

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED

ABN 56 000 144 963

AND CONTROLLED ENTITY

FINANCIAL REPORT

YEAR ENDED 30 JUNE 2012

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CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
AND CONTROLLED ENTITY
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2012

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

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

James Battese	Anthony H Cuskelly
Bradley J Birney	Francis J McKey
John Z Black	William J McMahon
Peter A Comerford	Geoffrey Scofield
Neil A Crouch	

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

Principal Activities

The principal activities of the consolidated entity during the financial year were:

- the operation of a licensed club and;
- landlords of a shopping centre.

The consolidated entity's short term and long term objectives are:

- To provide social, recreation and sporting facilities for its members.

To achieve these objectives the consolidated entity has adopted the following strategies:

- For the licensed club to provide excellent facilities and service to its members and that the Club achieve a level of profitability that provides financial stability to the consolidated entity.
- For the presentation and appearance of the Shopping Centre be maintained at its high level ensuring occupancy by tenants and patronage by shoppers.
- For the club staff to be trained and skilled to a level of service that members expect.

The consolidated entity's performance is measured principally in its monetary profitability, measures adopted are members and tenants satisfaction levels.

Information on Directors

Director	Qualifications & Experience	Special Responsibility
James A Battese	Storeman	Director
John Z Black	Pharmacist	Director & Treasurer
Bradley J Birney	Marketing Manager	Director
Peter A Comerford	Solicitor	Director
Neil A Crouch	Retired	Director
Anthony H Cuskelly	Manager	Director
Francis J McKey	Monumental Mason	Director & Vice President
William J McMahon	Civil Engineer	Director & President
Geoffrey Scofield	Manager	Director & Vice President

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2012

Meeting of Directors

During the year, nineteen meetings of directors were held. Attendances by each director during the year were as follows:

	Directors Meetings	
	Number Eligible to Attend	Number Attended
James A Battese	19	19
John Z Black	19	13
Bradley J Birney	19	18
Peter A Comerford	19	17
Neil A Crouch	19	19
Anthony H Cuskelly	19	12
Francis J McKey	19	19
William J McMahan	19	13
Geoffrey Scofield	19	18

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the company. At 30 June 2012, the total amount that members of the company are liable to contribute if the company is wound up is \$10,336 (2011: \$10,548).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2012 has been received and is enclosed with the financial report.

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

W J McMahan
Director

Dated this 18th day of October 2012.



Lismore, 18th October 2012

The Board of Directors
Casino Returned Servicemen's Memorial Club Ltd
162 Canterbury Street
CASINO NSW 2470

AUDITOR'S INDEPENDENCE DECLARATION

This declaration is made in connection with our audit of the financial statements of Casino Returned Servicemen's Memorial Club Ltd and controlled entity for the year ended 30 June 2012 and in accordance with the provisions of the Corporations Act 2001.

We declare that, to the best of our knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to this audit;
- No contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to this audit.

Yours faithfully
THOMAS NOBLE & RUSSELL

K R FRANEY (Partner)
Registered Company Auditor

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
AND CONTROLLED ENTITY

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Consolidated Group	
		2012	2011
		\$	\$
Revenue	2	7,732,083	7,625,567
Cost of Goods Sold		(1,036,623)	(1,015,115)
Employee Benefits Expense		(1,928,292)	(2,060,742)
Depreciation and Amortisation Expense		(932,145)	(984,924)
Gaming Expenses		(1,020,867)	(1,061,829)
Other Expenses		(1,974,570)	(2,003,942)
Finance Costs		(186,324)	(207,232)
Profit Before Income Tax		<u>653,262</u>	<u>291,783</u>
Income Tax Expense	3	(12,398)	5,445
Profit Attributable to Members of the Company		<u>640,864</u>	<u>297,228</u>
Other Comprehensive Income		<u>-</u>	<u>-</u>
Total Comprehensive Income		<u><u>640,864</u></u>	<u><u>297,228</u></u>

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Notes	Consolidated Group	
		2012	2011
		\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents	4	582,056	457,280
Trade and Other Receivables	5	49,603	87,699
Inventories	6	109,631	106,312
Other Assets	7	173,756	160,040
		<u>915,046</u>	<u>811,331</u>
TOTAL CURRENT ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	15,053,186	14,379,279
Intangible Assets	9	1,080,915	1,080,915
Deferred Tax Assets	10	60,251	78,272
		<u>16,194,352</u>	<u>15,538,466</u>
TOTAL NON-CURRENT ASSETS			
		<u>17,109,398</u>	<u>16,349,797</u>
TOTAL ASSETS			
CURRENT LIABILITIES			
Trade and Other Payables	12	1,131,915	783,902
Borrowings	13	998,858	1,049,282
Current Tax Liabilities	14	21,469	-
Provisions	15	107,072	120,532
Other Liabilities	16	94,753	86,552
		<u>2,354,067</u>	<u>2,040,268</u>
TOTAL CURRENT LIABILITIES			
NON-CURRENT LIABILITIES			
Borrowings	13	2,112,056	2,267,056
Deferred Tax Liabilities	14	2,844	43,488
Provisions	15	36,055	35,473
		<u>2,150,955</u>	<u>2,346,017</u>
TOTAL NON-CURRENT LIABILITIES			
		<u>4,505,022</u>	<u>4,386,285</u>
TOTAL LIABILITIES			
		<u>12,604,376</u>	<u>11,963,512</u>
NET ASSETS			
EQUITY			
Retained Earnings		<u>12,604,376</u>	<u>11,963,512</u>
TOTAL EQUITY			
		<u>12,604,376</u>	<u>11,963,512</u>

This Statement of Financial Position should be read in conjunction with the accompanying notes

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
AND CONTROLLED ENTITY

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated Group Retained Earnings \$
Balance at 30 June 2010	11,666,284
Profit for the year	<u>297,228</u>
Balance at 30 June 2011	11,963,512
Profit for the year	<u>640,864</u>
Balance at 30 June 2012	<u><u>12,604,376</u></u>

This Statement of Changes in Equity should be read in conjunction with the accompanying notes

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
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STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated Group	
	2012	2011
	\$	\$
Cash Flows From Operating Activities		
Receipts From Customers	8,304,829	8,270,901
Payments to Suppliers and Employees	(6,797,994)	(6,929,220)
Interest Received	22	1,099
Other Receipts	210,435	154,916
Interest Paid	(186,324)	(207,232)
Income Tax (Paid)/Refunded	23,139	(35,303)
Net Cash Provided by Operating Activities	<u>1,554,107</u>	<u>1,255,161</u>
Cash Flows From Investing Activities		
Payment for Property, Plant & Equipment	(1,268,165)	(1,432,161)
Proceeds from Sales of Plant & Equipment	44,258	16,364
Net Cash (Used in) Investing Activities	<u>(1,223,907)</u>	<u>(1,415,797)</u>
Cash Flows From Financing Activities		
Chattel Finance Repaid	-	(1,972)
Repayment of Borrowings	(205,424)	(404,846)
Net Cash Provided By / (Used in) Financing Activities	<u>(205,424)</u>	<u>(406,818)</u>
Net Increase / (Decrease) in Cash Held	124,776	(567,454)
Cash and Cash Equivalents at the Beginning of the Financial Year	457,280	1,024,734
Cash and Cash Equivalents at the End of the Financial Year	<u>582,056</u>	<u>457,280</u>

This Statement of Cashflows should be read in conjunction with the accompanying notes

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

These financial statements include the consolidated financial statements and notes of Casino Returned Servicemen's Memorial Club Limited and RSM Properties Pty Ltd. Casino Returned Servicemen's Memorial Club Limited is a company limited by guarantee which is incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 18th October, 2012.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements 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.

Significant Accounting Policies

a) Principles of Consolidation

A controlled entity is any entity over which the Casino Returned Servicemen's Memorial Club Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

Details of the controlled entity is contained in Note 11 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered the consolidated group during the year, their operating results have been included from the date control was obtained.

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

b) Income Tax

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

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)

b) Income Tax (Cont'd)

Current income tax expense charged to the income statement is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Income tax payable is calculated using the Waratah formula which determines the taxable income for mutual entities.

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

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

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

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

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

c) Inventories

Inventories comprise finished goods purchased for resale and promotions and are measured at the lower of cost and net realisable value. Costs are assigned on a first in first out basis.

d) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their cost less subsequent depreciation of buildings.

Plant and Equipment

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

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)

d) Property, Plant and Equipment (Cont'd)

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 that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriated proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5 to 8%
Plant and equipment	12.5 to 30%
Leased plant and equipment	12.5 to 30%

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 assets 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.

e) 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 entities in the consolidated group, are classified as finance leases.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)

e) Leases (Cont'd)

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

f) Financial Instruments

Recognition

Financial instruments are initially measured at fair value. Subsequent to initial recognition these instruments are measured as set out below.

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 stated at amortised cost using the effective interest rate method.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

g) Intangible Assets

Poker machine entitlements have been recognised in the balance sheet at their fair value at the date of the grant which has been deemed to be their cost as at 1 July 2004. Poker machine entitlements continue to be carried at cost in the statement of financial position and are subject to an annual impairment test. Poker machine licences purchased are recorded at their cost. All poker machine licences are not amortised as the directors' consider each licence to have an indefinite life.

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)

h) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees at the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. 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.

i) Provisions

Provisions are recognised when the group 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.

j) 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

k) 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.

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).

l) Trade and Other Receivables

Trade receivables are recognised at their cost less impairment losses and a sale is recorded when goods have been dispatched to a customer pursuant to a sales order and the associated risks have passed to the carrier or customer. All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income within 'other expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other expense in the statement of comprehensive income.

m) Trade and Other Payables

Trade and other payables represent goods and services provided to the company prior to the end of the reporting period. The accounts are usually settled on the supplier's trading terms. Payables to related parties are carried at cost.

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)

n) Finance Costs

Finance costs are recognised as an expense in the statement of comprehensive income in the period in which they are incurred.

o) 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 or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

p) Comparative Figures

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

q) Critical Accounting Estimates and Judgements

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

Key Estimates - Impairment

The group assesses impairment at the end of each reporting period by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessment of recoverable amounts incorporate a number of key estimates.

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated Group	
	2012	2011
	\$	\$
NOTE 2 - REVENUE		
Revenue From Continuing Operations		
Operating Activities		
Sale of Goods	2,246,636	2,187,330
Interest Revenue	22	1,099
Rental Income	895,164	841,919
Gaming	4,398,956	4,440,303
Subscriptions	71,962	74,846
Other	119,343	80,070
	<u>7,732,083</u>	<u>7,625,567</u>

NOTE 3 - INCOME TAX EXPENSE

The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2011: 30%)	195,979	87,535
	<u>195,979</u>	<u>87,535</u>
Less - Tax effect of mutual income tax provisions	183,581	92,980
	<u>183,581</u>	<u>92,980</u>
Income tax expense	<u>12,398</u>	<u>(5,445)</u>
The applicable weighted average	2%	(2%)

NOTE 4 - CASH AND CASH EQUIVALENTS

Cash at Bank and On Hand	<u>582,056</u>	<u>457,280</u>
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CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated Group	
	2012	2011
	\$	\$
 NOTE 5 - TRADE AND OTHER RECEIVABLES		
Current		
Trade Receivables	42,624	44,029
Less Provision for Impairment	-	-
	<u>42,624</u>	<u>44,029</u>
 Income tax receivable	 <u>6,979</u>	 <u>43,670</u>
	<u><u>49,603</u></u>	<u><u>87,699</u></u>
 NOTE 6 - INVENTORIES		
Current		
At Cost		
Finished Goods held for resale	<u>109,631</u>	<u>106,312</u>
 NOTE 7 - OTHER ASSETS		
Current		
Prepaid Expenditure	<u>173,756</u>	<u>160,040</u>

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated Group	
	2012	2011
	\$	\$
NOTE 8 - PROPERTY, PLANT & EQUIPMENT		
<i>Land</i>		
Freehold Land - at cost	<u>1,932,438</u>	<u>1,621,806</u>
<i>Buildings</i>		
Buildings - at cost	13,821,305	13,778,412
Less Accumulated Depreciation	<u>(4,269,860)</u>	<u>(3,800,579)</u>
	<u>9,551,445</u>	<u>9,977,833</u>
<i>Work in Progress</i>		
Work in Progress - at cost	<u>796,662</u>	<u>-</u>
<i>Plant and Equipment</i>		
Plant and Equipment - at cost	7,441,627	6,941,504
Less accumulated depreciation	<u>(4,668,986)</u>	<u>(4,161,864)</u>
	<u>2,772,641</u>	<u>2,779,640</u>
 Total Property, Plant and Equipment	 <u><u>15,053,186</u></u>	 <u><u>14,379,279</u></u>

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 8 - PROPERTY, PLANT & EQUIPMENT (CONT'D)

a) **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.

	Land	Buildings and work in progress	Plant & Equipment	Total
	\$	\$	\$	\$
Balance at the beginning of the year	1,621,806	9,977,833	2,779,640	14,379,279
Additions	310,632	839,555	500,123	1,650,310
Disposals	-	-	44,258	44,258
Depreciation expense and write-downs	-	469,281	462,864	932,145
Carrying amount at the end of the year	<u>1,932,438</u>	<u>10,348,107</u>	<u>2,772,641</u>	<u>15,053,186</u>

Consolidated Group
2012 **2011**
\$ **\$**

NOTE 9 - INTANGIBLE ASSETS

Poker Machine Entitlements - at cost	1,080,000	1,080,000
Formation expenses - at cost	915	915
	<u>1,080,915</u>	<u>1,080,915</u>

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated Group	
	2012	2011
	\$	\$
NOTE 10 - DEFERRED TAX ASSETS		
Deferred Tax Assets	<u>60,251</u>	<u>78,272</u>
The deferred tax assets comprise:		
Provisions	13,908	19,523
Tax losses carried forward	-	46,476
Unearned revenue and accrued expenses	12,625	12,273
Property, Plant & Equipment	<u>33,718</u>	<u>-</u>
	<u>60,251</u>	<u>78,272</u>
Deferred tax assets not recognised, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(b) occur:		
Capital losses	<u>46,769</u>	<u>46,769</u>

NOTE 11 - CONTROLLED ENTITY

Controlled Entity Consolidated

Subsidiaries of Casino Returned Servicemen's Memorial Club Ltd:

- RSM Properties Pty Ltd

Country of Incorporation: Australia

Date of Incorporation: 31 May 2002

Percentage owned: 100%

NOTE 12 - TRADE AND OTHER PAYABLES

Current

Trade & Other Payables	965,979	580,001
Employee Benefits - Annual leave	<u>165,936</u>	<u>203,901</u>
	<u>1,131,915</u>	<u>783,902</u>

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated Group	
	2012	2011
	\$	\$
NOTE 13 - BORROWINGS		
Current		
Bank Overdraft Secured	81,552	192,282
Bank Bill Secured	538,306	307,000
Bank Loan Secured	550,000	550,000
	<u>1,169,858</u>	<u>1,049,282</u>
Non-Current		
Bank Bill Secured	<u>1,941,056</u>	<u>2,267,056</u>
Security		
a)	The bank overdraft, loan and bills are secured by a registered first mortgage over the freehold properties of RSM Properties Pty Ltd and a floating charge over the assets and undertaking of Casino Returned Servicemen's Club Ltd and RSM Properties Pty Ltd. The carrying amount of assets pledged as security is represented by total assets for the economic entity on the Statement of Financial Position.	
b)	The bank bill facility expires on 24 August 2018.	
NOTE 14 - TAX LIABILITIES		
Current		
Income Tax Payable	<u>21,469</u>	<u>-</u>
Non-Current		
Deferred Tax Liabilities	<u>2,844</u>	<u>43,488</u>
The deferred tax liability comprise:		
Property, plant & equipment	-	41,156
Prepayments	<u>2,844</u>	<u>2,332</u>
	<u>2,844</u>	<u>43,488</u>

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated Group	
	2012	2011
	\$	\$
NOTE 15 - PROVISIONS		
Current		
Employee Benefits - Long service leave	<u>107,072</u>	<u>120,532</u>
Non-Current		
Employee Benefits - Long service leave	<u>36,055</u>	<u>35,473</u>
Rollforward of Provisions		
Opening balance	156,005	167,116
Provisions raised during the year	11,777	18,578
Amounts paid	<u>(24,655)</u>	<u>(29,689)</u>
Closing balance	<u>143,127</u>	<u>156,005</u>
NOTE 16 - OTHER LIABILITIES		
Current		
Rent Bond	4,035	4,035
Revenue Received in Advance	<u>90,718</u>	<u>82,517</u>
	<u>94,753</u>	<u>86,552</u>

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 17 - RELATED PARTY INFORMATION

a) **Directors**

Directors who held office during the course of the financial year are disclosed in the Directors' Report.

b) **Transactions with Directors**

The Company did not have any transactions with its directors or their director-related entities during the financial year.

	Consolidated Group	
	2012	2011
	\$	\$
c) Key Management Personnel Compensation	<u>471,790</u>	<u>630,037</u>

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the economic entity, directly or indirectly, including any director is considered key management personnel.

NOTE 18 - MEMBERS GUARANTEE

Casino Returned Servicemen's Memorial Club Ltd is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of two dollars (\$2) towards meeting outstanding obligations of the company. At 30 June 2012 there were 5,168 members (2011: 5,274).

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 19 - COMPANY DETAILS

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

162 Canterbury Street
CASINO NSW 2470

NOTE 20 - PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with the accounting standards.

	2012	2011
	\$	\$
BALANCE SHEET		
ASSETS		
Current Assets	<u>828,950</u>	<u>691,697</u>
TOTAL ASSETS	<u>13,263,812</u>	<u>12,326,965</u>
LIABILITIES		
Current Liabilities	<u>1,299,104</u>	<u>928,592</u>
TOTAL LIABILITIES	<u>1,335,159</u>	<u>1,007,553</u>
EQUITY		
Retained Earnings	<u>11,928,653</u>	<u>11,319,412</u>
TOTAL EQUITY	<u>11,928,653</u>	<u>11,319,412</u>
STATEMENT OF COMPREHENSIVE INCOME		
Total Profit	<u>608,087</u>	<u>260,260</u>
Total Comprehensive Income	<u>608,087</u>	<u>260,260</u>

Guarantees

Casino Returned Servicemen's Memorial Club Ltd has guaranteed the borrowings of RSM Properties Pty Ltd. Further particulars are provided at Note 13.

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 20 - PARENT INFORMATION

Contingent Liabilities

As at 30 June 2012 Casino Returned Servicemen's Memorial Club Limited did not have any contingent liabilities (2011: nil).

Contractual Commitments

As at 30 June 2012 Casino Returned Servicemen's Memorial Club Ltd has entered into contractual commitments for:

Plant & Equipment Purchases Payable:	962,940	-
- not later than 12 months	962,940	-

NOTE 21 - FINANCIAL RISK MANAGEMENT

The group's financial instruments consist mainly of deposits with banks, receivables, trade and other payables and borrowings.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated Group	
	2012	2011
	\$	\$
<i>Financial Assets</i>		
Cash and cash equivalents	582,056	457,280
Trade and other receivables	49,603	87,699
	<u>631,659</u>	<u>544,979</u>
<i>Financial Liabilities</i>		
Financial Liabilities at Amortised Cost		
- Trade and other payables	965,979	580,001
- Borrowings	2,112,056	2,267,056
	<u>3,078,035</u>	<u>2,847,057</u>

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
A.B.N. 56 000 144 963
AND CONTROLLED ENTITY
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2012

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 7 to 26 are in accordance with the *Corporations Act 2001*:
 - a) comply with Accounting Standards; and
 - b) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the consolidated entity.

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.

Dated at Casino this 18th day of October 2012.

W J McMahon
Director



Thomas Noble & Russell
Accountants | Auditors | Business Advisers

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
AND CONTROLLED ENTITY
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
FOR THE YEAR ENDED 30 JUNE 2012

To the members of Casino Returned Serviceman's Memorial Club Limited and Controlled Entity.

We have audited the accompanying financial report of Casino Returned Servicemen's Memorial Club Limited, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration for the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company'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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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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.

Audit Opinion

In our opinion, the financial report of the Casino Returned Servicemen's Memorial Club Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

Dated at Lismore this 18th day of October 2012.

THOMAS NOBLE & RUSSELL CHARTERED ACCOUNTANTS

.....
K R FRANEY (Partner)
Registered Company Auditor

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CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
AND CONTROLLED ENTITY

REPORT ON OTHER INFORMATION

To the Members of the Casino Returned Servicemen's Memorial Club Limited

Our examination was made for the purpose of forming an opinion on the statutory financial statements. The "other financial information" consisting of the Detailed Income and Expenditure Statement and Trading Statements are presented for the purposes of additional analysis and is not a required part of the statutory financial statements. Such information has been subjected to the auditing procedures applied in the examination of the statutory financial statements and, in our opinion, is fairly stated in all material respects in relation to the statutory financial statements taken as whole.

THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS

K R FRANEY (Partner)
Registered Company Auditor

Dated at Lismore this 18th day of October 2012.

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
AND CONTROLLED ENTITY
DETAILED TRADING STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated Group	
	2012	2011
	\$	\$
Bar Trading Statement		
Sales	1,069,035	1,084,695
Less Cost of Goods Sold		
Opening Stock	79,412	52,751
Purchases	487,031	532,605
	<u>566,443</u>	<u>585,356</u>
Less Closing Stock	62,778	79,412
Gross Profit - Bar	<u>565,370</u>	<u>578,751</u>
Less Expenses		
Depreciation	7,421	9,077
Replacements	12,468	12,968
Repairs and Maintenance	2,663	4,151
Wages	354,730	425,679
Net Profit - Bar	<u><u>188,088</u></u>	<u><u>126,876</u></u>
Catering Trading		
Sales	1,177,601	1,102,635
Less Cost of Goods Sold		
Opening Stock	13,317	11,440
Purchases	535,875	511,049
	<u>549,192</u>	<u>522,489</u>
Less Closing Stock	16,234	13,317
Gross Profit - Catering	<u>644,643</u>	<u>593,463</u>
Less Expenses		
Depreciation	21,921	30,151
Gas	23,405	27,951
Laundry	3,997	2,906
Replacements	22,048	26,200
Repairs and Maintenance	17,756	11,089
Kitchen Supplies	2,884	3,774
Wages	562,271	540,821
Net Profit - Catering	<u><u>(9,639)</u></u>	<u><u>(49,429)</u></u>

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
AND CONTROLLED ENTITY
DETAILED TRADING STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated Group	
	2012	2011
	\$	\$
Gaming Income		
Poker Machine Gross Receipts	4,249,526	4,299,072
Less Expenses		
Depreciation	225,505	241,503
Monitoring Fee	49,542	46,499
Poker Machine Tax	738,754	793,102
Repairs and Maintenance	119,361	94,392
Promotions and Prizes	33,696	45,424
Statewide Link Fees	24,488	29,250
Poker Machines - Net Profit	<u>3,058,180</u>	<u>3,048,902</u>
Add other gaming income		
Keno - Net Commissions	97,184	92,212
Tab - Net Commissions	(2,780)	(4,143)
	<u>3,152,584</u>	<u>3,136,971</u>
Less Wages	212,992	271,759
Net Profit - Gaming	<u><u>2,939,592</u></u>	<u><u>2,865,212</u></u>

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
DETAILED INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated Group	
	2012	2011
	\$	\$
Income		
Trading Income		
Bar	188,088	126,876
Gaming	2,939,592	2,865,212
Catering	(9,639)	(49,429)
	<u>3,118,041</u>	<u>2,942,659</u>
Members Subscriptions		
Subscriptions	71,962	74,846
	<u>71,962</u>	<u>74,846</u>
Other Income		
Rent	895,164	841,919
Interest	22	1,099
Sundry	120,204	80,070
	<u>1,015,390</u>	<u>923,088</u>
Total Income Received	<u>4,205,393</u>	<u>3,940,593</u>
Less Expenditure		
Accountancy Fees	35,050	33,103
Advertising	83,315	81,751
Auditor's Remuneration	22,605	18,000
Bad and Doubtful Debts	-	450
Bank Charges	14,964	14,856
Borrowing Expenses	2,375	4,645
Cleaning Labour	235,210	246,872
Cleaning Materials	35,120	28,492
Computer Expenses	1,168	726
Consultants	20,000	-
Depreciation	677,298	704,192
Directors' Expenses	24,335	24,613
Discounts and Members' Benefits	7,515	7,331
Donations	28,591	16,750
Electricity	235,261	221,949
Entertainment	125,353	143,696
Fringe Benefits Tax	3,745	3,525
Interest	186,324	207,232
Insurance	158,738	145,090
Land Tax	33,320	26,847
Lease Expenses	2,496	2,609
	<u>1,932,783</u>	<u>1,932,729</u>

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
DETAILED INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated Group	
	2012	2011
	\$	\$
Sub Total	1,932,783	1,932,729
Legal	2,765	1,879
Long Service Leave	11,777	(11,111)
Motor Vehicle	48,050	43,749
Payroll Tax	78,852	83,354
Postage	7,443	7,985
Printing and Stationery	24,880	39,516
Promotions	297,130	332,135
Rates	73,719	73,584
Rents	11,827	16,041
Refreshments	28,929	33,356
Repairs and Maintenance	226,532	259,426
Security Service	24,241	23,545
Sponsorship	60,940	67,848
Staff Refreshments	31,369	26,399
Staff Training	45,744	29,664
Sundry	1,522	461
Superannuation	162,222	172,106
Telephone	14,499	14,476
Trade Subscriptions	8,457	5,715
Travelling Expenses	4,598	6,595
Wages and Salaries	389,091	414,617
	<u>3,487,370</u>	<u>3,574,069</u>
Operating profit before associated clubs' net expenditure	<u>718,023</u>	<u>366,524</u>
Less Associated Clubs' Net Expenditure		
Bowling Club	57,057	47,699
Football Club	5,920	20,978
Snooker Club	(358)	(766)
Pigeon Club	(3,252)	(1,263)
Junior League Club	3,068	5,982
Youth Club	2,705	1,105
Fishing Club	(379)	1,006
	<u>64,761</u>	<u>74,741</u>
Operating Profit Before Income Tax	<u><u>653,262</u></u>	<u><u>291,783</u></u>