



ANNUAL REPORT 2008
for year ending Dec 31 2008

BRONTE R.S.L. CLUB LIMITED
A.B.N. 69 279 391 621
113 Macpherson St WAVERLEY 2024

**NOTICE IS HEREBY GIVEN THAT THE ANNUAL
GENERAL MEETING OF MEMBERS OF THE BRONTE
R.S.L. CLUB LIMITED WILL BE HELD IN THE CLUB
AUDITORIUM ON 24 MAY 2009 AT 10AM.**

Business:

1. Confirm the minutes of the previous Annual General Meeting held Sunday 13th April 2008.
2. To receive and consider reports of the board.
3. To receive and consider reports prescribed by section 317 of the act.
4. To receive and consider the auditor's report and subject to the act appoint an auditor or auditors.
5. To conduct election for positions on the board.
6. To deal with any business of which due written notice has been handed to the secretary at least seven (7) days prior to the date of this meeting.
7. To deal with any other business of which due notice has not been given on the approval of each matter by majority vote of the meeting.*

*Please note that any questions that are specific to any financial matters need to be in writing and given to the Secretary Manager no later than SEVEN (7) days prior to the date of this meeting.

FIRST RESOLUTION

That approval is given to a budget provision of an annual sum (not exceeding \$50,000.00) to meet such of the following expenses of the Club that may be approved by the Board of Directors from time to time.

- i) Presentations to members (other than in form of money) or to other persons to acknowledge services which in the opinion of the Directors were of benefit to the Club.
- ii) Sponsorship by payment of money or provision of benefits to such sporting events, sports persons or community organisations which in the opinion of the Directors will be beneficial to the Club and Community.

- iii) The reasonable cost of a meal and beverages for each Director or Senior Management Officer at an appropriate time before or after a Board or Committee Meeting and which is incurred on the day of that meeting.
- iv) Reasonable expenses incurred by a Director either within the Club or elsewhere in relation to the duties of a Director including the entertainment of special guests of the Club in relation to Club business and such other promotional activities as may be approved by the Board.
- v) Reasonable expenditure of food and refreshments for Directors and Senior Management Officers in entertaining guests of the Club in the Club dining room, where such expenditure is reasonably and properly incurred in the course of that Director's or Senior Management Officer's Club duties.

NOTES TO MEMBERS

Items one and two are inserted to meet the disclosure requirements of the Registered Clubs Act and the Corporations Law. They formalise items of expenditure which have been shown for some years in the Club's Annual Accounts under various headings.

Items three, four and five need not be included in the resolution as the Act allows those resolutions to be approved by the Board but the Directors would prefer to inform the members clearly of the type of expenses that may be approved by the Board and adoption of this resolution will confirm and set an upper limit on the amount to be expended.

SECOND RESOLUTION

That approval is given to a budget provision of an annual sum (not exceeding \$30,000.00) to be used for such professional developments and education of Directors, the Secretary or any other employees of the Club, as shall be approved by the Board of Directors from time to time.

- i) The reasonable cost (including the cost of meals, accommodation and travel) of selected Directors attending Club NSW meetings, the meetings of other Associations of which the Club is a member, as well as educational industry meetings.
- ii) The cost of selected Directors attending formal functions to represent the Club (including but not limited to functions and dinners conducted by the Clubs NSW in conjunction with its Annual General Meeting) and the cost associated with the attendance of Director's spouses at any such function, where that attendance is expected or required.
- iii) Costs of any incidentals to Directors fact finding and information tours including but not limited to seminars, trade displays, lectures, organised study tours and other like events as may be approved by the Board of Directors from time to time.
- iv) Attendance of selected Directors at gaming conferences and other educational or business related activities on behalf of the Club.
- v) Such other reasonable out of pocket expenses incurred by the Secretary, an Employee or Director of the Club in the course of carrying out their duties in relation to the Club. The Board of Directors shall where appropriate obtain production of proper documentary evidence of expenditure before authorising payment.

PRESIDENTS' REPORT

Dear Members,

It is with great pride that I write my first Presidents Report. It has been a very tough year for the Club industry as a whole and in particular for the Eastern Suburbs area with an average downturn of 23% turnover.

Bronte R.S.L. has faired very well considering the current climate. As Rob says in his report the "Global Economic Crisis" is something that we are hearing a lot about and it does have a trickle on affect that we are seeing. Unfortunately the club industry is feeling the affects more than the pubs, this is due to the differences in gaming taxation and our commitment to the CDSE scheme.

With all that said Bronte R.S.L. is still a strong community club, we have a very strong Golf and Snooker club and the Bronte R.S.L. Swimming club still has large numbers, we are also seeing a steady increase in members to the club which is gratifying to see. We have continued to donate money this year to the Bronte Surf Club, our intra clubs and have provided prizes for local charities and we will continue to do so. Inside the club we still have giveaways and raffles, and are still very competitive in drink and food pricing for the Eastern Suburbs.

The next 18 months will be challenging for Bronte and we know that we are still in for tough times. We are constantly keeping a very watchful eye on expenditure, we will continue to bring as many services in house to cut expenditure. Saying that, as part of our business plan, we are committed to upgrading members facilities.

I thank my fellow board members for all their hard work this year and of course all the managers and staff.

Michael Webster
Michael Webster

President

SECRETARY MANAGERS' REPORT

Dear Members,

It gives me great pleasure to again write my Secretary Managers report. This has been my first full year as the Secretary Manager and it has been the toughest for me in the 10 plus years I have worked in the hospitality industry.

As you will see in the financial report that follows we have not had a good year financially. This is due to a massive drop in gaming revenue of over \$391,501. As many of you are aware, we have not sat by idly and watched this downturn. We have been very pro active in trying to increase revenue in gaming through promotional activity and large upgrades to the gaming room. Unfortunately our core demographic of customers, "self funded retirees", have been most hurt with the economic downturn. As such we are feeling the follow on affect of this.

You will also notice that there is a large increase to the amortisation of leasehold improvements \$166,000. This increase is to write off the clubs renovation costs over the remaining term of the lease, which expires in September 2011. The useful life of the renovation will clearly go beyond September 2011 and the club is deriving economic benefits from it well into the future. While the Board is confident that an extension of the lease will be negotiated with the Sub Branch it was deemed prudent to adopt a conservative approach with regards to the write down of the leasehold assets.

I would like to thank the President, Michael Webster, Vice President, Jim Stewart and the Board of Directors for their full support through out the year. I would also like to thank my management team, Jerome Croasdale, Dane Seymour and Dan Webster for their hard work and for going beyond the call of duty. Margaret Day for her hard work not only doing reception shifts but also all the administration work, and all the staff for their continued efforts.

Again I ask that any member that has questions regarding the financial statements please give them to me in writing seven (7) days prior the AGM. This gives me time to gather correct information and allows for the AGM to run smoothly.

Rob Austin
Rob Austin

Secretary Manager

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31st December 2008.

DIRECTORS

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

Name and Qualifications	Experience and Special Responsibilities
Michael Webster	Currently President of the Club. Michael has been a Board Member since 14.5.05. Michael is a builder.
Peter Hillman	Ex - President of the club. Peter had been a Board Member since 5.4.92. Peter was a retired electrical contractor. Peter resigned on 27.2.08.
Derek Hill	Derek had been a Board Member since 21.1.04. Derek was a property valuer. Derek resigned on 27.5.08
Lillian Bond	Lillian has been a Board Member since 19.11.03. Lillian is a retired housekeeper.
Stewart Wilson	Stewart had been a Board Member since 4.5.03. Stewart was a financial manager. Deceased.
James Stewart	James has been a Board Member since 21.1.04. James is a retired director of the commonwealth public service.
Glenn Bryant	Glenn has been a Board Member since 30.4.06. Glenn is a consultant.
Duncan Horscroft	Duncan has been a Board Member since 13.4.08. Duncan is a journalist.
Timothy McCarthy	Tim has been a Board Member since 8.7.08. Tim is an engineer.
Robert Holloway	Robert has been a Board Member since 13.4.08. Robert is retired.

MEETINGS OF DIRECTORS

During the financial year, 12 meetings of directors were held. Attendances were:

Directors' Meetings	No. Eligible To Attend	No. Attended
Directors		
Michael Webster	12	12
Peter Hillman	2	2
Derek Hill	4	4
Lillian Bond	12	9
Stewart Wilson	-	-
James Stewart	12	11
Duncan Horscroft	12	10
Timothy McCarthy	9	8
Robert Holloway	12	8
Glenn Bryant	12	2

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 Secretary at the end of the financial year.

Mr Robert Austin

OPERATING RESULTS

The Loss of the company for the financial year after income tax amounted to \$155,013 (2007: Loss \$2,409).

This result was after charging \$351,022 (2007: \$102,632) for Depreciation and Amortisation.

MEMBERSHIP

The number of members at 31st December 2008 was 2,436 (2007:2,393)

REVIEW OF OPERATIONS

The company continued to provide the facilities of a licensed club to the members and visitors during the year under review. The company has 17 (2007 : 17) employees at balance date.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the state of affairs of the company occurred during the financial year.

PRINCIPAL ACTIVITY

The principal activity of the company during the course of the financial year consisted of the conduct and promotion of a registered and licensed social club for members of the company.

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

AFTER BALANCE DATE EVENTS

The Club is currently negotiating with the Sub-Branch with regard to a lease beyond September 2011. No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

LIKELY DEVELOPMENTS

The company will continue to provide the facilities of a licensed club to the members and visitors and to promote sporting activities.

ENVIRONMENTAL ISSUES

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

DIVIDENDS

The company is a non-profit organisation and is prevented by its constitution from paying dividends.

INDEMNIFICATION OF OFFICERS

The Company has given indemnity or entered an agreement 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.

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 a party for the purpose 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.

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATION ACT 2001**

A copy of the Auditor's Independence Declaration follows this Directors Report.

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

Michael Webster
M. Webster
Director

James Stewart
J. Stewart
Director

Dated: 31st March 2009

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BRONTE R.S.L. CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 31st December 2008 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.

BRYAN RUSH & COMPANY
Chartered Accountants

D R Conroy
Principal

Sydney
Dated: 31st March 2009

**INCOME STATEMENT
FOR THE YEAR ENDED 31st DECEMBER 2008**

	Notes	2008 \$	2007 \$
Revenue from continuing operations			
Sale of goods		610,853	655,758
Rendering of services		1,043,424	1,435,254
Other revenue		396,340	28,397
Total revenue from continuing operations	2	<u>2,050,617</u>	<u>2,119,409</u>
Expenses			
Cost of Sales	3	(271,220)	(270,680)
Donations and subsidies		(9,474)	(11,348)
Employee benefits expense		(721,633)	(730,610)
Entertainment, marketing and promotional costs		(211,387)	(230,294)
Gaming taxes		(13,109)	(156,043)
Property expenses		(34,755)	(34,400)
Other expenses from ordinary activities		(586,979)	(596,588)
Total Expenses		<u>(1,848,557)</u>	<u>(2,029,963)</u>
Earnings before depreciation, amortisation expense and finance costs			
		202,060	89,446
Depreciation and amortisation Finance Costs			
Depreciation and amortisation	3	(351,022)	(102,632)
Finance Costs		<u>(6,053)</u>	<u>(2,543)</u>
Profit (Loss) before income tax			
	3	(155,015)	(15,729)
Income tax expense	1 & 4	2	13,320
Net Profit (Loss)		<u>(155,013)</u>	<u>(2,409)</u>

**BALANCE SHEET
AS AT 31st DECEMBER 2008**

	Notes	2008 \$	2007 \$
CURRENT ASSETS			
Cash and Cash Equivalents	6	157,562	59,881
Trade and Other Receivables	7	11,241	12,770
Inventories	8	<u>21,047</u>	<u>92,498</u>
TOTAL CURRENT ASSETS		<u>189,850</u>	<u>165,149</u>
NON CURRENT ASSETS			
Investment Property	11	-	172,571
Property, Plant and Equipment	10	932,677	1,045,968
Other	9	<u>680</u>	<u>680</u>
TOTAL NON-CURRENT ASSETS		<u>933,357</u>	<u>1,219,219</u>
TOTAL ASSETS		<u>1,123,207</u>	<u>1,384,368</u>
CURRENT LIABILITIES			
Trade and Other Payables	12	73,928	74,210
Financial Liabilities	14	-	70,000
Short Term Provisions	13	33,220	68,341
Other	15	<u>3,360</u>	<u>4,105</u>
TOTAL CURRENT LIABILITIES		<u>110,508</u>	<u>216,656</u>
TOTAL LIABILITIES		<u>110,508</u>	<u>216,656</u>
NET ASSETS		<u><u>1,012,699</u></u>	<u><u>1,167,712</u></u>
MEMBERS' FUNDS			
Retained Earnings		843,783	998,796
Club Building Reserves		48,262	48,262
General Reserve Account		<u>120,654</u>	<u>120,654</u>
TOTAL MEMBERS' FUNDS		<u><u>1,012,699</u></u>	<u><u>1,167,712</u></u>

**STATEMENT OF CHANGES IN MEMBERS' FUNDS
AS AT 31st DECEMBER 2008**

	Reserves	Retained Earnings	Total
	\$	\$	\$
Balance at 1st January 2007	168,916	1,001,205	1,170,121
Loss attributable to members of the company	<u>-</u>	<u>(2,409)</u>	<u>(2,409)</u>
Balance at 31st December 2007	168,916	998,796	1,167,712
Loss attributable to members of the company	<u>-</u>	<u>(155,013)</u>	<u>(155,013)</u>
Balance at 31st December 2008	<u><u>168,916</u></u>	<u><u>843,783</u></u>	<u><u>1,012,699</u></u>

Notes **2008** **2007**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st DECEMBER 2008**
CASH FLOW FROM OPERATING ACTIVITIES

Receipts from Trading		1,929,262	2,321,207
Payments to Suppliers and Employees		(1,976,298)	(2,165,558)
Interest Received		3,513	6,732
Interest Paid		<u>(6,053)</u>	<u>(2,543)</u>
Net cash provided by (used in) operating activities	22	<u>(49,576)</u>	<u>159,838</u>

CASH FLOW FROM INVESTING ACTIVITIES

Proceeds on Disposal of Non-current Assets		458,365	-
Payment for Property, Plant and Equipment	10	<u>(241,108)</u>	<u>(400,364)</u>
Net cash provided by (used in) investing activities		<u>217,257</u>	<u>(400,364)</u>

CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from Borrowings		-	120,149
Repayment of Borrowings		<u>(70,000)</u>	<u>(50,149)</u>
Net cash provided by (used in) financing activities		<u>(70,000)</u>	<u>70,000</u>

Net increase/(decrease) in cash held		97,681	(170,526)
Cash at 1st January 2008		<u>59,881</u>	<u>230,407</u>
CASH at 31st December 2008	22 & 6	<u><u>157,562</u></u>	<u><u>59,881</u></u>

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2008

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board. Bronte R.S.L. Club Limited is a Company incorporated and domiciled in Australia. The financial report covers the Club as an individual entity. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The financial report of Bronte R.S.L. Club Limited complies with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety. The following is a summary of the material accounting policies adopted by the Club in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Going Concern Basis of Preparation of the Financial Statements

The financial report has been prepared on a going concern basis which assumes the realisation of the Club's assets and the extinguishment of its liabilities in the normal course of business. During the year the club sold its remaining freehold land and buildings situated at 119 Macpherson St, Waverley NSW 2024. Net proceeds from the sale were used to fund purchase of plant and equipment, retire debt, and provide working capital to support club operations. The club is now reliant on positive cash flows from its core operations to remain viable. The Club currently remains able to pay its debts as and when they fall due and has no external bank debt at balance date. The written down value of leasehold improvements and plant and equipment are carried at a figure of \$932,677 at balance date. Should the club not be able to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

Income Tax

Income tax is accounted for using the comprehensive balance sheet liability method whereby: The tax consequences of recovering (settling) all assets (liabilities) are reflected in the financial statements; Current and deferred tax is recognised as income or expense except to the extent that the tax relates to equity items or to a business combination;

A deferred tax asset is recognised only to the extent that is probable that future tax profit will be available to realise the asset;

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

The Club had carry forward tax losses at balance date. Future tax benefits in relation to those losses and to timing differences have not been recognised as an asset in the club's balance sheet.

Inventories

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

Property, Plant and Equipment

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

Property, plant and equipment are measured on the cost basis. The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation and Amortisation

The depreciable amount of plant and equipment is depreciated on a straight line basis and diminishing value basis over their useful lives to the Club commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the remaining term of the lease.

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

Class of Fixed Asset	Depreciation Rate
Computers, Office Equipment and Registers	40%
Furniture and Fittings	15%
Plant and Equipment	20%
Poker Machines	27 - 40%
Other Assets	4.5 - 25%

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 disposals are determined by comparing proceeds with the carrying amount.

These gains and 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.

Impairment of Assets

At each reporting date, the Club reviews the carrying values of its tangible 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 assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Investments

Investment Property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at deemed cost or cost less accumulated depreciation and impairment losses.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Club holds it to earn rentals or for capital appreciation or both. Lease payments are accounted for as described in accounting policy.

Industry and Geographical Segments

The Club's activities are the Conduct of a Registered Club in Australia.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Employee Benefits

Provision is made for the Club's liability for employee entitlements arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year are measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

Revenue

Revenue from the sale of goods is recognised upon the delivery of the 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 dividend is actually received.

Revenue from the rendering of a service 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).

Goods and Services Tax (GST)

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

Cash

For the purpose of the statement of cash flows, cash includes:

- (i) cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and
- (ii) investments in money market instruments.

Comparative Figures

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

Financial Instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at cost plus transactions cost where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and subsequent measurement

1. Financial assets at fair value through profit or loss

Financial assets are classified at fair value through the profit or loss when they are held for trading for the purpose of short term profit taking. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

2. 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 using the effective interest rate method.

3. Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

4. Available for sale financial assets

Available for sale financial assets are non derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

5. Financial Liabilities

Non derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments 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 economical data, obtained both externally and within the group.

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 assets is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgments - Provision for Impairment of Receivables

The directors believe that the amount included in accounts receivable is recoverable and no provision for impairment has been made at the end of the financial year.

NOTE 2 - REVENUE

	2008	2007
	\$	\$
Operating Activities:		
Sale of Goods		
Bar Sales	610,853	655,758
Total Sale of Goods	610,853	655,758
Poker Machine Takings	964,844	1,356,345
Vending Machine	7,009	8,502
Membership Subscriptions	11,478	11,324
Commission Received	38,793	49,710
Interest Received	3,513	6,732
Rent Received	1,200	10,200
Reception Room and Auditorium Hire	21,300	9,373
Other Income	109,210	11,465
	<u>1,768,200</u>	<u>2,119,409</u>
Non-operating activities:		
Profit/(loss) on disposal of non-current investments	282,417	-
Total Revenue	<u>2,050,617</u>	<u>2,119,409</u>

NOTE 3 - PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities before income tax has been determined after:

(a) Expenses**Cost of Sales:**

Bar	271,220	270,680
Total Cost of Sales	<u>271,220</u>	<u>270,680</u>

Depreciation and Amortisation of Non-Current Assets:

Improvements	183,937	13,329
Plant and Equipment	107,178	22,672
Furniture and Fittings	9,067	15,717
Poker Machines	50,840	50,914
Total Depreciation and Amortisation	<u>351,022</u>	<u>102,632</u>

NOTE 4 - INCOME TAX EXPENSE

	2008	2007
	\$	\$
Income tax refund relating to prior years	2	13,320
	<u>2</u>	<u>13,320</u>

NOTE - AUDITOR'S REMUNERATION

Remuneration of the Auditor of the Company for:

- Auditing the Financial Report	11,000	10,800
- Other Services	7,425	7,534
	<u>18,425</u>	<u>18,334</u>

NOTE 6 - CASH AND CASH EQUIVALENTS

Cash on Hand	74,000	74,000
Cash at Bank	78,562	(19,119)
Deposits	5,000	5,000
	<u>157,562</u>	<u>59,881</u>

NOTE 7 - TRADE AND OTHER RECEIVABLES**Current**

Prepayments	<u>11,241</u>	<u>12,770</u>
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Non-Current

Loan to Bronte R.S.L. Sub Branch	-	-
	<u>11,241</u>	<u>12,770</u>

NOTE 8 - INVENTORIES**Current**

Finished Goods - at Cost		
Liquor stock	21,047	21,820
Glassware and Kitchenware	-	56,312
Sundry	-	14,366
	<u>21,047</u>	<u>92,498</u>

NOTE 9 - OTHER ASSETS**Current**

	-	-
Non-Current		
Formation Expenses	<u>680</u>	<u>680</u>

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

	2008	2007
	\$	\$
Property		
Leasehold Improvements at Cost	695,966	695,966
Less Accumulated Amortisation	<u>(200,749)</u>	<u>(16,812)</u>
	<u>495,217</u>	<u>679,154</u>
Plant and Equipment		
Plant and Equipment at Cost	4,165,056	3,933,472
Less Accumulated Depreciation	<u>(3,727,596)</u>	<u>(3,566,658)</u>
Total Plant and Equipment	<u>437,460</u>	<u>366,814</u>
Total Property, Plant and Equipment	<u><u>932,677</u></u>	<u><u>1,045,968</u></u>

The Club has a five year lease with the Sub -Branch expiring in September 2011. Leasehold improvements are amortised over the remaining term of the lease in accordance with clause 29 of the lease.

Movements in Carrying Amounts

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

	Leasehold Improvements	Plant and Equipment	Leased Plant and Equipment	Total
	\$	\$	\$	\$
Balance at the beginning of year	679,154	366,814		1,045,968
Additions	-	241,108	-	241,108
Disposals	-	(3,377)	-	(3,377)
Depreciation expense	<u>(183,937)</u>	<u>(167,085)</u>		<u>(351,022)</u>
Carrying amount at the end of year	<u><u>495,217</u></u>	<u><u>437,460</u></u>	<u><u>-</u></u>	<u><u>932,677</u></u>

NOTE 11 - INVESTMENT PROPERTY**At Cost**

Balance at 31st December - 172,571

At Carrying Amounts

Balance at 31st December - 172,571

At transition date to AIFRS, the Club deemed the cost of investment property to be the fair value at transition date. As such, there was no adjustment to the carrying amount of this account as a result of the change in accounting policy.

As the investment property is recorded at cost, no valuation has been brought to account.

NOTE 12 - TRADE AND OTHER PAYABLES

Current	2008	2007
<i>Unsecured Liabilities</i>	\$	\$
Trade Creditors	55,569	56,276
Sundry Creditors and Accrued Expenses	18,359	17,934
	<u>73,928</u>	<u>74,210</u>

NOTE 13 - SHORT TERM PROVISIONS

Current		
Employee Entitlements	<u>33,220</u>	<u>68,341</u>
Aggregate Employee Entitlements Liability	<u>33,220</u>	<u>68,341</u>
Number of employees at year-end	<u>17</u>	<u>17</u>

Superannuation Commitments

The Club contributes to the following superannuation plan for employees:
Club Plus Superannuation Fund

Types of Benefits

The funds provide benefits that represent the accumulation of contributions to employers, providing lump sum or annuity benefits upon retirement, death or disability.

Contributions

The Club is under a legal obligation to contribute 9% of each employee's base salary to a superannuation fund.

Details of contributions during the year are as follows:

Employer contributions to the plans	<u>62,254</u>	<u>57,766</u>
-------------------------------------	---------------	---------------

NOTE 14 - FINANCIAL LIABILITIES

Current		
<i>Unsecured Liabilities</i>		
Loan - Director	<u>-</u>	<u>70,000</u>

NOTE 15 - OTHER LIABILITIES

Current		
Members Subscriptions in advance	3,360	3,305
Bond Rental	-	800
	<u>3,360</u>	<u>4,105</u>

NOTE 16 - KEY MANAGEMENT PERSONNEL DISCLOSURES FOR NON-DISCLOSING ENTITIES

The following were key management personnel of the Company at any time during the reporting period, and unless otherwise indicated were directors for the entire period:

Non Executive Directors		Executive
WEBSTER, Michael	HOLLOWAY, Robert	AUSTIN, Robert
STEWART, James	HORSCROFT, Duncan	
BOND, Lillian	McCARTHY, Timothy	
BRYANT, Glenn		

- Unless otherwise stated, transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

Mr P. Hillman, ex-director of the club, loaned the club \$70,000 in December 2007. The loan was unsecured. During the year it was repaid with interest at commercial rates.

- There were no other transactions with any of the directors during the year.

The key management personnel compensations included in "Employee Benefits Expense" as follows:

	2008	2007
	\$	\$
Short-term employee benefits	97,689	145,268
Other long term benefits	-	-
Termination benefits	-	-
	<u>97,689</u>	<u>145,268</u>

Apart from the details disclosed in this note, no director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

From time to time, directors of the Company, or their director-related entities, may purchase goods from the Company. These purchases are on the same terms and conditions as those entered into by other Company employees or customers and are trivial or domestic in nature.

NOTE 17 - SEGMENT REPORTING

The Club operates in one industry in Sydney, New South Wales the principal activity being that of a licensed social club.

NOTE 18 - COMPANY DETAILS

The Club is incorporated and domiciled in Australia as a Company. In accordance with the Constitution of the Club, every member of the Club undertakes to contribute an amount limited to \$1.00 per member. At 31st December 2008 there were 2,436 members.

The registered office of the Club is:

Bronte R.S.L. Club Limited, 113 Macpherson Street, Waverley NSW 2024

NOTE 19 - FINANCIAL RISK MANAGEMENT

a) Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, loans, bills, and leases. The director's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

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.

1. Interest Rate Risk

Interest rate risk is managed with a mixture of fixed and floating rate debt.

2. Foreign Currency Risk

The company is not exposed to fluctuations in foreign currencies.

3. Liquidity Risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

4. 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 balance sheet and notes to the financial report.

There are no material amounts of collateral held as security at the end of the financial year.

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

Credit risk is managed and reviewed regularly by the Board of Directors. It arises from exposures to customers as well as through deposits with financial institutions. The Board of Directors monitors credit risk by actively assessing the rating quality of counter parties.

5. Price Risk

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

b) Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

	Notes	Weighted Average Interest Rate %	Floating Rate \$	Fixed Interest Maturing in 1 year or less \$	Fixed Interest Maturing in 1-5 years \$	Non -Interest Bearing \$	Total \$
2008							
Financial Assets							
Cash Assets	6	4.47%	83,562	-	-	74,000	157,562
Receivables	7	0%	-	-	-	11,241	11,241
Total			83,562	-	-	85,241	168,803
Financial Liabilities							
Payables	11	0%	-	-	-	73,928	73,928
Interest Bearing Liability		0%	-	-	-	-	-
Lease Liabilities		0%	-	-	-	-	-
Employee Entitlements	13	0%	-	-	-	33,220	33,220
Total			-	-	-	107,148	107,148

NOTE 20 - FINANCIAL RISK MANAGEMENT (CONT'D)**c) Net Fair Values of Financial Assets and Liabilities**

For financial assets and liabilities the fair net value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments, forward exchange contracts and interest rate swaps. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

	2008 \$	2007 \$
NOTE 21 - COMMITMENTS		
Finance Lease Payment Commitments		
Finance lease rental commitments are payable:		
Within one year	-	-
One year or later and no later than two years	-	-
Two years or later and no later than five years	-	-
	<u>-</u>	<u>-</u>
Minimum lease liability payments	-	-
Less : Future finance and lease charges	-	-
	<u>-</u>	<u>-</u>
Lease liabilities provided for in the financial statements:		
Current	-	-
Non-current	-	-
	<u>-</u>	<u>-</u>
Total lease liability	<u>-</u>	<u>-</u>
Operating Lease Commitments - Sub Branch		
Operating leases contracted for but not capitalised in the financial statements		
Payable		
not later than one year	<u>85,508</u>	<u>83,747</u>
later than one year but not later than five years	<u>178,877</u>	<u>263,656</u>
	<u>264,385</u>	<u>347,403</u>

The property lease has a five-year term, with rent payable monthly in advance. Rental provisions within the lease agreement require the lease payments shall be increased by a CPI adjustment annually.

Capital Expenditure Commitments

Capital expenditure commitments contracted for :

Payable		
not later than one year	<u>-</u>	<u>-</u>

NOTE 22 - RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX**Reconciliation of Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	2008	2007
	\$	\$
Cash on Hand	74,000	74,000
Cash at Bank	78,562	(19,119)
Deposits	5,000	5,000
	<u>157,562</u>	<u>59,881</u>
Profit (Loss) from ordinary activities after income tax	(155,013)	(2,409)
Non-cash Flows in Profit from Ordinary Activities		
Depreciation	351,022	102,632
Net (Profit)/Loss on disposal of Non-Current Assets	(282,417)	-
Changes in Assets and Liabilities		
(Increase)/Decrease in Trade and other Receivables	1,529	39,192
(Increase)/Decrease in Inventories	71,451	19,243
(Increase)/Decrease in Other Assets		
Increase/(Decrease) in Trade and Other Payables	(282)	12,530
Increase/(Decrease) in Other Liabilities	(745)	(1,277)
Increase/(Decrease) in Short Term Provisions	<u>(35,121)</u>	<u>(10,073)</u>
CASH FLOWS FROM OPERATIONS	<u>(49,576)</u>	<u>159,838</u>

DIRECTORS' DECLARATION

The directors of the Club declare that:-

1. the financial statements and notes, are in accordance with the Corporations Act 2001:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 31st December 2008 and of the performance for the year ended on that date of the Club;
2. in the directors' opinion there are reasonable grounds to believe that the Club 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.

Michael Webster
M. Webster
Director

James Stewart
J. Stewart
Director

Dated: 31st March 2009

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRONTE R.S.L. CLUB LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Bronte RSL Club Limited, which comprises of the balance sheet as at 31 December 2008, and the income statement and the changes in members' funds and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company.

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 Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. 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.

Audit 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 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 10th March 2009.

Auditor's Opinion

In our opinion:

- a. the financial report of Bronte RSL Club Limited is in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the company's financial position as at 31 December 2008 and performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of the matters described in note 1 "Going Concern" to the financial statements, there is uncertainty whether the company will be able to continue as a going concern and whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the company not continue as a going concern.

BRYAN RUSH & COMPANY

Chartered Accountants

D R Conroy

154 Elizabeth Street SYDNEY NSW 2000

Principal

Dated: 31st March 2009

Disclosure requirements under section 41J of the Registered Clubs Act 1976

Core and Non-Core Property

Section 41J of the registered clubs act 1976 requires the club to disclose its core and non core property, as defined, in the annual report.

The club's core property comprises the defined trading premises situated at 113 Macpherson St, Waverley. The club has no non core property.



BRONTE R.S.L. CLUB LIMITED
A.B.N. 69 279 391 621
113 Macpherson St WAVERLEY 2024