



“Stand Easy”

*THIRTY-NINTH ANNUAL REPORT
FINANCIAL STATEMENTS
2010/2011 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-Ninth Annual Report and Balance Sheet

AS AT 30th JUNE 2011

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 25th September 2011

at 10.00 a.m.

EASTERN SUBURBS LEGION CLUB LIMITED

Office-Bearers For The Year 2009/10

President:

Mr. B. HOPKINS

Vice-President:

MR. G. CAMPBELL

Treasurer:

Mr. P. BRUCE

BOARD OF DIRECTORS

Messrs: G.K. SMITH, R. MOORE

T. BOYS, T. WOODWARD

Auditor:

Mr. DAVID HOGGETT

Notice of Thirty-Ninth Annual General Meeting 2011

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

Dear Member,

Please be advised that the Thirty-Ninth Annual General Meeting of Members will be held in the Club rooms at 10.00 a.m. on Sunday 25th September 2011.

BUSINESS

1. To confirm the Minutes of the Annual General Meeting held on 19th September 2010.
2. To receive and, if thought fit, adopt the Board's Report for the year ended 30th June 2011.
3. To receive and, if thought fit, adopt the Balance Sheet as at 30th June 2011, 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 2011/12 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, duly constituted committee meetings, poker machine clearance and security 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-Eighth Annual Report and Balance Sheet as at 30th June 2011, 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 four nights a week with Friday evening, Spinna-Winna 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. Karaoke Wednesday and Sunday evening.

Keno facilities are also in operation on the ground floor.

For dinner the Eastern Suburbs Legion Club Bistro open 6 days. Why not come in and treat yourself to a home cooked meal, without the work or the washing up? Now open for lunch, Wednesday to Friday.

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 9th September to 23rd 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 | 40 |
| Associate Members..... | 1227 |
| 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..... | 11 | 12 |
| T. Boys..... | 12 | 12 |
| R. Moore..... | 12 | 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, Bronte Bowling Club Men and Women, Bondi Golf Club, Waverley Public School.

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). Meals and drinks were supplied at a cost of \$25 for members and \$40 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.

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 on financial matters, Wayne Richardson for cleaning and maintenance. To Legion Head Office for their assistance.

To George Campbell for selling the "Spinna-Winna" tickets.

To Nick in the bistro.

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 \$69,090. The result is rewarding considering the challenges over the past year mainly due to the introduction of new smoking laws and the downturn in the economy, resulting in a loss of some 20 to 30 percent of income to the majority of clubs and hotels and in some cases resulting in closure.

However I am pleased to report that your Club is in a sound financial 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 2010/11 we have seen the Club prosper and reap the benefits of a well planned and appealing upgrade. This will continue into 2011/12 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 2011/12 and look forward to a bigger and better 2011/12. 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 2011/12, as they are all organised for you, the members.

Thank you to the board of Directors for your continued support and guidance throughout 2010/11 and into 2011/12.

DAVID BYRNE

Manager

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 001 024 139

ANNUAL REPORT OF DIRECTORS FOR THE TWELVE MONTHS ENDED 30th JUNE, 2011

The Directors present their report on the results of the Club for the twelve months ended 30th June, 2011 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 | 26 years | Retired |
| Treasurer | P. Bruce | 18 years | Retired |
| Directors | G. Smith | 24 years | Motor Repair Industry |
| | G. Campbell | 32 years | Retired |
| | T. Woodward | 5 years | Manager |
| | T. Boys | 5 years | 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, 2011, resulted in a profit before taxation of \$69,090.

Dividends:

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

Directors' 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 10th Day of August, 2011 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, 2011

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, 2011 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 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 10th August, 2011.

B. HOPKINS, Director

P. BRUCE, Director

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 001 024 139

INDEPENDENT AUDIT REPORT

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, 2011. 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

INDEPENDENT AUDIT REPORT

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, 2011 and the results of its operation for the twelve months then ended.



DAVID J. HOGGETT CPA

Date: 10th August, 2011

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, 2011 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: 10th August, 2011

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, 2011

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 ended 30th June, 2011. The comparison figures are for the twelve months ended 30th June, 2009.
- (g) **Core Property** - the land and building at 211-2113 Bronte Road, Waverley NSW 2024 is classified as core property pursuant to section 41J (2) of the Registered Club Act 1976. The club does not own any non-core property.

2. OPERATING PROFIT:

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

| | Y/E - 30.06.11 (\$) | Y/E - 30.06.10 (\$) |
|------------------------------------|---------------------|---------------------|
| Charging as expenses: | | |
| Depreciation..... | 114,925 | 115,637 |
| Auditors' Remuneration..... | 10,213 | 9,800 |
| Accountancy Fees | 14,685 | 18,065 |
| OPERATING REVENUE: | | |
| Sales Revenue..... | 399,295 | 412,758 |
| Poker Machine Revenue..... | 401,556 | 421,293 |
| Subscriptions | 2,755 | 4,280 |
| Vending Machine Commission..... | 386 | 367 |
| Interest Received..... | 63,779 | 51,344 |
| Keno Income..... | 12,292 | 12,532 |
| Hire of Club Premises..... | 36,149 | 17,083 |
| Rent Received | 79,900 | 79,329 |
| Dividends Received – Franked | 48,201 | 36,820 |
| - Imput Credit..... | 20,658 | 15,780 |
| Poker Machine Rebate | 17,180 | 17,180 |
| Training Rebates..... | 7,500 | - |
| | <u>1,089,651</u> | <u>1,068,666</u> |

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 001 024 139

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2011

NOTE 4 IMPORTANT INFORMATION FOR CLUB MEMBERS SECTION 41 DISCLOSURES REPORTING PERIOD FOR EASTERN SUBURBS LEGION CLUB LIMITED IS 30TH JUNE, 2011.

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 001 024 139

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 30th JUNE, 2009

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 000 024 139

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 30th JUNE, 2009

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, 2011

13.3 The Club recorded a Net profit of \$401,556 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 Zero (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 10th Day of August, 2011.

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 001 024 139

STATEMENT OF CASH FLOW FOR THE TWELVE MONTHS

ENDED 30th JUNE, 2011

| | Y/E - 30.06.11 \$ | Y/E - 30.06.10 \$ |
|--|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash receipts in the course of operations | 877,113 | 885,493 |
| Cash payments in the course of operations | (905,636) | (910,264) |
| Rents received..... | 79,900 | 79,329 |
| Interest received | 63,779 | 51,244 |
| Dividends received | 68,859 | 52,600 |
| Income tax paid | (30,236) | (22,518) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 153,779 | 135,884 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments for property, plant and equipment | (157,873) | (70,382) |
| Payment for current assets | (42,431) | (36,626) |
| NET CASH PROVIDED BY (USED IN) INVESTING ... ACTIVITIES | (200,304) | (107,009) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from current liabilities | 740 | 1,415 |
| NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES | 740 | 1,415 |
| NET INCREASE/(DECREASE) IN CASH HELD | (45,785) | (30,290) |
| CASH AT THE BEGINNING OF THE FINANCIAL YEAR..... | 1,245,056 | 1,214,766 |
| CASH AT THE END OF THE FINANCIAL YEAR..... | 1,199,271 | 1,245,056 |

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 001 024 139

**STATEMENT OF CHANGES IN EQUITY
as at 30th June, 2011**

| | 2011 | 2010 |
|---|-------------------------|-------------------------|
| | \$ | \$ |
| Members Equity at the beginning of the year | 3,675,999 | 3,655,752 |
| Net Profit/Loss for Year | <u>38,854</u> | <u>20,247</u> |
| Members Equity at the end of the year | <u><u>3,714,853</u></u> | <u><u>3,675,999</u></u> |

The accompanying notes form part of these Financial Statements.

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 001 024 139

PROFIT AND LOSS STATEMENT FOR THE TWELVE MONTHS ENDED 30th JUNE, 2011

| | Note | Y/E - 30.6.11 \$ | Y/E - 30.06.10 \$ |
|--|------|------------------------|-------------------------|
| INCOME | | | |
| Poker Machine Revenue..... | | 401,556 | 421,293 |
| Dividends Received - Franked..... | 2 | 48,201 | 36,820 |
| Interest Received..... | 3 | 63,779 | 51,244 |
| Subscriptions..... | | 2,755 | 4,280 |
| Keno Income | | 12,292 | 12,532 |
| Hire of Club Premises..... | | 36,149 | 17,083 |
| Rent Received..... | 4 | 79,900 | 79,329 |
| Dividends Received - Imput Credits | | 20,658 | 15,780 |
| Sundry Income | 5 | 25,066 | 17,547 |
| Gross Profit from Trading..... | 6 | 203,129 | 223,600 |
| | | <hr/> | <hr/> |
| | | 893,485 | 879,508 |
| EXPENDITURE | | | |
| Accountancy Fees..... | | 14,685 | 18,065 |
| Anzac Day | | 700 | 1,875 |
| Advertising..... | | 5,668 | 1,647 |
| ATM Maintenance..... | | 1,198 | 1,263 |
| Auditor's Remuneration | 7 | 10,213 | 9,800 |
| Bank Charges..... | | 602 | 645 |
| Club & Committee Cards..... | | - | 1,218 |
| Data Monitoring Services | | 8,898 | 6,992 |
| Depreciation | | 114,925 | 115,637 |
| Dining Room Subsidy..... | | 8,637 | 11,365 |
| Donations | | 4,445 | 5,425 |
| Electricity & Gas | | 55,495 | |
| 53,067 | | | |
| Entertainment Expenses | | 108,531 | 111,683 |
| Filing Fees..... | | 41 | 40 |
| Fire Alarms & Maintenance..... | | 5,112 | 3,689 |
| Flowers & Wreaths | | 54 | 557 |
| Freight & Cartage | | 5,384 | 5,226 |
| Games & Tournament Prizes..... | | 10,315 | 17,831 |
| General Expenses..... | | 1,362 | 1,430 |
| Glassware & Stores..... | | 5,302 | 5,721 |
| Hire of Plant & Equipment..... | | 8,064 | 8,169 |

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 001 024 139

PROFIT AND LOSS STATEMENT FOR THE TWELVE MONTHS ENDED 30th JUNE, 2011

| | Note | Y/E - 30.6.10 \$ | Y/E - 30.06.09 \$ |
|--|------|------------------------|-------------------------|
| Insurance..... | | 50,188 | 40,811 |
| Laundry & Cleaning..... | | 34,929 | 31,349 |
| Members Amenities..... | | 7,182 | 5,874 |
| Mortality Fund..... | | - | 650 |
| Printing Circulars Stamps & Stationery | | 2,691 | 4,486 |
| Rates & Taxes..... | | 17,246 | 18,647 |
| Repairs & Maintenance | 8 | 49,616 | 51,018 |
| Salaries & Wages | | 217,095 | 219,694 |
| Security Costs | | 3,697 | 6,371 |
| Staff Meals & Amenities | | 12,321 | 12,453 |
| Staff Training..... | | 618 | 250 |
| Stocktaking Expenses | | 3,340 | 3,900 |
| Social Functions | | 1,960 | 2,454 |
| Subscriptions & Licences | | 6,917 | 8,931 |
| Sundry Catering | | 3,692 | 3,708 |
| Superannuation Contributions..... | | 20,222 | 20,240 |
| Telephone | | 8,459 | 9,972 |
| Trade Waste..... | | 4,965 | 5,089 |
| Travelling & Fares | | 9,273 | 8,931 |
| Website & Internet..... | | 353 | 570 |
| | | <u>824,395</u> | <u>836,743</u> |
| OPERATING PROFIT BEFORE INCOME TAX | | 69,090 | 42,765 |
| Income Tax Expense | | 30,236 | 22,518 |
| OPERATING PROFIT AFTER INCOME TAX | | 38,854 | 20,247 |
| Retained Profits - Beginning of Period | | 3,675,999 | 3,655,752 |
| RETAINED PROFITS - 30th JUNE 2008 | | <u>3,714,853</u> | <u>3,675,999</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

BALANCE SHEET AS AT 30th JUNE, 2011

| | Note | Y/E - 30.06.11 \$ | Y/E - 30.06.10 \$ |
|--|------|-------------------------|-------------------------|
| CURRENT ASSETS | | | |
| Cash on Hand..... | | 26,855 | 26,855 |
| Cashcard Australia | | 12,030 | 12,170 |
| Deposits..... | | 40 | 40 |
| Commonwealth Bank Waverley | | 64,474 | 56,494 |
| Commonwealth Bank - Keno | | 7,583 | 7,232 |
| Commonwealth Bank - Bus Online Saver | | 88,329 | 2,095 |
| Term Deposits - Commonwealth Bank | | 1,000,000 | 1,140,210 |
| Sundry Debtors | | 17,950 | 23,538 |
| Shares in Listed Companies..... | 9 | 396,325 | 349,592 |
| Stock on Hand - Liquor..... | | 12,181 | 12,450 |
| Prepayments | | 5,536 | 3,981 |
| | | <u>1,631,303</u> | <u>1,634,657</u> |
| FIXED ASSETS | | | |
| Freehold Land & Buildings..... | | 1,438,814 | 1,438,814 |
| Plant and Equipment | 10 | 665,309 | 622,361 |
| | | <u>2,104,123</u> | <u>2,061,175</u> |
| INTANGIBLE ASSETS | | | |
| Formation Expenses..... | | 891 | 891 |
| | | <u>891</u> | <u>891</u> |
| TOTAL ASSETS | | <u>3,736,317</u> | <u>3,696,723</u> |
| CURRENT LIABILITIES | | | |
| Sundry Creditors | | 21,464 | 20,274 |
| Subscriptions in Advance | | - | 450 |
| | | <u>21,464</u> | <u>20,724</u> |
| TOTAL LIABILITIES | | <u>21,464</u> | <u>20,724</u> |
| NET ASSETS | | <u>3,714,853</u> | <u>3,675,999</u> |
| EQUITY | | | |
| Unappropriated Profit | | <u>3,714,853</u> | <u>3,675,999</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, 2011

| | Y/E - 30.6.11 \$ | Y/E - 30.06.10 \$ |
|---|------------------------|-------------------------|
| 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 | 43,377 | 32,363 |
| Woolworths Ltd | 3,357 | 2,959 |
| Telstra Ltd..... | 1,467 | 1,467 |
| TAB Ltd..... | - | 31 |
| | <u>48,201</u> | <u>36,820</u> |
| 3 Interest Received | | |
| Commonwealth Bank | 63,779 | 51,241 |
| Aust Tax Office | - | 3 |
| | <u>63,779</u> | <u>51,244</u> |
| 4 Rent Received | | |
| Gymnasium | 60,000 | 60,000 |
| Optus..... | 19,900 | 19,329 |
| | <u>79,900</u> | <u>79,329</u> |
| 5 Sundry Income | | |
| Vending Machine Commission | 386 | 367 |
| Poker Machine Rebate | 17,180 | 17,180 |
| Training Rebates | 7,500 | - |
| | <u>25,066</u> | <u>17,547</u> |
| 6 Gross Profit from Trading | | |
| Sales | 399,295 | 412,758 |
| Cost of Goods Sold | | |
| Opening Stock..... | 12,450 | 11,070 |
| Purchases | 195,897 | 190,538 |
| | <u>208,347</u> | <u>201,608</u> |
| Less: | | |
| Closing Stock | 12,181 | 12,450 |
| | <u>196,166</u> | <u>189,158</u> |
| Gross Profit (Loss) | <u>203,129</u> | <u>223,600</u> |

These notes are 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, 2011

| | Y/E - 30.06.11 | Y/E - 30.06.10 |
|-------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| 7 Auditor's Remuneration | | |
| Audit Services..... | <u>10,213</u> | <u>9,800</u> |
| 8 Repairs & Maintenance | | |
| Poker Machines..... | 11,178 | 12,316 |
| Electrical..... | 4,117 | 3,518 |
| Refrigeration..... | 2,305,742 | |
| Elevator..... | 5,770 | 4,620 |
| Plumbing..... | 6,124 | 5,167 |
| Pest Control..... | 2,212 | 1,314 |
| Office Equipment..... | 1,091 | 195 |
| Plant & Furniture..... | 3,617 | 1,922 |
| Painting..... | - | 1,499 |
| Air Conditioning..... | 10,664 | 13,620 |
| Greenery..... | 1,466 | 2,558 |
| Glazing..... | - | 1,276 |
| Hardware & Sundry..... | 39 | 271 |
| Roofing..... | 1,033 | - |
| | <u>49,616</u> | <u>51,018</u> |
| 9 Shares in Listed Companies | | |
| Commonwealth Bank Ltd..... | 349,165 | 305,788 |
| Woolworths Ltd..... | 23,442 | 20,086 |
| Telstra Ltd..... | 23,524 | 23,524 |
| TAB Ltd..... | 194 | 194 |
| | <u>396,325</u> | <u>349,592</u> |
| 10 Plant and Equipment | | |
| Plant Furniture & Equipment..... | 1,019,986 | 962,920 |
| Less: Accumulated Depreciation..... | 522,399 | 479,220 |
| | <u>497,587</u> | <u>483,700</u> |

EASTERN SUBURBS LEGION CLUB LIMITED

ACN 001 024 139

NOTES TO THE FINANCIAL STATEMENT FOR THE TWELVE MONTHS ENDED 30th JUNE, 2011

| | Y/E - 30.06.11 \$ | Y/E - 30.06.10 \$ |
|--|-------------------------|-------------------------|
| Elevator..... | 197,143 | 197,143 |
| Less: Accumulated Depreciation | 127,997 | 113,211 |
| | <u>69,146</u> | <u>83,932</u> |
| Air Conditioning Plant..... | 189,402 | 136,393 |
| Less: Accumulated Depreciation | 90,826 | 81,664 |
| | <u>98,576</u> | <u>54,729</u> |
| Total plant and equipment | <u>665,309</u> | <u>622,361</u> |

These notes are to be read in conjunction with the attached compilation report.

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 2011, 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: PO Box 342 Waverley NSW 2024

Dated this 10th day of August 2011

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