

**REVESBY HEIGHTS EX-SERVICEMEN'S
MEMORIAL CLUB LIMITED**

ABN 56 000 372 136

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

REVESBY HEIGHTS EX-SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 372 136

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REVESBY HEIGHTS EX-SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 372 136

DIRECTORS' REPORT

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

General Information

Directors

The names of the directors in office at anytime during or since the end of the year are:

Names	Position	Appointed/Resigned
Maxwell Thomas Parker	President	
Ray Devnie	Vice-President	
Shane Rooney	Treasurer	
Peter Charles McLachlan	Director	
John McGuigan	Director	
Patrick William Corbin	Director	
William Russell Gee	Director	Appointed December 2010
Steve Grubmier	Director	Resigned December 2010

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

Company Secretary

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

Peter J Price

Principal Activities

The principal activities of Revesby Heights Ex-Servicemen's Memorial Club Limited during the financial year was the operation of a licensed club in accordance with its objectives and for the benefit of its members.

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

Operating Results

The net loss of the company for the financial year after providing for income tax amounted to \$360,580.

Dividends paid or declared

As a company limited by guarantee, the Club is prohibited from paying dividends to its members, and as such no dividends have been paid or declared during the financial year or up to the date of this report.

Significant changes in state of affairs

No significant changes in the Club's state of affairs occurred during the financial year.

REVESBY HEIGHTS EX-SERVICEMEN'S MEMORIAL CLUB LIMITED
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DIRECTORS' REPORT

After balance day events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

Future developments

The Club expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

Environmental Issues

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

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is attached to this financial report.

Director Information

Meetings of Directors

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

	Directors' Meetings	
	Eligible to attend	Number attended
Maxwell Thomas Parker	12	11
Ray Devnie	12	12
Shane Rooney	12	10
Peter Charles McLachlan	12	11
John McGuigan	12	11
Patrick William Corbin	12	12
William Russell Gee	7	7
Steve Grubmier	5	2

Indemnifying Officers or Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Revesby Heights Ex-Servicemen's Memorial Club Limited.

REVESBY HEIGHTS EX-SERVICEMEN'S MEMORIAL CLUB LIMITED
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DIRECTORS' REPORT

Proceedings on behalf of Company

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

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

Signed in accordance with a resolution of the board of directors:

Director

Maxwell Thomas Parker

Director

Shane Rooney

Dated this 10th day of November 2011

REVESBY HEIGHTS EX-SERVICEMEN'S MEMORIAL CLUB LIMITED
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STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Revenue	2	2,313,719	2,172,780
Cost of sales		(514,418)	(497,215)
Employee costs		(685,749)	(744,055)
Bingo expenses		(66,258)	(18,155)
Cleaning		(55,317)	(56,139)
Electricity and water		(98,577)	(105,013)
Entertainment expenses		(112,084)	(118,848)
Insurance		(42,407)	(81,543)
Raffle costs		(154,234)	(153,510)
Rates and taxes		(20,363)	(25,918)
Repairs and maintenance		(45,548)	(84,307)
Poker machine lease payments		(125,082)	(71,667)
Permits, licences and fees		(9,844)	(32,150)
Printing, stationery, postage		(24,584)	(15,289)
Other expenses		(404,657)	(392,500)
Operating profit (loss) for the year (EBITDA - before abnormals)		(45,404)	(223,530)
Other Income	2	-	220,000
Other Expenses			
Depreciation, amortisation and impairments		(166,437)	(140,364)
Finance costs		(148,739)	(85,813)
Profit (loss) for the year		(360,580)	(229,707)

The accompanying notes form part of these financial statements.

REVESBY HEIGHTS EX-SERVICEMEN'S MEMORIAL CLUB LIMITED
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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	66,269	58,741
Trade and other receivables	5	19,791	2,867
Inventories	6	30,464	24,812
Other current assets	7	29,843	10,856
TOTAL CURRENT ASSETS		<u>146,366</u>	<u>97,276</u>
NON-CURRENT ASSETS			
Financial assets	8	2,851	2,851
Property, plant and equipment	9	2,923,570	3,028,706
TOTAL NON-CURRENT ASSETS		<u>2,926,421</u>	<u>3,031,557</u>
TOTAL ASSETS		<u><u>3,072,787</u></u>	<u><u>3,128,833</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	298,417	498,755
Borrowings	11	843,940	44,941
Short-term provisions	12	22,789	19,948
Other	13	21,003	61,083
TOTAL CURRENT LIABILITIES		<u>1,186,149</u>	<u>624,727</u>
NON-CURRENT LIABILITIES			
Trade and other payables	10	-	46,743
Borrowings	11	111,008	325,718
Long-term provisions	12	24,713	20,148
TOTAL NON-CURRENT LIABILITIES		<u>135,721</u>	<u>392,610</u>
TOTAL LIABILITIES		<u><u>1,321,871</u></u>	<u><u>1,017,336</u></u>
NET ASSETS		<u><u>1,750,916</u></u>	<u><u>2,111,496</u></u>
EQUITY			
Retained profits		<u>1,750,916</u>	<u>2,111,496</u>
TOTAL EQUITY		<u><u>1,750,916</u></u>	<u><u>2,111,496</u></u>

The accompanying notes form part of these financial statements.

REVESBY HEIGHTS EX-SERVICEMEN'S MEMORIAL CLUB LIMITED
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STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2011

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2009	2,341,203	2,341,203
Loss for the year	(229,707)	(229,707)
Balance at 30 June 2010	<u>2,111,496</u>	<u>2,111,496</u>
Balance at 1 July 2010	2,111,496	2,111,496
Loss for the year	(360,580)	(360,580)
Balance at 30 June 2011	<u>1,750,916</u>	<u>1,805,671</u>

The accompanying notes form part of these financial statements.

REVESBY HEIGHTS EX-SERVICEMEN'S MEMORIAL CLUB LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Receipts from customers		2,296,479	2,306,150
Payments to suppliers and employers		(2,765,511)	(2,253,501)
Interest received		248	72
Dividends received		67	6
Finance costs		(10,086)	(74,847)
Net cash provided by (used in) operating activities	16	(478,803)	(22,120)
Cash flows from investing activities			
Proceeds from sale of plant and equipment		46,745	4,500
Proceeds from sale of gaming licences		-	220,000
Purchase of motor vehicle		(45,914)	-
Purchase of property, plant and equipment		(62,132)	(8,207)
Net cash provided by investing activities		(61,301)	216,293
Cash flows from financing activities			
Proceeds from borrowings		800,000	31,340
Repayment of borrowings		(241,901)	(163,726)
Net cash provided by financing activities		558,099	(132,386)
Net increase in cash held		17,995	61,787
Cash and cash equivalents at beginning of financial year		6,466	(55,321)
Reclassification of overdraft, repaid 2011		41,807	-
Cash and cash equivalents at end of financial year	16	66,268	6,466

The accompanying notes form part of these financial statements.

REVESBY HEIGHTS EX-SERVICEMEN'S MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 1 Summary of Significant Accounting Policies

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

(a) 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) 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. 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.

According to a request from management, the accounts have not been prepared in accordance with AASB 124 Related Parties in relation to the disclosure of remuneration for Key Management Personnel.

(b) Going Concern

The Club incurred a net loss of \$360,580 (2010: loss \$229,707) during the year ended 30 June 2011 and, as of that date, the Club's current liabilities exceeded its current assets by \$1,039,783 (2010: deficit \$569,259).

Notwithstanding the Club's deficiency in net current assets, the financial report has been prepared on the going concern basis which contemplates the realisation of assets and the payment of liabilities in the ordinary course of business. Should the Club be unable to continue as a going concern, it may be unable to realise the carrying value of its assets and to meet its liabilities as they become due.

The Club's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds there from, to continue to obtain borrowings from third parties sufficient to meet current and future obligations, the disposal of poker machine licences and/or restructure existing debt and payables.

As at 1 November 2011, the directors of the Club are of the view that the Club will continue to be able to meet its debts and obligations as they become due and payable.

REVESBY HEIGHTS EX-SERVICEMEN'S MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

(c) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In the periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the land and buildings' carrying amount is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are charged to the statement of comprehensive income.

As the re-valued buildings are depreciated the difference between depreciation recognised in the statement of comprehensive income, which is based on the revalued carrying amount of the asset, and the depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

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

(c) Property, Plant and Equipment (continued)

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

(d) Impairment of Assets

At the end of each reporting period, the entity 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 the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Club would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined on the depreciated replacement cost of an asset.

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

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

(e) Inventories

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

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

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

(f) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction of impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The club does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, where they are not held for hedging purposes, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

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

(f) Financial Instruments (continued)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity 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. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

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

(g) Employee Benefits

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to Balance Sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at the net present value.

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

(h) Provisions

Provisions are recognised when the Club has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(j) Leases

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

Finance leases are capitalised, recording 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 the estimated useful lives where it is likely that the Club will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

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NOTES TO THE FINANCIAL STATEMENTS
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(k) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

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

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

Membership subscriptions income is recognised as income in the year to which it relates. Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

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

(l) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

(m) Comparative Figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(n) Critical Accounting Estimates and Adjustments

The directors evaluate estimates and judgements incorporated into the financial report 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 Club.

REVESBY HEIGHTS EX-SERVICEMEN'S MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

(n) Critical Accounting Estimates and Adjustments (continued)

Key estimates - Impairment

The Club assesses impairment at each reporting date by evaluating conditions specific to the Club that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(o) Income Tax

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

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

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 where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly against equity, in which case the deferred tax is adjusted directly against equity.

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

Note 2 Revenue and Other Income

	Note	2011 \$	2010 \$
Sales revenue			
- Bar sales		1,070,990	998,954
- Poker machine revenue		849,063	813,308
- Bottle shop sales		5,225	5,069
- Gaming tax rebates		35,505	14,603
- Function revenue		55,815	63,237
- Commissions revenue		76,430	71,806
- Interest revenue		248	6
- Dividend revenue		67	-
- Membership subscriptions		13,960	10,899
- Other revenue		26,215	53,221
- Raffle revenue		173,340	127,819
- Bistro income		6,861	13,858
Total Revenue		2,313,719	2,172,780
Other revenue			
- Profit on disposal of gaming licences		-	220,000

Note 3 Auditors' remuneration

Auditing the financial report		15,000	19,500
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Note 4 Cash and Cash Equivalents

Cash on hand		32,555	28,023
Cash at bank		33,714	30,718
		66,269	58,741

Note 5 Trade and other receivables

CURRENT			
Sundry receivables		19,791	2,867
		19,791	2,867

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

	Note	2011 \$	2010 \$
Note 6 Inventories			
CURRENT			
At cost:			
Liquor stock, at cost		30,464	24,812
		<u>30,464</u>	<u>24,812</u>
Note 7 Other Assets			
CURRENT			
Prepayments		24,843	5,856
Deposits held		5,000	5,000
		<u>29,843</u>	<u>10,856</u>
Note 8 Financial Assets			
NON-CURRENT			
Shares in listed companies		2,851	2,851
		<u>2,851</u>	<u>2,851</u>
Note 9 Property, Plant and Equipment			
Freehold land			
Freehold land at fair value		978,164	978,164
		<u>978,164</u>	<u>978,164</u>
Buildings			
Buildings and improvements at fair value		2,619,410	2,619,410
Less accumulated depreciation		(945,636)	(869,587)
		<u>2,651,938</u>	<u>2,727,987</u>
Plant and equipment			
Plant and equipment at cost		2,472,290	2,465,643
Less accumulated depreciation		(2,255,965)	(2,181,144)
		<u>216,325</u>	<u>284,499</u>
Motor vehicles			
Motor vehicles at cost		74,096	28,182
Less accumulated depreciation		(18,789)	(11,962)
		<u>55,307</u>	<u>16,220</u>
Total property, plant and equipment		<u>2,923,570</u>	<u>3,028,706</u>

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

Note 9 Property, Plant and Equipment

(a) Movements in Carrying Amounts

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

	Land	Buildings	Plant and equipment	Motor Vehicles	Total
2011					
Balance at the beginning of the year	978,164	1,749,823	284,499	16,220	3,028,706
Additions	-	-	62,132	45,914	108,046
Disposals	-	-	(46,745)	-	46,745
Depreciation expense	-	(76,050)	(83,561)	(6,827)	166,437
Carrying amount at the end of 30 June 2011	978,164	1,673,773	216,325	55,307	2,923,570
2010					
Balance at the beginning of the year	978,164	1,823,911	341,307	24,482	3,167,864
Additions	-	2,207	6,000	-	8,207
Disposals	-	-	(7,001)	-	(7,001)
Depreciation expense	-	(76,295)	(55,807)	(8,262)	(140,364)
Carrying amount at the end of 30 June 2010	978,164	1,749,823	284,499	16,220	3,028,706

REVESBY HEIGHTS EX-SERVICEMEN'S MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011	2010
Note 10 Trade and other payables			
CURRENT			
Trade creditors		168,429	219,267
Other creditors		122,752	270,359
Income received in advance		7,236	9,129
		<u>298,417</u>	<u>498,755</u>
NON-CURRENT			
Tooheys Beer System		-	46,743
		<u>-</u>	<u>46,743</u>
Note 11 Borrowings			
CURRENT			
Bank overdraft		-	10,467
Finance lease obligation		43,940	34,474
Secured bank loan		800,000	-
		<u>843,940</u>	<u>44,941</u>
NON-CURRENT			
Finance lease obligation		90,108	62,917
Secured bank loan		-	241,901
Mortality fund		20,900	20,900
		<u>111,008</u>	<u>325,718</u>
<p>Secured bank loan facility is with Baccus Investment Ltd with terms and conditions being set and agreed to at the beginning of the loan agreement. This loan is secured by first mortgage over Club land at Donovan Street, Revesby Heights.</p>			
Note 12 Provisions			
Analysis of Total Provisions			
Current		22,789	19,948
Non-current		24,713	20,148
		<u>47,502</u>	<u>40,096</u>
Note 13 Other Liabilities			
CURRENT			
Accrued charges		<u>21,003</u>	<u>61,083</u>

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

	Note	2011 \$	2010 \$
Note 14 Leasing Commitments			
Finance lease and hire purchase commitments			
Payable - minimum lease payments:			
- no later than 12 months		48,670	43,475
- between 12 months and 5 years		<u>114,393</u>	<u>68,836</u>
Minimum lease payments		163,063	112,311
Less future finance charges		<u>(29,015)</u>	<u>(14,920)</u>
Present value of minimum lease payments		<u>134,048</u>	<u>97,391</u>
Payable - minimum lease payments:			
- not later than 12 months		43,940	34,474
- between 12 months and 5 years		<u>90,108</u>	<u>62,917</u>
		<u>134,048</u>	<u>97,391</u>
Non-cancellable operating leases			
Payable - minimum lease payments:			
- no later than 12 months		98,695	
- between 12 months and 5 years		<u>52,804</u>	
		<u>151,499</u>	
Total minimum lease payments payable:			
- no later than 12 months		147,365	
- between 12 months and 5 years		<u>167,197</u>	
		<u>314,562</u>	

REVESBY HEIGHTS EX-SERVICEMEN'S MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 15 Cash Flow Information

(a) Reconciliation of Cash

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

Cash	32,555	48,273
Cash at Bank	33,714	(41,807)
	<u>66,268</u>	<u>6,466</u>

(b) Reconciliation of cash flow from operations with profit

Net income/loss for the period	(360,580)	(229,707)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Depreciation, amortisation and impairments	166,437	140,364
- (Gain)/loss on disposal of plant and equipment	-	301
- (Gain)/loss on disposal of gaming licences	-	(220,000)
Changes in assets and liabilities		
- (Increase)/decrease in receivables	(16,924)	2,606
- (Increase)/decrease in other assets	31,395	35,135
- (Increase)/decrease in inventories	(5,652)	4,771
- Increase/(decrease) in trade payables	(200,338)	322,916
- Increase/(decrease) in provisions	7,406	(88,864)
- Increase/(decrease) in other liabilities	(100,547)	10,358
Net Cash provided by operating activities	<u>(478,803)</u>	<u>(22,120)</u>

REVESBY HEIGHTS EX-SERVICEMEN'S MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 16 Financial Risk Management

Specific Financial Risk Exposures and Management

The Club's financial instruments consist mainly of deposits with banks, accounts receivable and payable and finance leases.

The Club does not have any derivative financial instruments.

The main risks that the Club is exposed to through its financial instruments are interest rate risk.

(a) Liquidity risk

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

- preparing forward looking cash flow analysis in relation to its operational, investing and financial activities
- using derivatives that are only traded in highly liquid markets
- monitoring undrawn credit facilities
- obtaining funding from a variety of sources
- maintaining a reputable credit risk profile
- managing credit risk related to financial assets
- investing only in surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

REVESBY HEIGHTS EX-SERVICEMEN'S MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 16 Financial Risk Management

(b) Interest Rate Risk

The Club'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		Non-interest bearing		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:												
Cash and cash equivalents	-	-	-	-	-	-	-	-	66,269	52,273	66,269	52,273
Receivables	-	-	-	-	-	-	-	-	19,791	2,867	19,791	2,867
	-	-	-	-	-	-	-	-	86,060	55,140	86,060	55,140
Financial Liabilities:												
Bank loans and overdrafts	10.75	7.50	-	262,800	-	-	800,000	-	-	-	800,000	-
Trade and sundry payables	-	-	-	-	-	-	-	-	298,417	559,838	298,417	559,838.00
Lease liabilities	10.99	10.99	-	-	43,940	34,474	90,108	62,916	-	-	134,048	97,390.00
			-	262,800	43,940	34,474	890,108	62,916	298,417	559,838	1,232,465	657,228

REVESBY HEIGHTS EX-SERVICEMEN'S MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 17 Contingent Liabilities and Contingent Assets

There are no contingent liabilities or assets not otherwise disclosed in the financial report.

Note 18 Related party transactions

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

Note 19 Events after Balance Sheet date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

Note 20 Members' Guarantee

The Club is incorporated under the *Corporations Act 2001* and is a Club limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the Club. At 30 June 2011, the number of members was 2,808 (2010: 2,900).

Note 21 Company Details

The registered office and principal place of business of the Club is:
Revesby Heights Ex-Servicemen's Memorial Club Limited
1 Donovan Street
Revesby Heights
Sydney NSW 2212

**REVESBY HEIGHTS EX-SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 372 136**

DIRECTORS' DECLARATION

The directors of the company declare that:

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.

Director _____
Maxwell Thomas Parker

Director _____
Peter McLachlan

Dated this 28th day of November 2011

REVESBY HEIGHTS EX-SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 372 136

INDEPENDENT AUDIT REPORT
TO THE MEMBER OF
REVESBY HEIGHTS EX-SERVICEMEN'S MEMORIAL CLUB LIMITED

We have audited the accompanying financial report of Revesby Heights Ex-Servicemen'S Memorial Club Limited (the company) which comprises the statement of financial position as at 30 June 2011 and the income statement, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the director's declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the company's constitution. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: 'Presentation of Financial Statements', that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

**REVESBY HEIGHTS EX-SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 372 136**

**INDEPENDENT AUDIT REPORT
TO THE MEMBER OF
REVESBY HEIGHTS EX-SERVICEMEN'S MEMORIAL CLUB LIMITED**

Auditor's Opinion

In our opinion:

- a. The financial report of Revesby Heights Ex-Servicemen'S Memorial Club Limited is in accordance with the company's constitution 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 (including the Australian Accounting Interpretations) and the the company's constitution.
- b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

**Thomas Nolan
Chartered Accountant
Level 11, 117 Clarence Street
SYDNEY, NSW, 2000**

Auditor: Thomas Nolan

Sydney, Australia

30 November 2011