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# City of Bankstown R & SL Community Club Limited

ABN 61 001 084 591

## Concise Report 31 December 2009

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The financial statements and other specific disclosures have been derived from City of Bankstown R & SL Community Club's (the Company) full financial report for the financial year. Other information included in the concise financial report is consistent with the Company's full financial report.

The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

A copy of the Company's 2009 Annual Financial Report, including the independent audit report, is available to all members and will be sent to members without charge upon request.

# City of Bankstown R & SL Community Club Limited

## Directors' Report

### Directors

Your directors present their report together with the financial report of City of Bankstown R & SL Community Club Limited (the company) for the year ended 31 December 2009 and the auditor's report thereon.

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

<b>Name and qualifications</b>	<b>Experience and Special Responsibilities</b>
B I Pawley – Chairman	Bruce has been a long serving member, having held numerous positions in social clubs and Sub-Branch committees before being elected to the Board of Directors in 1974. He comes from the NSW Public Service background.
B C Hilton – Vice Chairman	Brian has been a member of Bass Hill RSL Club for over 35 years. Past President of Bass Hill Snooker Club (7 years). Retired from the hardware industry after 54 years. Appointed to the Board on March 2007.
J J Bedford OAM, JP	Currently Chairman of the Sub-Branch. Jack has been a long serving and active member of the Board for 32 years and comes with previous experience in the trucking industry
H Oliver JP	Retired Manager of Personnel Services of Department of Health after 42 years service. Appointed Justice of Peace in 1966. Joined the club in 1974 and the Sub-Branch in 1986. Currently serving as Honorary Secretary and Trustee of the Sub-Branch.
J R Player JP	John was elected as a member of the Board since 2001. He served a dedicated 31 years with the RTA as Motor Registry Manager and Administrative Officer.
M Stone	Max has been with the Bass Hill Club for over 39 years and is a Bass Hill Sub Branch Committee Member. He has served in the Building Industry for over 30 years and in Liquor Store Management for about 10 years.
A M Stewart JP Not re-elected 24 March 2009	Margaret comes from an accounting background and started work part-time at the Club in 1972, was appointed Accounts Supervisor in 1980 and retired in 2000 after 28 years of dedicated service. She was elected to the Board in 2001.
E T Jordan JP Not re-elected 24 March 2009	Enid was the office manager with the club for over 38 years and is an active participant in various social clubs. She was elected to the Board of Directors in 1996 and took on the position of Treasurer from 2001 – 2003.
D J Hopkins OAM Not re-elected 24 March 2009	Dave served in various capacities in committees at the Club, Sub-Branch and the HMAS Australia Veterans Association over the last 51 years. He comes from a background in the glass trade and has been Vice Chairman, Treasurer and a member of the Board since 1984.
T G Miller Not re-elected 24 March 2009	Tom has held various positions in the Bowling Club, TPI Association Secretary & Welfare Officers position. He has been a member of the Board previously for 9 years. Appointed to the board on 27 March 2007.

# City of Bankstown R & SL Community Club Limited

## Directors' Report (continued)

### Directors' Meetings

The number of directors' meetings including meetings of committees of directors and number of meetings attended by each of the directors of the company during the financial year are:

Director	Board Meetings	
	Number of Meetings Attended	Number of Meetings Held *
B I Pawley	15	16
B C Hilton	16	16
J J Bedford	16	16
H Oliver	16	16
J R Player	15	16
M Stone	15	16
A M Stewart **	5	6
E T Jordan **	5	6
D J Hopkins **	-	6
T G Miller **	4	6

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

\*\* 24 March 2009 not re-elected.

### Company Secretary

The following person held the position of company secretary at the end of the financial year:

#### Mr Scott Dickson

Mr Dickson was appointed Company Secretary on 25 March 2003 and is also the Chief Executive Officer of City of Bankstown R&SL Community Club Limited. Mr Dickson has a Diploma in Accounting and Business Law, Bachelor of Business & Masters in Business Administration.

### Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 31 December 2009 and the comparison with last year is as follows:

	2009	2008
Ordinary	14,197	14,554
Life	8	9
	<hr/>	<hr/>
	14,205	14,563
	<hr/>	<hr/>

## Directors' Report (continued)

### Operating Result

The net profit from ordinary activities before tax for the year amounted to \$1,211,902 compared with \$798,901 for the prior year. This resulted after charging \$1,410,943 (2008: \$1,264,070) for depreciation/amortisation and before charging \$131,301 (2008: \$92,306) for income tax.

### Review of Operations

A review of the operations of the company during the financial year and the results of these operations are as follows:

The net profit before tax for the year amounted to \$1,211,902 compared with \$798,901 for the prior year. The increase of \$413,001 was a result of a decrease in revenues of \$239,876 mainly attributable to a decrease in bar sales \$125,320 and other revenue \$79,254 offset by an overall decrease in expenses of \$652,877 mainly attributed to a decrease in employment and staffing expenses \$284,168, entertainment and promotions \$462,730 and an increase in depreciation and amortisation of \$146,873.

### Significant Changes in the State of Affairs

During the year the company signed a new five year lease with the Sub Branch.

Other than the above, there were no significant changes in the company's state of affairs that occurred during the financial year.

### Principal Activities

The principal activities of the Company during the course of the financial year consisted of the provision of licensed clubs and services for the use of members and the promotion of the objects of the Returned and Services League.

There were no significant changes in the nature of the activities of the Company during the year.

### Events Subsequent to Reporting Date

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

# City of Bankstown R & SL Community Club Limited

## Directors' Report (continued)

### Likely and Future Developments and Expected Results

Likely developments in the operations of the company in future financial years and the expected results of those operations are as follows:

The State Government has increased poker machine taxes as from 1 September 2004 with further increases phased in over four years and has also imposed smoking regulations. These regulations and taxes will continue to affect the profitability of the company.

### Environmental Regulation

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

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

### Dividends

In accordance with the Constitution, no dividends can be paid and accordingly no dividends were paid or declared since the start of the financial year (2008: \$Nil).

### Indemnification of Officers

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

The insurance premiums relate to:

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

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

City of Bankstown R & SL Community Club Limited  
Directors' Report (continued)

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is party for the purposes of taking responsibility on behalf of the company for all or any part of those proceedings.


The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The Directors have received the Independence Declaration from the Auditors. The Declaration is attached as page 7.

Signed in accordance with a resolution of the directors.

Dated at Bankstown this 4th day of February 2010.

  
**B I Pawley**  
Chairman

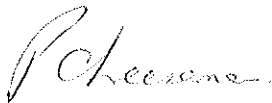
City of Bankstown R & SL Community Club Limited  
Auditor's Independence Declaration

Lead Auditor's Independence Declaration  
Under Section 307C of the Corporations Act 2001

To the Directors of City of Bankstown R & SL Community Club Limited:

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 31 December 2009, 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.



**Paul Cheeseman**  
Partner

1 Margaret Street  
SYDNEY NSW 2000

4 February 2010

City of Bankstown R & SL Community Club Limited  
**Statement of Comprehensive Income**  
**For the Year Ended 31 December 2009**

	Note	2009 \$	2008 \$
<b>Revenue from Continuing Operations</b>			
Sale of goods		1,239,645	1,364,965
Rendering of services		11,028,578	11,063,880
Other revenue		187,647	266,901
		<hr/>	<hr/>
Total revenue from continuing operations		12,455,870	12,695,746
		<hr/>	<hr/>
Cost of goods sold		(523,514)	(603,529)
Donations		(200,878)	(142,979)
Employment and staffing expenses		(2,598,483)	(2,882,651)
Entertainment and promotion expenses		(1,033,861)	(1,496,591)
Facilities management expenses		(1,170,265)	(1,160,812)
Legal expenses		(67,360)	(27,947)
Poker machine duties		(2,218,947)	(2,198,883)
Property expenses		(1,074,676)	(1,040,907)
Other expenses from ordinary activities		(757,375)	(809,202)
		<hr/>	<hr/>
		(9,645,359)	(10,363,501)
		<hr/>	<hr/>
Earnings before depreciation and amortisation expense and finance costs		2,810,511	2,332,245
		<hr/>	<hr/>
Depreciation and amortisation expenses		(1,410,943)	(1,264,070)
Finance costs		(187,666)	(269,274)
		<hr/>	<hr/>
<b>Profit before income tax expense</b>		1,211,902	798,901
Income tax expense		(131,301)	(92,306)
		<hr/>	<hr/>
<b>Net profit from continuing operations after income tax expense attributable to members</b>		1,080,601	706,595
		<hr/> <hr/>	<hr/> <hr/>
<b>Other Comprehensive Income</b>			
Other comprehensive income for the year, net of tax		-	-
		<hr/>	<hr/>
<b>Total comprehensive income for the year, net of tax</b>	2	1,080,601	706,595
		<hr/> <hr/>	<hr/> <hr/>

The Statement of Comprehensive Income should be read in conjunction with the discussion and analysis on page 12 and the notes to the financial statement set out on page 13.

City of Bankstown R & SL Community Club Limited  
**Statement of Changes in Equity**  
**For the Year Ended 31 December 2009**

	<b>Retained Earnings</b>	<b>Total Equity</b>
<b>Balance at 1 January 2008</b>	8,204,902	8,204,902
<hr/>		
<b>Changes in equity for 2008</b>		
Total comprehensive income for the year	706,595	706,595
<hr/>		
<b>Balance at 31 December 2008</b>	8,911,497	8,911,497
<hr/>		
<b>Changes in equity for 2009</b>		
Total comprehensive income for the year	1,080,601	1,080,601
<hr/>		
<b>Balance at 31 December 2009</b>	9,992,098	9,992,098
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City of Bankstown R & SL Community Club Limited

Statement of Financial Position  
As at 31 December 2009

	Note	2009 \$	2008 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		164,729	189,268
Trade and other receivables		57,478	46,512
Inventories		54,352	60,572
Other current assets		390,978	175,836
		<hr/>	<hr/>
<b>Total current assets</b>		667,537	472,188
		<hr/>	<hr/>
<b>Non-current assets</b>			
Land and buildings		3,943,212	3,615,731
Property, plant and equipment		6,659,623	6,822,815
Investment property		3,056,339	3,056,339
Deferred tax assets		75,159	62,630
		<hr/>	<hr/>
<b>Total non-current assets</b>		13,734,333	13,557,515
		<hr/>	<hr/>
<b>Total assets</b>		14,401,870	14,029,703
		<hr/>	<hr/>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Bank overdraft		836,512	1,242,901
Trade and other payables		1,426,012	1,586,724
Financial liabilities		962,161	899,877
Employee benefits		614,110	599,450
Current tax liabilities		120,220	45,738
Other current liabilities		64,181	83,945
		<hr/>	<hr/>
<b>Total current liabilities</b>		4,023,196	4,458,635
		<hr/>	<hr/>
<b>Non-current liabilities</b>			
Financial liabilities		320,517	595,259
Employee benefits		66,059	64,312
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		386,576	659,571
		<hr/>	<hr/>
<b>Total liabilities</b>		4,409,772	5,118,206
		<hr/>	<hr/>
<b>Net assets</b>		9,992,098	8,911,497
		<hr/>	<hr/>
<b>Members funds</b>			
Retained earnings		9,992,098	8,911,497
		<hr/>	<hr/>
<b>Members funds</b>	2	9,992,098	8,911,497
		<hr/>	<hr/>

The Statement of Financial Position should be read in conjunction with the discussion and analysis on page 12 and the notes to the financial statement set out on page 13.

City of Bankstown R & SL Community Club Limited  
**Cash Flow Statement**  
**For the Year Ended 31 December 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	13,484,079	13,740,713
Payments to suppliers and employees	(11,219,272)	(11,522,738)
Interest paid	(94,282)	(187,912)
Interest received	4	1,859
Rent received	187,643	206,285
Income taxes paid	(69,348)	(87,162)
Income tax refunds	-	43,526
	<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>	2,288,824	2,194,571
	<hr/>	<hr/>
<b>Cash Flows From Investing Activities</b>		
Proceeds from sale of plant and equipment	143,650	447,720
Acquisition of property, plant and equipment	(1,744,782)	(2,997,328)
	<hr/>	<hr/>
<b>Net cash outflow from investing activities</b>	(1,601,132)	(2,549,608)
	<hr/>	<hr/>
<b>Net Cash Flows From Financing Activities</b>		
Repayment of financial liabilities	(50,312)	(995,276)
Proceeds from finance lease and hire purchase liabilities	348,211	752,751
Payment of finance and hire purchase lease liabilities	(603,741)	(409,877)
	<hr/>	<hr/>
<b>Net cash outflow from financing activities</b>	(305,842)	(652,402)
	<hr/>	<hr/>
<b>Net (decrease)/increase in cash and cash equivalents</b>	381,850	(1,007,439)
<b>Cash and cash equivalents at the beginning of the financial year</b>	(1,053,633)	(46,194)
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the financial year</b>	(671,783)	(1,053,633)
	<hr/> <hr/>	<hr/> <hr/>

The Cash Flow Statement should be read in conjunction with the discussion and analysis on page 12 and the notes to the financial statement set out on page 13.

## Discussion and Analysis

### Statement of Comprehensive Income

The total revenue has decreased by \$239,876 (1.89%) since the prior year whilst expenses including depreciation and amortisation and finance costs have decreased by \$652,877 (5.49%) resulting in a net profit before tax of \$1,211,902, compared to \$798,901 for the previous year, an increase of \$413,001 (51.70%).

Individual items that impacted the 2009 result were:

- Revenue from the sale of goods decreased by \$125,320 (9.18%)
- Other revenue decreased by \$79,254 (29.69%), as 2008 included profit on sale of fixed assets of \$58,750.
- Decreases in employee benefits expense of \$284,168 (9.86%) entertainment and promotion expense of \$462,730 (30.92%) and cost of goods sold of \$80,015 (13.26%) whilst donations increased by \$57,899 (40.49%).
- Depreciation and amortisation expenses increased by \$146,873 (11.62%) whilst finance costs decreased by \$81,608 (30.31%).

### Statement of Financial Position

The company's net assets have increased by \$1,080,601 or 12.13% since the previous year consisting of an increase in total assets of \$372,167 and a \$708,434 decrease in total liabilities.

The increase in total assets for the year is mainly attributed to an increase in other current assets, due to increased prepaid rent and an increase in land and buildings of \$327,481 due to major renovation works carried out.

The decrease in total liabilities is mainly due to a decrease in the bank overdraft of \$406,389, decrease in trade payables of \$160,712 and decrease in financial liabilities of \$212,458.

### Cash Flow Statement

Operating activities provided net cash of \$2,288,824, an increase of \$94,253 (4.29%) when compared to the previous year.

Cash used in investing activities of \$1,601,132 related to payments for property, plant and equipment less proceeds from sales.

Cash used in financing activities was \$305,842 being repayments of commercial bank bills and repayments of existing finance leases offset against proceeds from new finance leases.

The above factors resulted in an overall increase of \$381,850 in cash held compared with last year's decrease of \$1,007,439.

Bank overdraft net of cash at bank, at year end was \$671,783 compared to \$1,053,633 for the period year.

City of Bankstown R & SL Community Club Limited  
**Notes to the Financial Statements**  
**Concise Financial Report**  
**For the Year Ended 31 December 2009**

**1 Basis of Preparation of the Concise Financial Report**

The concise financial report is an extract for the full financial report for the year ended 31 December 2009. The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports and the *Corporations Act 2001*.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full financial report of City of Bankstown R & SL Community Club Limited. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of City of Bankstown R & SL Community Club Limited as the full financial report.

**Compliance with IFRS**

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIRFS ensures that the company financial statements and notes comply with International Financial Reporting Standards (IFRS).

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

The presentation currency used in this concise financial report is Australian dollars.

**2 Retained Profits**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Retained profits at the beginning of the year	8,911,497	8,204,902
Net profit attributable to members of the company	1,080,601	706,595
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Retained profits at the end of the year	<u>9,992,098</u>	<u>8,911,497</u>

**3 Events Subsequent to Reporting Date**

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

**4 Mutuality Principle**

The company calculates its income in accordance with the mutuality principle which excludes from income, any amounts of subscriptions and contributions from members, and payments received from members for particular services provided by the club or association, eg. poker machines, bar and dining room service in the case of social clubs. The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised clubs and associations.

Following the Full Federal Court decision in *Coleambally Irrigation Mutual Co-operative Limited v FCT* [2004] FCAFC 250, Tax Laws Amendment (2005 Measures No.6) Bill 2005 was tabled in Parliament on 7 December 2005 to amend the Income Tax Assessment Act 1997 to restore the long standing benefits of the mutuality principle to those non-profit organisations affected by the *Coleambally* decision.

These amendments will ensure social clubs continue not to be taxed on receipts from contributions and payments received from members.

# City of Bankstown R & SL Community Club Limited

## Directors' Declaration

The directors of City of Bankstown R & SL Community Club Limited (the company) declare that the concise financial report of the company for the financial year ended 31 December 2009, as set out on pages 8 to 13:

- (a) complies with Accounting Standard AASB 1039: Concise Financial Reports; and
- (b) is an extract from the full financial report for the year ended 31 December 2009 and has been derived from and is consistent with the full financial report of the company.

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

Dated at Bankstown this 4th day of February 2010.

Signed in accordance with a resolution of the directors.

  
**B I Pawley**  
Chairman

City of Bankstown R & SL Community Club Limited  
Independent Audit Report on the Concise Financial Report  
To the Members of City of Bankstown R & SL Community Club Limited

**Report on the concise financial report**

The accompanying concise financial report of City of Bankstown R & SL Community Club Limited (the company) comprises the statement of financial position as at 31 December 2009, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and related notes, derived from the audited financial report of the company for the year ended 31 December 2009, and the discussion and analysis set out on pages 8 to 13. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

**Directors' responsibility for the concise financial report**

The directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039: *Concise Financial Reports* (including the Australian Accounting Interpretations), statutory and other requirements. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying the appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility**

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of the company for the year ended 31 December 2009. Our audit report on the financial report for the year was signed on 4 February 2010 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures with respect to the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039: *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in AASB 1039: *Concise Financial Reports*.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

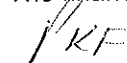
**Independence**

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, was provided to the directors of the company on 4 February 2010.

**Auditor's opinion**

In our opinion, the concise financial report including the discussion and analysis of the company for the year ended 31 December 2009 complies with Accounting Standard AASB 1039: *Concise Financial Reports*.

The financial report also complies with IFRS as disclosed in Note 1.

  
PKF



**Paul Cheeseman**

Partner

4 February 2010

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