



“Stand Easy”

*THIRTY-FIFTH ANNUAL REPORT
FINANCIAL STATEMENTS
2006/2007 YEAR*

Notice of Annual General Meeting

**EASTERN SUBURBS LEGION CLUB
LIMITED**

ABN 48 001 024 139

211 - 221 BRONTE ROAD, WAVERLEY, 2024

EASTERN SUBURBS LEGION CLUB LIMITED

Founded 1950

Thirty-Fifth Annual Report and Balance Sheet

AS AT 30th JUNE 2007

ACCOUNTS

for the year then ended

and AUDITOR'S REPORT THEREON

**Presented to Members at
THE ANNUAL GENERAL MEETING**

to be held at the

CLUB ROOMS

211- 221 BRONTE ROAD, WAVERLEY

on

Sunday 16th September 2007

at 10.00 a.m.

EASTERN SUBURBS LEGION CLUB LIMITED

Office-Bearers For The Year 2006/07

President:

Mr. B. HOPKINS

Vice-President:

Mr. R. NEALE

Treasurer:

Mr. P. BRUCE

BOARD OF DIRECTORS

Messrs: G.K. SMITH, G. CAMPBELL

T. BOYS, T. WOODWARD

Auditor:

Mr. DAVID HOGGETT

Notice of Thirty-Fifth Annual General Meeting 2007

Eastern Suburbs Legion Club Limited,
211-221 Bronte Road, WAVERLEY, N.S.W. 2024

Dear Member,

Please be advised that the Thirty-Fifth Annual General Meeting of Members will be held in the Club rooms at 10.00 a.m. on Sunday 16th September 2007.

BUSINESS

1. To confirm the Minutes of the Annual General Meeting held on 17th September 2006.
2. To receive and, if thought fit, adopt the Board's Report for the year ended 30th June 2007.
3. To receive and, if thought fit, adopt the Balance Sheet as at 30th June 2007, Accounts for the year then ended, and Auditor's Report thereon.
4. To receive the Report of the Returning Officer as to officers elected for the 2007/08 year.
5. To consider the appointment of the following as Honorary Members until the next Annual General Meeting:-
State President, Aust. Legion of Ex-Servicemen and Women
State Secretary, Aust. Legion of Ex-Servicemen and Women
Mayor of Waverley
6. **Resolution**
That pursuant to the Registered Club's act
 - 1) The Members hereby approve and agree to expenditure by the Club in a sum not exceeding \$30,000 until the next Annual General meeting of the Club for the following activities of Directors:
 - (a) The reasonable cost of a meal and beverage for each Director immediately before or immediately after a Board of Committee on the day of that Meeting, where that meeting corresponds with a normal mealtime.
 - (b) Reasonable expenses incurred by Directors in travelling by private or public transport to and from Directors' Meetings as approved by the Board from time to time on production of invoices, receipts or other proper documentary evidence of such expenditure;

- (c) (i) reasonable expenses incurred by Directors in relation to such other activities including entertainment of special guests of the Club.
- (ii) Expenses involved in attendance at intra-Club activities, sponsorship of sporting events deemed by the Directors to be a benefit to the Club and/or the community and other promotional activities performed by Directors.
- (iii) Reasonable costs of Directors attending all functions and activities at the Club deemed by the Directors to be a benefit to the Club, with the expenses from the aforementioned activities to be approved by the Board before payment is made on production of invoices, receipts or other proper documentary evidence of such expenditure.
- (d) Attendance at functions with spouses where appropriate, and required to represent the Club.
- 2) The Members acknowledge that the benefits in paragraph (1) are not available to Members generally but only to those who are Directors of the Club and those members directly involved in the above activities.

Yours sincerely,

B. HOPKINS

President

EASTERN SUBURBS LEGION CLUB LIMITED

The Members

Eastern Suburbs Legion Club Limited

Waverley, N.S.W. 2024

Ladies and Gentlemen,

On behalf of the Board of Management I have pleasure in presenting and recommending the adoption of the Thirty-Fourth Annual Report and Balance Sheet as at 30th June 2007, and Statements of accounts for the year then ended.

Particulars of Income and Expenditure are discussed in detail in the Auditor's Report.

Subs will remain at \$5.50 or \$11 for 3 years and we will endeavour to maintain our present bar prices which are more than competitive with the majority of our sister clubs in the area.

Free live entertainment will continue from Friday evening, Spinnawinna continues to be a hit. Lots of prizes, meat trays, etc. followed by entertainment. Saturday evenings feature live bands and entertainers. Watch for notices and announcements which will advise you of the coming events.

Keno facilities are also in operation on the ground floor.

The Eastern Suburbs Legion Club wish to extend a warm welcome to Judy. Why not come in and treat yourself to a home cooked meal, without the work or the washing up?

The first floor continues to operate as a gym hosted by Stuart Austin. All welcome, guaranteed to improve your figure at cheap rates.

As passed at the 1997 A.G.M., postal voting has been replaced by local voting on the Club premises commencing 31st August to 14th September at 6.00 p.m. A ballot paper will be available from the office for each Member for which he/she has to sign and then place in a sealed ballot box. The key will be in the custody of an independent scrutineer.

MEMBERSHIP

The total membership comprises:

Life Members	4
Full Members	43
Associate Members.....	1137
Honorary members	16

MEETINGS

Meetings held during the year comprised:

Annual General Meeting	1
Board of Management Meetings	12

	Meetings attended	Eligible to attend
B. Hopkins	12	12
G. Campbell	11	12
P. Bruce	10	12
G. Smith	12	12
T. Woodward.....	12	12
T. Boys.....	12	12
R. Neale	10	12

DONATIONS

During the year the Club was able to subscribe to the following organisations: Bronte S.L.S.C., Salvation Army, Golf Club, Red Cross, Lion's Clubs, Bronte Splashers, Waverley War Memorial Hospital, Bondi Golf Club.

ANZAC SUNDAY

The Memorial Service by the Clubs in the Municipality of Waverley was conducted in Waverley Park. President, Mr. Bev Hopkins, and George Campbell, were present at the wreath-laying ceremony.

ANZAC SUNDAY

President, Mr. Bev Hopkins, and Mr. George Campbell attended a Dawn Service along with many of our members and laid a wreath on behalf of the Club. Thanks to our members who attended this service. Later, Club Members assembled at Bondi Junction/Waverley R.S.L. and marched to Waverley Park for the Anzac Memorial Service at 7.45 a.m. and the laying of wreaths in memory of departed comrades. A wreath was also laid at a Memorial Service at Bronte Surf Club at 10.30 a.m. Lunch was provided at the Legion Club between 12 noon and 2 p.m. with live entertainment during the afternoon and evening. A great day. The same format will apply this year.

SOCIAL FUNCTIONS

Our Christmas Social was again the event of the year (standing room only). A BBQ and drinks were supplied at a cost of \$15 for members and \$25 for visitors. Yes, all you can eat between 8pm and 12pm. See you there this year, same time, same place.

Our Golf Club is still active and the competition between players very keen. We play monthly (Sunday) at Royal Randwick. A BBQ and drinks follow our game twice a year, mainly to discuss your handicap - all to no avail. Due to retirements, mainly old age and sickness, we require a few new members. For information contact Glen Smith.

Annual Cricket Match at Queens Park. A great day was enjoyed by all the members and their families and friends. A BBQ and refreshments were supplied during the day consequently the cricket standard only improved. The result was a narrow victory to Glen Smith's side over a tiring Neale's team. It's on again next year, so watch the noticeboard for details.

LEST WE FORGET

To the families who have lost loved ones during the year, we offer our sincere condolences.

APPRECIATIONS

To our Auditor, David Hoggett and staff on financial matters, Wayne Richardson for cleaning and maintenance. To Legion Head Office for their assistance. Also Judy Bruce for typing.

To George Campbell for selling the "Spinna-Winna" tickets and again to Glen and Vicki Smith for the Thursday night Badge Draw.

To all those who have assisted and have not been mentioned, a very big thanks. To Peter Bruce, thanks for the way you have promoted and kept the Club running smoothly, especially financially.

To David and his staff thanks for your friendly and excellent service.

In conclusion to the members and their friends, thanks for patronising the biggest little Club in the world.

BEV. HOPKINS

President

TREASURER'S REPORT

The Club continues to trade profitably with a profit before taxation of \$77,172. The result is competitive, considering the competition from nearby hotels with their large poker machine complements. Furthermore many clubs in the area are struggling financially reporting losses for the year.

However I am pleased to report that your Club is in a sound position with approximately \$1,500,000 in various investments.

Many thanks to you the members for your continued support and to the Board of Management for their confidence and finally to David Byrne and staff for a job well done.

P. BRUCE

Treasurer

MANAGER'S REPORT

Throughout 2005/06 we have seen the Club prosper and reap the benefits of a well planned and appealing upgrade. This will continue into 2007/08 and years to come. The finances being spent on the upgrades come from you the Members, and will go back into the Club through improved amenities.

To all the bar Staff, I thank you for your support and dedication throughout 2006/07 and look forward to a bigger and better 2007/08. The staff have been fantastic all year.

The events held by the Club throughout the year have all been well attended and I'm sure this will continue into 2007/08, as they are all organised for you, the members.

Thank you to the board of Directors for your continued support and guidance throughout 2006/07 and into 2007/08.

DAVID BYRNE

Manager

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 001 024 139

ANNUAL REPORT OF DIRECTORS FOR THE TWELVE MONTHS ENDED 30th JUNE, 2007

The Directors present their report on the results of the Club for the twelve months ended 30th June, 2007 and the state of affairs of the Club at that date.

Directors:

The names of the Directors in office at the date of this report are:

President	B. Hopkins	22 years	Retired
Vice-President	R. Neale	7 years	Retired
Treasurer	P. Bruce	14 years	Retired
Directors	G. Smith	20 years	Motor Repair Industry
	G. Campbell	28 years	Retired
	T. Woodward	1 year	Manager
	T. Boys	1 year	Caterer

Principal Activities:

The principal activity of the Club during the year was to provide members and their guests with the amenities and facilities usually associated with a social club.

Operating Results:

Trading for the twelve months ended 30th June, 2007, resulted in a profit before taxation of \$77,172.

Dividends:

No dividends have been paid during the financial period. The Directors do not propose to recommend the declaration of a dividend.

Director's Benefits:

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit, other than directors' remuneration.

Signed at Waverley this 22nd Day of August, 2007 in accordance with a resolution of the Directors.

B. HOPKINS, Director

P. BRUCE, Director

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 001 024 139

STATEMENT BY DIRECTORS 30th JUNE 2007

1. In the opinion of the Directors:-
 - (a) the attached accounts are drawn up so as to give a true and fair view of the state of the Company's affairs as at 30th June, 2007 and of its profit for the twelve months on that date; and
 - (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.
2. The accounts have been made out in accordance with the Statement of Accounting Concepts and applicable Accounting Standards.
3. The Company has, in respect of the financial period:
 - (a) kept such accounting records as to correctly record and explain the transactions and financial position of the Company;
 - (b) kept its accounting records in such a manner as would enable true and fair accounts of the Company to be prepared from time to time; and
 - (c) kept its accounting records in such a manner as would enable the accounts of the Company to be conveniently and properly audited in accordance with the Corporations Law.
4. The accounts have been properly prepared by a competent person.

Signed in accordance with a resolution of the Directors on 22nd August, 2007.

B. HOPKINS, Director

P. BRUCE, Director

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 001 024 139

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 30th JUNE, 2007

1. STATEMENT OF ACCOUNTING POLICIES:

The accounts have been prepared in accordance with Statements of Accounting Concepts, applicable Accounting Standards and the Corporations Law, including the disclosure requirements of Schedule 5. The accounts have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the Company in the preparation of the accounts.

- (a) **Income Tax** - tax effect accounting has not been adopted.
- (b) **Inventories** - Inventories are valued at current cost based on an independent valuation report.
- (c) **Depreciation** - Depreciation is calculated at the rates allowed by the taxation authorities so as to write off the cost of fixed assets over their effective working lives.
- (d) **Employee Entitlements** - The amounts expected to be paid to employees for their pro-rata entitlements are accrued annually at current pay rates having regard to experience of employees' departures and period of service.
- (e) **Retirement Benefits** - Contributions made by the Club to superannuation Funds (to provide benefits for employees and their dependants on retirements, disability or death) are charged to the profit and loss account.
- (f) **Comparison Figures** - It should be noted the financial statements cover the twelve months period ended 30th June, 2007. The comparison figures are for the twelve months period ended 30th June, 2006.

2. OPERATING PROFIT:

Operating Profit before income tax has been arrived at after charging/crediting the following items:

	Y/E - 30.06.07 (\$)	Y/E - 30.06.06 (\$)
Charging as expenses:		
Depreciation.....	115,151	122,950
Auditors' Remuneration.....	8,800	8,450
Accountancy Fees.....	19,610	21,210
3. OPERATING REVENUE		
Sales Revenue.....	453,629	475,243
Poker Machine Revenue.....	524,348	523,707
Subscriptions.....	6,718	6,856
Vending Machine Commission.....	774	449
Interest Received.....	74,138	63,359
Keno Income.....	7,310	8,797
Hire of Club Premises.....	16,965	20,012
Rent Received.....	65,085	65,529
Dividends Received - Franked.....	30,295	26,009
Poker Machine Rebate.....	17,180	17,180
	<u>1,196,443</u>	<u>1,207,141</u>

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 000 063 163

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 30th JUNE, 2007

4. **IMPORTANT INFORMATION FOR CLUB MEMBERS SECTION 41 DISCLOSURES**
REPORTING PERIOD FOR EASTERN SUBURBS LEGION CLUB LIMITED IS 30TH
JUNE, 2007.
- 1 **IMPORTANT NOTES**
 - 1.1 The Registered Act defines a Top Executive as being one of the five highest paid employees of the Club.
- 2 **DISCLOSURE OF INTEREST OF DIRECTORS AND EMPLOYEES IN CONTRACTS WITH THE CLUB SECTION 41C**
 - 2.1 Club members may inspect the original of these disclosures and declarations by making a written application to the Secretary.
 - 2.2 The Registered Club Act requires DIRECTORS who have a material personal interest in matters that relate to the affairs of the Club to declare their interest at a Board Meeting and display the declaration on the Club's notice board.
 - 2.3 A contract is any commercial arrangements whether written or not.
 - 2.4 In the reporting period there were zero (0) occasions when Directors reported a material personal interest in matters that related to the affairs of the Club.
3. **INTEREST IN HOTELS - SECTION 41D**
 - 3.1 Club Members may inspect the original of these disclosures and declarations by making a written application to the Secretary.
 - 3.2 In the reporting period there were zero (0) occasions when DIRECTORS reported an interest in a hotel in NSW.
 - 3.3 In the reporting period there were zero (0) occasions when TOP EXECUTIVES reported an interest in a hotel in NSW.
4. **GIFTS TO DIRECTORS AND STAFF - SECTION 41E and SECTION 41F**
 - 4.1 Club Members may inspect the original of these disclosures and declarations by making a written application to the Secretary.
 - 4.2 An affiliated body of the Club includes subsidiary Clubs, and any body, which the Club made a grant to within the previous financial year.
 - 4.3 A gift includes money, hospitality or discounts.
 - 4.4 A gift valued at more than \$500 must be disclosed; gifts from CONTRACTORS must be disclosed if they total more than \$500 from any individual contractor in the reporting period.
 - 4.5 **Directors**
 - 4.5.1 In the reporting period there were zero (0) occasions when DIRECTORS of the Club reported receiving gifts from AFFILIATED BODIES.
 - 4.5.2 In the reporting period there were zero (0) occasions when DIRECTORS of the Club reported receiving gifts from CONTRACTORS.
 - 4.6 **Employees**
 - 4.6.1 In the reporting period there were zero (0) occasions when TOP EXECUTIVES of the Club reported receiving gifts from AFFILIATED BODIES.
 - 4.6.2 In the reporting period there were zero (0) occasions when DIRECTORS of the Club reported receiving gifts from CONTRACTORS.

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 000 063 163

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 30th JUNE, 2007

4.7 Value of Gifts

4.7.1 The total value of all gifts that DIRECTORS and TOP EXECUTIVES received from AFFILIATED BODIES in the reporting period was \$0.00.

4.7.2 The total value of all gifts that DIRECTORS and TOP EXECUTIVES received from CONTRACTORS in the reporting period was \$0.00.

5 TOP EXECUTIVES - Section 41H (1) (b)

5.1 The number of Club TOP EXECUTIVES whose remuneration for the reporting period falls within each successive \$10,000 band commencing at \$100.00 \$100,000 - \$150,000 NONE

6 OVERSEAS TRAVEL

6.1 In the reporting period the Club incurred the following costs for the overseas travel of DIRECTORS and Employees was \$0.00

7 LOANS TO STAFF

7.1 The Registered Club Act restricts the Club to providing loans to EMPLOYEES to less than \$10,000

7.2 In the reporting period the Club made the following loans to EMPLOYEES: NONE

8 CONTRACTS APPROVED BY THE BOARD - SECTION 41H (1) (e)

8.1 The Registered Club Act defines a Controlled Contract as being a Club contract:

8.1.1 in which a DIRECTOR or TOP EXECUTIVE has a pecuniary interest

8.1.2 of employment of the TOP EXECUTIVE of the Club.

8.1.3 For provision of professional advice relating significant change of management structure or governance of the Club.

8.1.4 Significant changes to the financial management of the Club, disposal of land, and the amalgamation of the Club.

8.2 During the reporting period zero (0) controlled contracts were approved by the Board and forwarded to the Director of Liquor and Gaming of which:

8.2.1 Zero (0) such contracts related to contracts in which a DIRECTOR or TOP EXECUTIVE has a pecuniary interest.

8.2.2 Zero (0) such contracts related to contracts of employment of the Club's TOP EXECUTIVES.

8.2.3 Zero (0) such contracts related to the provisions of professional advice. These contracts fall into the following advice categories.

8.2.4 Zero (0) significant change of management structure or governance of the Club.

8.2.5 Zero (0) Significant changes to the financial management of the Club.

8.2.6 Zero (0) Disposal of Club land.

8.2.7 Zero (0) Amalgamation of Club.

9 EMPLOYEES RELATED TO DIRECTORS AND TOP EXECUTIVES - SECTION 41H (1) (f)

9.1 A CLOSE RELATIVE is defined in section 41B of the Registered Club Act and includes the immediate family.

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 000 063 163

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 30th JUNE, 2007

9.2 In the reporting period, Zero (0) persons were employed who were close relatives of a DIRECTOR or TOP EXECUTIVE of the Club.

10 PAYMENTS TO CONSULTANTS - SECTION 41H (1) (g) and (h)

10.1 During the reported period there were Zero (0) instances where the Club engaged a consultant.

10.2 The total costs paid by the Club to consultants in the reporting period was Zero (0)

11 DETAILS OF SETTLEMENTS OF THE CLUB - SECTION 41H (1) (i)

11.1 In the reporting period there were Zero (0) instances where the Club made a legal settlement with either a Director or Staff Member.

11.2 The legal costs paid by the Club for such settlements was Zero (\$0.00)

12 LEGAL FEES PAID BY THE CLUB - SECTION 41H (1) (j)

12.1 In the reporting period, there were Zero (0) instances when the Club paid legal fees for the DIRECTORS and EMPLOYEES.

This included:

12.1.1 Zero (0) instances for DIRECTORS land

12.1.2 Zero (0) instances for EMPLOYEES

12.2 In the reporting period the Club paid a total of Zero (\$0.00) being the legal fees paid for DIRECTORS and EMPLOYEES

13 GAMING MACHINE PROFIT - SECTION 41H (1) (k)

13.1 Gaming Machine profit is defined in the Gaming Machine Act

13.2 The reporting period is the financial year ending 30th June, 2007

13.3 The Club recorded a Net profit of \$524,348 in the reporting period.

14 AMOUNTS PAID TO COMMUNITY DEVELOPMENT - SECTION 41H (1) (l)

14.1 Clubs earning in excess of \$1,000,000.00 p.a. in gaming machine profits are required to make a donation to community development and support

14.2 In the reporting period the Club donated (0) pursuant to such requirements.

This information is in the format approved by the Department of Gaming and Racing.

Original declarations of disclosures and returns pursuant to sections 41C, 41D, 41E and 41F are held with the Club Secretary and may be inspected by members on a written application to the Secretary.

David Byrne
Secretary Manager
Eastern Suburbs Legion Club Limited

For and on behalf of the Board of Directors
in accordance with resolutions of the Board

Dated at Eastern Suburbs Legion Club this 22nd Day of August, 2007.

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 001 024 139

BALANCE SHEET AS AT 30th JUNE, 2007

	Note	Y/E - 30.06.07 \$	Y/E - 30.06.06 \$
CURRENT ASSETS			
Cash on Hand.....		26,855	26,855
Deposits.....		40	40
Commonwealth Bank Waverley.....		118,473	70,512
Commonwealth Bank - Keno.....		19,153	12,966
Term Deposits - Commonwealth Bank.....		1,263,667	1,186,724
Sundry Debtors.....		11,629	34,157
Shares in Listed Companies.....	9	244,911	217,852
Stock on Hand - Liquor.....		14,475	13,744
Prepayments.....		4,610	3,030
		<u>1,703,813</u>	<u>1,565,880</u>
FIXED ASSETS			
Freehold Land & Buildings.....		1,438,814	1,430,119
Plant and Equipment.....	10	484,719	574,400
		<u>1,923,533</u>	<u>2,004,519</u>
INTANGIBLE ASSETS			
Formation Expenses.....		891	891
TOTAL ASSETS		<u>3,628,237</u>	<u>3,571,290</u>
CURRENT LIABILITIES			
Sundry Creditors.....		31,815	25,713
Subscriptions in Advance.....		1,509	3,018
Provision for Income Tax.....		-	3,638
		<u>33,324</u>	<u>32,369</u>
TOTAL LIABILITIES		<u>33,324</u>	<u>32,369</u>
NET ASSETS		<u>3,594,913</u>	<u>3,538,921</u>
EQUITY			
Unappropriated Profit.....		<u>3,594,913</u>	<u>3,538,921</u>

The accompanying notes form part of these financial statements.

This report is to be read in conjunction with the attached compilation report.

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 001 024 139

PROFIT AND LOSS STATEMENT FOR THE TWELVE MONTHS ENDED 30th JUNE, 2007

	Note	Y/E - 30.6.07 \$	Y/E - 30.06.06 \$
INCOME			
Poker Machine Revenue.....		524,348	523,707
Dividends Received - Franked.....	2	30,295	26,009
Interest Received.....	3	74,138	63,359
Subscriptions.....		6,718	6,856
Keno Income.....		7,310	8,797
Hire of Club Premises.....		16,965	20,012
Rent Received.....	4	65,085	65,529
Sundry Income.....	5	17,954	17,629
Gross Profit from Trading.....	6	256,591	266,098
		999,404	997,996
EXPENDITURE			
Accountancy Fees.....		19,610	21,210
Anzac Day.....		2,356	2,297
Advertising.....		5,363	5,728
ATM Maintenance.....		8,236	7,581
Auditor's Remuneration.....	7	8,800	8,450
Bank Charges.....		858	1,301
Club & Committee Cards.....		1,708	2,968
Data Monitoring Services.....		8,585	9,049
Depreciation.....		115,151	122,950
Dining Room Subsidy.....		9,519	7,780
Donations.....		3,922	3,526
Electricity & Gas.....		41,875	39,846
Entertainment Expenses.....		118,554	103,235
Filing Fees.....		100	120
Fire Alarms & Maintenance.....		4,677	4,045
Flowers & Wreaths.....		916	652
Freight & Cartage.....		5,321	5,322
Games & Tournament Prizes.....		18,869	16,491
General Expenses.....		1,571	1,513
Glassware & Stores.....		8,831	7,927
Hire of Plant & Equipment.....		1,856	2,034

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 001 024 139

PROFIT AND LOSS STATEMENT FOR THE TWELVE MONTHS ENDED 30th JUNE, 2007

	Note	Y/E - 30.6.07 \$	Y/E - 30.06.06 \$
Insurance.....		47,774	55,731
Laundry & Cleaning.....		39,612	36,585
Members Amenities.....		5,223	6,209
Mortality Fund.....		-	100
Poker Machine Duty		34,048	36,002
Printing Circulars Stamps & Stationery		5,203	5,297
Rates & Taxes.....		14,624	13,636
Repairs & Maintenance	8	72,088	64,916
Salaries & Wages		227,629	232,680
Security Costs		4,282	4,735
Secretarial Services		3,636	3,182
Shouts & Promotions.....		894	309
Staff Meals & Amenities		13,587	10,097
Staff Training.....		837	528
Stocktaking		2,840	2,750
Social Functions		4,434	4,526
Subscriptions & Licences		6,981	6,626
Sundry Catering		3,729	3,435
Superannuation Contributions		20,613	20,088
Telephone		12,585	11,578
Trade Waste.....		4,669	4,611
Travelling & Fares		9,486	8,522
Website & Internet.....		780	-
		<u>922,232</u>	<u>906,168</u>
OPERATING PROFIT BEFORE INCOME TAX		77,172	91,828
Income Tax Expense		<u>21,181</u>	<u>22,961</u>
OPERATING PROFIT AFTER INCOME TAX		55,991	68,867
Retained Profits - Beginning of Period		<u>3,538,922</u>	<u>3,470,054</u>
RETAINED PROFITS - 30th JUNE 2007		<u>3,594,913</u>	<u>3,538,921</u>

The accompanying notes form part of these financial statements.
This report is to be read in conjunction with the attached compilation report.

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 001 024 139

NOTES TO THE FINANCIAL STATEMENT FOR THE TWELVE MONTHS ENDED 30th JUNE, 2007

	Y/E - 30.6.07 \$	Y/E - 30.06.06 \$
1. Statement of Accounting Policy		
<p>This financial report is a special purpose financial report prepared for use by directors and members of the company. The directors have determined that the company is not a reporting entity.</p> <p>The financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.</p>		
2. Dividends Received - Franked		
Commonwealth Bank Ltd	27,148	22,552
Woolworths Ltd	1,633	1,318
Telstra Ltd.....	1,467	2,096
TAB Ltd.....	47	43
	<u>30,295</u>	<u>26,009</u>
3. Interest Received		
Commonwealth Bank	74,138	63,155
Australian Tax Office.....	-	204
	<u>74,138</u>	<u>63,359</u>
4. Rent Recived		
Gymnasium	48,000	48,852
Optus.....	17,085	16,677
	<u>65,085</u>	<u>65,529</u>
5. Sundry Income		
Vending Machine Commission.....	774	449
Poker Machine Rebate.....	17,180	17,180
	<u>17,954</u>	<u>17,629</u>
6. Gross Profit from Trading		
Sales	453,629	475,243
Cost of Goods Sold		
Opening Stock.....	13,744	13,965
Purchases	197,769	208,924
	<u>211,513</u>	<u>222,889</u>
Less:		
Closing Stock	14,475	13,744
	<u>197,038</u>	<u>209,145</u>
Gross Profit	<u>256,591</u>	<u>266,098</u>
7. Auditor's Remuneration		
Audit Services	8,800	8,450

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 001 024 139

NOTES TO THE FINANCIAL STATEMENT FOR THE TWELVE MONTHS ENDED 30th JUNE, 2007

	Y/E - 30.06.07	Y/E - 30.06.056
	\$	\$
8. Repairs & Maintenance		
Poker Machines.....	18,869	12,802
Electrical.....	3,616	6,423
Refrigeration.....	4,959	4,039
Elevator	2,600	4,450
Plumbing	4,787	7,582
Pest Control.....	831	218
Office Equipment.....	908	298
Plant & Furniture	6,137	7,588
Painting	391	1,779
Air Conditioning.....	24,203	14,118
Greenery	4,190	4,768
Hardware & Sundry.....	597	851
	<u>72,088</u>	<u>64,916</u>
9. Shares in Listed Companies		
Commonwealth Bank Ltd	208,354	182,928
Woolworths Ltd	12,506	10,873
Telstra Ltd.....	23,524	23,524
TAB Ltd.....	527	527
	<u>244,911</u>	<u>217,852</u>
10. Plant and Equipment		
Plant Furniture & Equipment.....	719,233	801,907
Less: Accumulated Depreciation.....	<u>384,302</u>	<u>395,530</u>
	334,931	406,377
Elevator	197,143	197,143
Less: Accumulated Depreciation.....	<u>68,812</u>	<u>54,026</u>
	128,331	143,117
Air Conditioning Plant.....	123,541	123,541
Less: Accumulated depreciation	<u>102,084</u>	<u>98,635</u>
	<u>21,457</u>	<u>24,906</u>
Total Plant and Equipment	<u>484,719</u>	<u>574,400</u>

EASTERN SUBURBS LEGION CLUB LIMITED

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STATEMENT OF CASH FLOW FOR THE TWELVE MONTHS**ENDED 30th JUNE, 2007**

	Y/E - 30.06.07 \$	Y/E - 30.06.056 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts in the course of operations	1,026,925	1,052,244
Cash payments in the course of operations	(1,004,119)	(992,363)
Rents received.....	65,085	65,529
Interest received	74,138	63,359
Dividends received	30,295	26,009
Income tax paid	(21,181)	(22,961)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>171,143</u>	<u>191,817</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(34,165)	(80,443)
Payment for current assets	(6,842)	(36,685)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(41,007)</u>	<u>(117,128)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from current liabilities	955	(5,822)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>955</u>	<u>(5,822)</u>
NET INCREASE/(DECREASE) IN CASH HELD	131,091	68,867
CASH AT THE BEGINNING OF THE FINANCIAL YEAR	<u>1,297,057</u>	<u>1,228,190</u>
CASH AT THE END OF THE FINANCIAL YEAR	<u>1,428,148</u>	<u>1,297,057</u>

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 001 024 139

AUDITOR'S REPORT TO THE MEMBERS

To the members of the Eastern Suburbs Legion Club Limited

SCOPE

I have audited the financial statements of the **EASTERN SUBURBS LEGION CLUB LIMITED** for the twelve months ended 30th June, 2007. The club's directors are responsible for the financial statements and have determined that the accounting policies used are consistent with the financial reporting requirements of **Eastern Suburbs Legion Club Limited** and are appropriate to meet the needs of the members. I have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the company. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial statements have been prepared for distribution to members. I disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

My audit has been conducted in accordance with Australian Auditing Standards. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with accounting policies described in Note 1 to the financial statements.

The audit opinion expressed in this report has been formed on the above basis.

INDEPENDENCE

In conducting my audit, I followed applicable independence requirements of Australian professional and ethical pronouncements and the Corporations Act, 2001.

In accordance with ASIC Class order 05/83, I declare to the best of my knowledge and belief that the Auditor's Independence Declaration, set out in the Financial Report, has not changed as at the date of providing my audit opinion.

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 001 024 139

AUDITOR’S REPORT TO THE MEMBERS

AUDIT OPINION

In my opinion the financial statements present fairly, in accordance with accounting policies described in Note 1 to the financial statements, the financial position of the **EASTERN SUBURBS LEGION CLUB LIMITED** as at 30th June, 2007 and the results of its operation for the twelve months then ended.



DAVID J. HOGGETT CPA

Date: 22nd August, 2007

AUDITOR’S INDEPENDENCE DECLARATION

Under Section 307c of the Corporations Act 2001

To the Directors of Eastern Suburbs Legion Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30th June, 2007 there has been:

- (i) no contravention of the auditor’s 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.



DAVID J. HOGGETT CPA

Date: 22nd August, 2007

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 001 024 139

**STATEMENT OF CHANGES IN EQUITY
as at 30th June, 2007**

	Note	2007 \$	2006 \$
Members Equity at the beginning of the year		3,538,922	3,470,054
Net Profit/Loss for Year		<u>55,991</u>	<u>68,868</u>
Members Equity at the end of the year		<u>3,594,913</u>	<u>3,538,922</u>

The accompanying notes form part of these financial statements.

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 001 024 139

COMPILATION REPORT TO EASTERN SUBURBS LEGION CLUB LTD

Scope

On the basis of information provided by the directors of Eastern Suburbs Legion Club Ltd, we have compiled in accordance with APS 9: Statement on Compilation of Financial Reports the special purpose financial report of Eastern Suburbs Legion Club Ltd for the year ended 30th June 2007, as set out in the attached Profit and Loss Statement, Balance Sheet, Notes to the Financial Statements.

The specific purpose for which the special purpose financial report has been prepared is set out in Note 1. The extent to which Accounting Standards and UIG Consensus Views have or not been adopted in the preparation of the special purpose financial report is set out in Note 1.

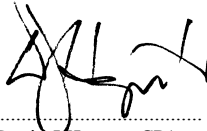
The directors are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent with the financial reporting requirements of Eastern Suburbs Legion Club Ltd’s constitution and are appropriate to meet the needs of the directors and members of the company.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the director provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the company, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the director(s) and members of Eastern Suburbs Legion Club Ltd and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

Name of Firm: David J Hoggett CPA



Name of Partner: David J Hoggett CPA

Address: SYDNEY

Dated this 22nd day of August 2007

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