating activities:			
Receipts from customers		1,606,291	1,422,477
Payments to suppliers and employees		(1,578,029)	(1,373,454)
Interest received		2,653	735
Finance costs		(8,431)	(9,187)
Net cash provided by (used in) operating activities	17	<u>22,484</u>	<u>40,571</u>
Cash flows from investing activities:			
Payment to acquire property, plant and equipment		(20,815)	(26,424)
Net cash used by investing activities		<u>(20,815)</u>	<u>(26,424)</u>
Cash flows from financing activities:			
Repayment of borrowings		(14,902)	(4,589)
Net cash used by financing activities		<u>(14,902)</u>	<u>(4,589)</u>
Other activities:			
Net cash increase (decreases) in cash and cash equivalents		(13,233)	9,558
Cash and cash equivalents at beginning of year		208,971	199,413
Cash and cash equivalents at end of year	7	<u>195,738</u>	<u>208,971</u>

The accompanying notes form part of these financial statements.

Manilla RSL and Ex Servicemen's Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Summary of Significant Accounting Policies

(a) General information

The financial statements are for Manilla RSL and Ex Servicemen's Club Limited as an individual entity, incorporated and domiciled in Australia. Manilla RSL and Ex Servicemen's Club Limited is a company limited by guarantee.

(b) Basis of preparation

The financial statements are general purpose financial statements that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board 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 to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

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

(c) Revenue

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

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

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

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

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

(d) Income taxes

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). The *Income Tax Act 1997* (as amended) provides that, under the concept of member mutuality, clubs are only liable for income tax derived from non-members.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date.

Manilla RSL and Ex Servicemen's Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Summary of Significant Accounting Policies continued

(d) Income taxes continued

Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

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

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

(e) 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.

(f) Inventories

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

(g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at cost, less subsequent depreciation for buildings.

Manilla RSL and Ex Servicemen's Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Summary of Significant Accounting Policies continued

(g) Property, plant and equipment continued

Plant and equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount for these assets. The recoverable amount of plant and equipment for non-profit entities is the current replacement cost discounted to current asset condition.

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

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

Class of Fixed Asset

Buildings and Improvements - at Cost	2.5 - 18.0%
Plant and Equipment	10.0 - 30.0%
Bar Plant and Equipment - at Cost	10.0 - 30.0%
Office Plant and Equipment - at Cost	10.0 - 37.5%
Motor Vehicles - at Cost	30.0%
Poker Machines - at Cost	20.0%
Sporting Equipment	2.5 - 18.0%
Kitchen Utensils - at Cost	10.0 - 30.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet 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 disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

(h) Employee benefits

Provision is made for the company'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. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

(i) Borrowings

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

Manilla RSL and Ex Servicemen's Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Summary of Significant Accounting Policies continued

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Comparatives

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

(l) Intangible assets

Poker Machine Entitlements

The company, as a result of State legislation, received for no cost, poker machine entitlements. These entitlements can be sold should the company decide to reduce, or cease, its poker machine activities. The company has not recorded the poker machine entitlement in the financial statements as there was no fair value on acquisition of these entitlements.

(m) Critical accounting estimates and judgments

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

Key estimates - Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Discounted replacement value calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(n) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards as none of the changes are expected to have a material affect on the company.

Manilla RSL and Ex Servicemen's Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2012

2 Revenue

	2012 \$	2011 \$
Sales revenue		
- Bar Sales	580,301	637,802
- Dining Room Income	3,889	6,992
- Poker Machine Revenue	617,995	568,066
- Keno Revenue	51,916	54,470
- TAB Revenue	17,973	24,769
Total Revenue	<u>1,272,074</u>	<u>1,292,099</u>
Other Income		
- Rental Income	11,177	9,177
- Raffles Income	100,337	108,603
- Membership Subscriptions	13,099	9,875
- Interest Income	2,653	735
- Other Income	63,467	67,210
Other Income	<u>190,733</u>	<u>195,600</u>

3 Profit for the Year

Profit for the year is calculated after charging the following expenses:

	2012 \$	2011 \$
External finance costs	8,431	9,187
Depreciation	59,986	65,060

4 Income tax expense

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

	2012 \$	2011 \$
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2011: 30%)	(17,491)	(13,465)
Add:		
Tax effect of:		
- Mutuality adjustment	8,362	11,102
- Adjustment for Unrecognised Losses	9,129	2,363
Income tax attributable to entity	<u>-</u>	<u>-</u>

Manilla RSL and Ex Servicemen's Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2012

4 Income tax expense continued

(b) Assessed losses carried forward

The Company has unrealised tax losses of \$21,900 (2011: \$12,771 at a tax rate of 30%). For the year ended 30 June 2012 no deferred tax asset has been taken up, as it is not probable that these losses will be utilised in future years.

5 Key Management Personnel Compensation

	Short-term benefits \$	Post employment benefit \$	Total \$
2012			
Total compensation	73,716	6,578	80,294
2011			
Total compensation	76,165	6,856	83,021

Directors did not receive any remuneration for their capacity as directors during the current or previous financial year. Directors perform their duties in an honorary capacity.

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

6 Auditors' Remuneration

	2012 \$	2011 \$
Remuneration of the auditor of the company for:		
- Auditing or reviewing the financial report	13,000	14,838
- Other services (taxation, consulting, financial statements)	5,800	4,000
	<u>18,800</u>	<u>18,838</u>

7 Cash and cash equivalents

	2012 \$	2011 \$
Cash on hand	63,067	58,033
Cash at bank	132,671	150,938
	<u>195,738</u>	<u>208,971</u>

Manilla RSL and Ex Servicemen's Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2012

8 Trade and other receivables

	2012	2011
	\$	\$
Trade receivables	9,993	10,115
	<u>9,993</u>	<u>10,115</u>

Trade receivables to the value \$4,098 are past due and payable. There are no balances within trade receivables that contain assets that are considered impaired. It is expected that these balances will be received when due. There is no provision for impairment at 30 June 2012 (2011: \$nil).

9 Inventories

	2012	2011
	\$	\$
CURRENT		
At Cost		
Finished goods	20,202	31,987
	<u>20,202</u>	<u>31,987</u>

Manilla RSL and Ex Servicemen's Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2012

10 Property, plant and equipment

	2012 \$	2011 \$
Land - at Cost	106,488	106,488
Total Freehold Land	<u>106,488</u>	<u>106,488</u>
Buildings and Improvements - at Cost	1,144,292	1,142,562
Accumulated Depreciation	(265,539)	(241,459)
Total Buildings and Improvements	<u>878,753</u>	<u>901,103</u>
Plant and Equipment - at Cost	439,510	434,735
Accumulated Depreciation	(394,081)	(385,107)
Total Plant and Equipment	<u>45,429</u>	<u>49,628</u>
Bar Plant and Equipment - at Cost	186,394	186,394
Accumulated Depreciation	(149,681)	(138,336)
Total Bar Plant and Equipment	<u>36,713</u>	<u>48,058</u>
Office Plant and Equipment - at Cost	20,792	7,342
Accumulated Depreciation	(9,723)	(6,991)
Total Office Plant and Equipment	<u>11,069</u>	<u>351</u>
Motor Vehicles - at Cost	2,909	2,909
Accumulated Depreciation	(1,839)	(1,650)
Total Motor Vehicles	<u>1,070</u>	<u>1,259</u>
Poker Machines - at Cost	401,518	401,518
Accumulated Depreciation	(373,572)	(360,919)
Total Poker Machines	<u>27,946</u>	<u>40,599</u>
Sporting Equipment - at Cost	1,949	1,949
Accumulated Depreciation	(1,928)	(1,926)
Total Sporting Equipment	<u>21</u>	<u>23</u>
Kitchen Utensils - at Cost	3,290	2,430
Accumulated Depreciation	(1,441)	(1,430)
Total Kitchen Utensils	<u>1,849</u>	<u>1,000</u>
Total Property, Plant and Equipment	<u><u>1,109,338</u></u>	<u><u>1,148,509</u></u>

Manilla RSL and Ex Servicemen's Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2012

Movements in Carrying Amounts

Reconciliation of the carrying amount of each class of property, plant and equipment from the beginning to the end of the financial year:

	Land	Buildings and Improvements - at Cost	Plant and Equipment - at Cost	Bar Plant and Equipment - at Cost	Office Plant and Equipment - at Cost	Motor Vehicles - at Cost	Poker Machines - at Cost	Sporting Equipment - at Cost	Kitchen Utensils	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Current Year										
Balance at start of year	106,488	901,103	49,628	48,058	351	1,259	40,599	23	1,000	1,148,509
Additions	-	1,730	4,775	-	13,450	-	-	-	860	20,815
Depreciation expense	-	(24,080)	(8,974)	(11,345)	(2,732)	(189)	(12,653)	(2)	(11)	(59,986)
Balance at end of year	106,488	878,753	45,429	36,713	11,069	1,070	27,946	21	1,849	1,109,338
Prior Year										
Balance at start of year	106,488	914,104	55,118	50,171	2,981	1,481	55,776	26	1,000	1,187,145
Additions	-	10,633	6,054	9,737	-	-	-	-	-	26,424
Depreciation expense	-	(23,634)	(11,544)	(11,850)	(2,630)	(222)	(15,177)	(3)	-	(65,060)
Balance at end of year	106,488	901,103	49,628	48,058	351	1,259	40,599	23	1,000	1,148,509

Manilla RSL and Ex Servicemen's Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2012

11 Other Assets

	2012	2011
	\$	\$
Prepayments	-	3,187
	<u>-</u>	<u>3,187</u>

12 Trade and other payables

	2012	2011
	\$	\$
Unsecured liabilities		
Trade payables	49,517	62,913
Income received in advance	782	1,213
Other payables	27,033	17,881
Payroll liabilities	9,162	6,721
GST Payable	25,452	27,229
	<u>111,946</u>	<u>115,957</u>

13 Borrowings

	2012	2011
	\$	\$
CURRENT		
Bank loans	6,761	4,608
	<u>6,761</u>	<u>4,608</u>
NON-CURRENT		
Bank loans	92,121	109,176
	<u>92,121</u>	<u>109,176</u>

(a) Total current and non-current secured liabilities

	2012	2011
	\$	\$
Bank Loans	98,882	113,784
	<u>98,882</u>	<u>113,784</u>

(b) The carrying amounts of non-current assets pledged as security are:

	2012	2011
	\$	\$
First mortgage over freehold land and buildings	985,241	1,007,591
	<u>985,241</u>	<u>1,007,591</u>

Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

Notes to the Financial Statements

For the Year Ended 30 June 2012

14 Employee Benefits

	2012	2011
	\$	\$
CURRENT		
Annual leave entitlements	49,231	41,725
Long service leave entitlements	43,705	36,877
	<u>92,936</u>	<u>78,602</u>
	2012	2011
	\$	\$
NON-CURRENT		
Long service leave entitlements	17,380	21,996

15 Contingent liabilities - debt and guarantees

Amounts guaranteed, relationship and nature of guarantee

The company has issued a guarantee in the amount of \$ 5,000 in relation to the TAB facilities.

16 Financial instruments

(a) Financial Risk Management Policies

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank loans.

The main purpose for non-derivative financial instruments is to raise finance for the company's operations.

Manilla RSL And Ex Servicemen's Club Limited does not have any derivative financial instruments at 30 June 2012.

(i) Treasury Risk Management

The company directors do not believe the company has any significant treasury risk. Cash is held in bank accounts or on hand for operational purposes.

(ii) Financial Risk Exposures and Management

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

Interest rate risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest

Manilla RSL and Ex Servicemen's Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2012

16 Financial instruments continued

rates on classes of financial assets and financial liabilities is calculated below.

The company's financial assets and liabilities are at floating interest rates. The Board and management believes that the exposure to changes in interest rates will not materially affect the operations.

Foreign Currency Risk

The company is not exposed to fluctuations in foreign currencies.

Liquidity Risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. Further, the company maintains significant cash on hand to manage day to day operations.

Credit risk

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

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

Price risk

The company is not exposed to any material commodity price risk.

Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

Notes to the Financial Statements

For the Year Ended 30 June 2012

16 Financial instruments continued

(iii) Financial instrument composition and maturity analysis

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

	Weighted Average Effective Interest Rate		Floating Interest Rate		Maturing within 1 Year		Maturing 1 to 5 Years		Maturing Over 5 Years		Non-interest Bearing		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:														
Cash and cash equivalents	0.07	0.07	132,672	150,938	-	-	-	-	-	-	63,067	58,033	195,739	208,971
Receivables	-	-	-	-	-	-	-	-	-	-	9,993	10,115	9,993	10,115
Total Financial Assets			132,672	150,938	-	-	-	-	-	-	73,060	68,148	205,732	219,086
Financial Liabilities:														
Bank loans	7.29	8.04	-	-	6,761	4,608	27,044	18,432	65,077	90,744	-	-	98,882	113,784
Trade and sundry payables	-	-	-	-	-	-	-	-	-	-	111,946	115,957	111,946	115,957
Total Financial Liabilities			-	-	6,761	4,608	27,044	18,432	65,077	90,744	111,946	115,957	210,828	229,741

(iv) Net fair values

Aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

Notes to the Financial Statements

For the Year Ended 30 June 2012

16 Financial instruments continued

(v) Sensitivity Analysis

Interest rate risk, liquidity risk, credit risk and price risk.

The company has not performed a sensitivity analysis relating to its exposure to interest rate risk, liquidity risk, credit risk and price risk at balance date as the company does not believe the sensitivity analysis is material.

A sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

17 Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2012	2011
	\$	\$
Net loss for the period	(58,302)	(44,884)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	59,986	65,060
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	122	2,032
(Increase)/decrease in prepayments	3,187	(55)
(Increase)/decrease in inventories	11,785	(1,091)
Increase/(decrease) in trade payables and accruals	(4,012)	14,357
Increase/(decrease) in provisions	9,718	5,152
	<u>22,484</u>	<u>40,571</u>

18 Company Details

Registered office

The registered office of the company is:

Manilla RSL and Ex Servicemen's Club Limited
25-29 Court Street
Manilla NSW 2346

Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

Directors' Declaration

The directors of the entity declare that:

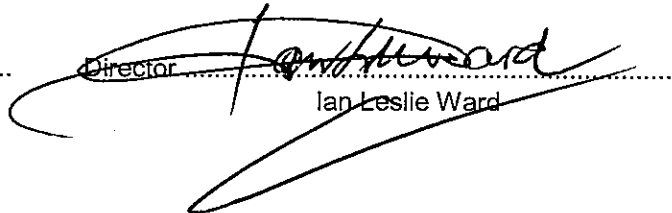
1. The financial statements and notes, as set out on pages 7 to 24, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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

Director


Henry Arthur Kelly

Director


Ian Leslie Ward

Dated 13 September 2012

Armidale

92 Rusden Street
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e armidale@forsyths.com.au

Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

Independent Audit Report to the members of Manilla RSL and Ex Servicemen's Club Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Manilla RSL and Ex Servicemen's Club Limited, which comprises the statement of financial position as at 30 June 2012, the 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 Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements which 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 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 statements.

Knowledge with integrity

Liability limited by a scheme approved under the Professional Standards Legislation

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Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

Independent Audit Report to the members of Manilla RSL and Ex Servicemen's Club Limited

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, which has been given to the directors of Manilla RSL and Ex Servicemen's Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion, the financial statements of Manilla RSL and Ex Servicemen's Club Limited are in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Forsyths

Chartered Accountants


Geoffrey W Allen
Partner

Dated 13 September 2012

92 Rusden Street, Armidale NSW 2350

Forsyths

Chartered Accountants

Armidale

92 Rusden Street
PO Box 114
Armidale NSW 2350

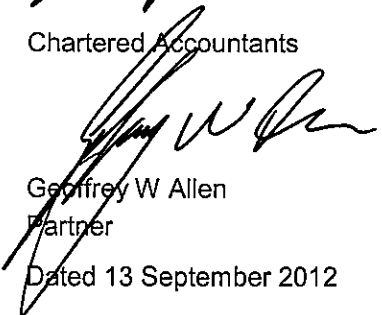
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Disclaimer

The additional financial data presented on pages 29 to 35 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 30 June 2012. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Manilla RSL and Ex Servicemen's Club Limited) in respect of such data, including any errors of omissions therein however caused.

Forsyths

Chartered Accountants


Geoffrey W Allen
Partner

Dated 13 September 2012

Knowledge with integrity

Liability limited by a scheme approved under the Professional Standards Legislation

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Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

ABN: 23 001 021 101

Detailed trading account

	2012 \$	2011 \$
BAR TRADING ACCOUNT		
Sales revenue		
Sales - Bar	580,301	637,802
	<u>580,301</u>	<u>637,802</u>
Cost of sales		
Purchases	351,873	407,542
	<u>351,873</u>	<u>407,542</u>
Cost of goods sold	<u>351,873</u>	<u>407,542</u>
Gross profit	<u>228,428</u>	<u>230,260</u>
Gross profit (%)	39.36%	36.10%
Less: Direct expenses		
Bar Freight	1,281	1,724
Light & Power - Bar	4,146	4,963
Replacements Bar	828	1,028
Wages - Bar	277,389	245,460
	<u>283,644</u>	<u>253,175</u>
Net profit / (loss)	<u>(55,216)</u>	<u>(22,915)</u>

Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

ABN: 23 001 021 101

Detailed trading account

	2012 \$	2011 \$
DINING ROOM TRADING ACCOUNT		
Sales revenue		
Sales - Kitchen	3,889	6,992
	<u>3,889</u>	<u>6,992</u>
Cost of sales		
Purchases	3,809	4,786
	<u>3,809</u>	<u>4,786</u>
Cost of goods sold		
	<u>3,809</u>	<u>4,786</u>
Gross profit	80	2,206
Gross profit (%)	2.06%	31.55%
Less: Direct expenses		
General expenses	4,859	6,374
Light, Power & Gas - Kitchen	9,429	7,744
	<u>14,288</u>	<u>14,118</u>
Net profit / (loss)	<u>(14,208)</u>	<u>(11,912)</u>

Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

ABN: 23 001 021 101

Detailed trading account

	2012	2011
	\$	\$
POKER MACHINE TRADING ACCOUNT		
Sales revenue		
Gross Poker Machine Takings	617,995	568,066
Less: Direct expenses		
General expenses	23,886	27,861
Poker Machine Tax	11,642	11,318
	<u>35,528</u>	<u>39,179</u>
Net profit / (loss)	<u>582,467</u>	<u>528,887</u>

Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

ABN: 23 001 021 101

Detailed trading account

	2012 \$	2011 \$
KENO TRADING ACCOUNT		
Sales revenue		
Sales	51,916	54,470
	<u>51,916</u>	<u>54,470</u>
Less: Direct expenses		
General expenses	12,587	7,693
	<u>12,587</u>	<u>7,693</u>
Net profit / (loss)	<u>39,329</u>	<u>46,777</u>

Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

Detailed trading account

	2012 \$	2011 \$
TAB TRADING ACCOUNT		
Income		
TAB Commission	17,973	24,769
	<u>17,973</u>	<u>24,769</u>
Less: Direct expenses		
TAB Promotions	1,147	1,018
TAB Sky Channel	17,377	16,277
TAB - Supplies	1,104	1,328
TAB (under) Chq Drawn	2,083	216
	<u>21,711</u>	<u>18,839</u>
Net profit / (loss)	<u>(3,738)</u>	<u>5,930</u>

Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

ABN: 23 001 021 101

Profit and Loss Account

	2012	2011
	\$	\$
Sales		
Bar Sales	580,301	637,802
Dining Room Income	3,889	6,992
Poker Machine Revenue	617,995	568,066
Keno Revenue	51,916	54,470
TAB Revenue	17,973	24,769
Total sales	1,272,074	1,292,099
Cost of sales	719,336	739,269
Gross Profit	552,738	552,830
Less: Expenses		
Administration and management fees	25,938	22,066
Advertising	20,693	28,446
Auditors remuneration	18,800	18,838
Bad debts	(200)	213
Bank charges	80	160
Cleaning	77,050	12,433
Computer expenses	1,972	2,510
Consulting and professional fees	1,044	641
Depreciation	59,986	65,060
Donations	575	1,616
Electricity & water	58,934	53,216
Entertainment	56,739	61,514
Fees and Permits	1,377	1,288
Finance costs - external	8,431	9,187
Gas	4,146	4,963
Lease of coffee & slushie machines	4,403	4,403
Leave provisions	9,719	5,153
Motor vehicle expenses	5,883	9,393
Other employee costs	15,086	13,600
Printing and stationery	11,286	10,663
Promotions	163,517	164,044
Rental properties - rates - council	23,999	10,013
Repairs and maintenance	23,737	24,275
Salaries	139,831	202,036
Security	1,122	1,122
Staff training	2,736	-
Subscriptions	8,335	8,906
Sundry expenses	121	58
Superannuation contributions	36,797	39,803

Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

ABN: 23 001 021 101

Profit and Loss Account

	2012	2011
	\$	\$
Telephone and fax	3,649	5,383
Travel - local	294	431
Workers compensation	15,693	11,880
	<u>(801,773)</u>	<u>(793,314)</u>
Trading Profit	(249,035)	(240,484)
Other operating income/expenses:		
Interest income	2,653	735
Rental income	11,177	9,177
Other income	176,903	185,688
	<u>190,733</u>	<u>195,600</u>
Profit before income tax	<u>(58,302)</u>	<u>(44,884)</u>