
Riverwood Legion and Community Club Limited
ABN 80 000 411 923

Concise Report
31 December 2009

The financial statements and other specific disclosures have been derived from Riverwood Legion and Community Club Limited's (the Company's full financial report for the financial year). Other information included in the concise financial report is consistent with the Company's full financial report.

The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

A copy of the Company's 2009 Annual Financial Report, including the independent audit report, is available to all members and will be sent to members without charge upon request.

Riverwood Legion and Community Club Limited

Directors' Report

Directors

Your directors present their report together with the financial report of Riverwood Legion and Community Club Limited (the company) for the year ended 31 December 2009 and the auditor's report thereon.

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

Surname	Christian Name	Position
Free	Michael	President
Ross	William	Senior Vice President
Smith	Keiron	Vice President
Wilson	Craig	Director
Marshall	Nicholas	Director
Stralow	Gregory	Director
Johnson	Martin	Director
Stuart	Alexander	Director
Reeves	Paul	Director
Schuler	David	Director
Gerrard	Geoffrey	Director

Information on Directors

Michael Free Aged 50	President, appointed April 2006 Acting President from March 2006 – April 2006 Senior Vice President, appointed March 2004 Director since 1998 (11 years) General Manager
William Ross Aged 53	Senior Vice President, appointed March 2004 Director since 2002 (7 years) Public Servant
Keiron Smith Aged 40	Vice President, appointed April 2006 Director since March 2003 (6 years) Recruitment Consultant
Craig Wilson Aged 44	Director since March 2003 (6 years) Assistant Storekeeper
Nicholas Marshall Aged 67	Director since March 2004 (5 years) Retired Bank Manager
Gregory Stralow Aged 52 (Resigned 5 April 2009)	Director since March 2004 (5 years) Transport Operative
Martin Johnson Aged 50 (Resigned 5 April 2009)	Director since April 2005 (4 years) Employee Relations Manager
Alexander Stuart Aged 72	Director since April 2006 (3 years) Retired
Paul Reeves Aged 67	Director since April 2006 (3 years) Club Supervisor

Riverwood Legion and Community Club Limited

Directors' Report (continued)

Information on Directors (continued)

David Schuler Director since April 2009 (8 months)
Aged 49 School Teacher
(Appointed 5 April 2009)

Geoffrey Gerrard Director since April 2009 (8 months)
Aged 57 Sign Writer
(Appointed 5 April 2009)

Directors' Meetings

The number of directors' meetings and number of meetings attended by each of the directors of the company during the financial year are:

Director	BOARD MEETINGS		OTHER MEETINGS	
	Number of meetings attended	Number of meetings held *	Number of meetings attended	Number of meetings held
Mr Michael Free	11	12	2	2
Mr William Ross	11	12	4	4
Mr Keiron Smith	12	12	4	4
Mr Craig Wilson	11	12	2	2
Mr Nicholas Marshall	11	12	4	4
Mr Gregory Stralow	3	3	-	-
Mr Martin Johnson	3	3	-	-
Mr Alexander Stuart	10	12	4	4
Mr Paul Reeves	10	12	2	2
Mr David Schuler	9	9	4	4
Mr Geoffrey Gerrard	9	9	4	4

* Number of meetings held during the time the director held office during the year.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

Mr Simon de Munck

Mr de Munck was appointed Company Secretary on 30 June 2006 and is also the General Manager of Riverwood Legion and Community Club Limited.

Riverwood Legion and Community Club Limited

Directors' Report (continued)

Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 31 December 2009 and the comparison with last year is as follows:

	2009	2008
Ex-Service	165	179
Ordinary	7,804	6,933
	<hr/>	<hr/>
	7,969	7,112
	<hr/>	<hr/>

Operating Result

The net profit from ordinary activities before tax for the year amounted to \$1,529,399 compared with \$1,059,065 for the prior year. This resulted after charging \$927,434 (2008: \$832,510) for depreciation and before charging \$59,870 (2008: \$80,097) for income tax.

Review of Operations

A review of the operations of the company during the financial year and the results of these operations are as follows:

The increase of \$470,334 in profit before tax was mainly attributable to an increase in poker machine net clearances of \$1,248,966, offset by increases in poker machine duties and fees by \$376,140, entertainment, marketing and promotional costs by \$141,633 and employee benefits expense by \$164,696.

Significant Changes in the State of Affairs

There were no significant changes in the company's state of affairs that occurred during the financial year.

Principal Activities

The principal activity of the company during the year has continued to be that of an ex-service and community club consisting of the conduct and promotion of a licensed social club for members of the company.

There have been no significant changes in the nature of these activities during the year.

Events Subsequent to Reporting Date

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

Riverwood Legion and Community Club Limited

Directors' Report (continued)

Likely and Future Developments and Expected Results

Likely developments in the operations of the company in future financial years and the expected results of those operations are as follows:

Government regulations with respect to smoking and poker machine duty will continue to impact upon the future revenues.

Environmental Regulation

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

The Board believes that the company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

Dividends

In accordance with the Constitution, no dividends can be paid and accordingly no dividends were paid or declared since the start of the financial year (2008: \$Nil).

Indemnification of Officers

The company has provided for and paid premiums during the year for directors' and officers' liability and legal expenses' insurance contracts.

The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome.
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid with respect to the directors' and officers' liability and legal expenses' insurance contract, as such disclosure is prohibited under the terms of the contract.

Riverwood Legion and Community Club Limited

Directors' Report (continued)

Proceedings on Behalf of the Company

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

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

Auditor's Independence Declaration

The Directors have received the Independence Declaration from the Auditors. The Declaration is attached as page 6.

Signed in accordance with a resolution of the directors.

Dated at Riverwood this 4th day of February 2010.

M Free
Director

Riverwood Legion and Community Club Limited

Auditor's Independence Declaration

Lead Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001

To the Directors of Riverwood Legion & Community Club Limited:

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 31 December 2009, there have been:

- i. No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.

PKF

Paul Cheeseman
Partner

1 Margaret Street
SYDNEY NSW 2000

4 February 2010

Riverwood Legion and Community Club Limited
Statement of Comprehensive Income
For the Year Ended 31 December 2009

	Note	2009 \$	2008 \$
Revenue from continuing operations			
Sale of goods		1,203,613	1,028,541
Rendering of services		9,081,181	7,809,406
Other revenue		30,516	87,411
		<hr/>	<hr/>
Total revenue from continuing operations		10,315,310	8,925,358
		<hr/>	<hr/>
Expenses			
Cost of sales		(555,645)	(476,465)
Employee benefits expense		(2,159,024)	(1,994,328)
Entertainment, marketing and promotional costs		(1,427,691)	(1,286,058)
Poker machine duties and fees		(2,071,993)	(1,695,853)
Occupancy expenses		(898,997)	(805,048)
Other expenses from ordinary activities		(665,902)	(572,884)
		<hr/>	<hr/>
		(7,779,252)	(6,830,636)
		<hr/>	<hr/>
Earnings before depreciation expense, finance costs and impairment losses		2,536,058	2,094,722
Depreciation expense		(927,434)	(832,510)
Finance costs		(94,418)	(163,147)
Impairment losses		-	(40,000)
Reversal of impairment losses		15,193	-
		<hr/>	<hr/>
Profit before income tax expense		1,529,399	1,059,065
Income tax expense		(59,870)	(80,097)
		<hr/>	<hr/>
Net profit from continuing operations after income tax expense attributable to members	2	1,469,529	978,968
		<hr/>	<hr/>
Total comprehensive income for the year		1,469,529	978,968
		<hr/>	<hr/>

The Statement of Comprehensive Income is to be read in conjunction with the discussion and analysis on page 11 and the notes to the financial statements set out on pages 12 and 13.

Riverwood Legion and Community Club Limited
Statement of Changes in Equity
For the Year Ended 31 December 2009

	Retained Earnings \$	Total Equity \$
Balance at 1 January 2008	7,468,428	7,468,428
Total comprehensive income for the year	978,968	978,968
	<hr/>	<hr/>
Balance at 31 December 2008	8,447,396	8,447,396
	<hr/> <hr/>	<hr/> <hr/>
Balance at 1 January 2009	8,447,396	8,447,396
Total comprehensive income for the year	1,469,529	1,469,529
	<hr/>	<hr/>
Balance at 31 December 2009	9,916,925	9,916,925
	<hr/> <hr/>	<hr/> <hr/>

Riverwood Legion and Community Club Limited
Statement of Financial Position
As at 31 December 2009

	Note	2009 \$	2008 \$
ASSETS			
Current Assets			
Cash and cash equivalents		1,386,078	1,179,315
Trade and other receivables		9,826	52,710
Inventories		69,375	57,898
Other current assets		138,939	137,568
Financial assets		750	750
Current tax assets		45,480	8,783
		<hr/>	<hr/>
Total Current Assets		1,650,448	1,437,024
Non-Current Assets			
Property, plant and equipment		10,635,920	9,628,830
Deferred tax assets		31,276	28,566
Intangible assets		224,000	110,000
		<hr/>	<hr/>
Total Non-Current Assets		10,891,196	9,767,396
		<hr/>	<hr/>
Total Assets		12,541,644	11,204,420
LIABILITIES			
Current Liabilities			
Trade and other payables		575,770	501,608
Financial liabilities		1,486,096	194,258
Employee benefits		386,010	313,615
Other current liabilities		48,024	32,414
		<hr/>	<hr/>
Total Current Liabilities		2,495,900	1,041,895
Non-Current Liabilities			
Financial liabilities		31,523	1,617,619
Deferred tax liability		434	708
Employee benefits		76,922	74,713
Other non-current liabilities		19,940	22,089
		<hr/>	<hr/>
Total Non-Current Liabilities		128,819	1,715,129
		<hr/>	<hr/>
Total Liabilities		2,624,719	2,757,024
		<hr/>	<hr/>
Net Assets		9,916,925	8,447,396
Members' Funds			
Retained profits	2	9,916,925	8,447,396
		<hr/>	<hr/>
Total Members' Funds		9,916,925	8,447,396
		<hr/>	<hr/>

The Statement of Financial Position is to be read in conjunction with the discussion and analysis on page 11 and the notes to the financial statements set out on pages 12 and 13.

Riverwood Legion and Community Club Limited
Cash Flow Statement
For the Year Ended 31 December 2009

	2009	2008
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	11,376,478	9,652,212
Payments to suppliers and employees	(8,762,539)	(7,775,905)
Interest received	30,516	63,466
Income taxes paid	(147,454)	(133,503)
Income tax refunds received	47,903	-
	<hr/>	<hr/>
Net cash inflow from operating activities	2,544,904	1,806,270
	<hr/>	<hr/>
Cash Flows From Investing Activities		
Proceeds from sale of property, plant and equipment	25,248	29,805
Payment for property, plant and equipment	(1,970,324)	(2,286,844)
Payment for intangible assets	(98,807)	-
	<hr/>	<hr/>
Net cash outflow from investing activities	(2,043,883)	(2,257,039)
	<hr/>	<hr/>
Cash Flows From Financing Activities		
Repayment of financial liabilities	(294,258)	(125,163)
Proceeds from borrowings	-	378,287
	<hr/>	<hr/>
Net cash inflow/(outflow) from financing activities	(294,258)	253,124
	<hr/>	<hr/>
Net increase/(decrease) in cash held and cash equivalents	206,763	(197,645)
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the financial year	1,179,315	1,376,960
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	1,386,078	1,179,315
	<hr/>	<hr/>

The Cash Flow Statement is to be read in conjunction with the discussion and analysis on page 11 and the notes to the financial statements set out on pages 12 and 13.

Riverwood Legion and Community Club Limited

Discussion and Analysis

Statement of Comprehensive Income

The company's total revenue has increased by \$1,389,952 (15.57%) since the prior year whilst expenses have increased by \$919,618 (11.69%) resulting in a net profit before tax of \$1,529,399 compared to \$1,059,065 for the previous year.

Individual items that have impacted the 2009 result include:

- Poker machine clearances increased by \$1,248,966 (16.39%).
- Poker machine duties and fees increased by \$376,140 (22.18%).
- Entertainment, marketing and promotional costs increased by \$141,633 (11.01%).
- Employee benefits expense increased by \$164,696 (8.26%).

Statement of Financial Position

The company's net assets have increased by \$1,469,529 or 17.40% since the previous year consisting of an increase in total assets of \$1,337,224 and a \$132,305 decrease in total liabilities.

This increase in net assets for the year is mainly attributed to an increase in property, plant and equipment of \$1,007,090 due mainly to renovation works carried out, and an increase in cash and cash equivalents of \$206,763.

Cash Flow Statement

Operating activities provided net cash of \$2,544,904, an increase of \$738,634 when compared to the previous year.

Net cash used in investing activities of \$2,043,883 relates to a net payment for property, plant and equipment of \$1,970,324, including renovations and payment for intangible assets of \$98,807 offset by proceeds from disposals of property and equipment of \$25,248.

Net cash used in financing activities of \$294,258 relates to the bank loan repayments, hire purchase repayments and repayment of debentures.

As a result of these cash flows, the net cash held during the year increased by \$206,763, compared with last year's decrease of \$197,645.

Riverwood Legion and Community Club Limited

Notes to the Financial Statements

Concise Financial Report

For the Year Ended 31 December 2009

1 Basis of Preparation of the Concise Financial Report

The concise financial report is an extract for the full financial report for the year ended 31 December 2009. The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports and the *Corporations Act 2001*.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full financial report of Riverwood Legion and Community Club Limited. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Riverwood Legion and Community Club Limited as the full financial report.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIRFS ensures that the company financial statements and notes comply with International Financial Reporting Standards (IFRS).

In preparing the financial report the company has taken the exemptions available to non profit entities.

The presentation currency used in this concise financial report is Australian dollars.

	2009 \$	2008 \$
2 Retained Profits		
Retained profits at the beginning of the year	8,447,396	7,468,428
Net profit attributable to members of the company	1,469,529	978,968
	<hr/>	<hr/>
Retained profits at the end of the year	9,916,925	8,447,396
	<hr/>	<hr/>

3 Events Subsequent to Reporting Date

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

Riverwood Legion and Community Club Limited
Notes to the Financial Statements
Concise Financial Report
For the Year Ended 31 December 2009

4 Mutuality Principle

The company calculates its income in accordance with the mutuality principle which excludes from income, any amounts of subscriptions and contributions from members, and payments received from members for particular services provided by the club or association, eg. poker machines, bar and dining room service in the case of social clubs. The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised clubs and associations.

Following the Full Federal Court decision in *Coleambally Irrigation Mutual Co-operative Limited v FCT* [2004] FCAFC 250, Tax Laws Amendment (2005 Measures No.6) Bill 2005 was tabled in Parliament on 7 December 2005 to amend the Income Tax Assessment Act 1997 to restore the long standing benefits of the mutuality principle to those non-profit organisations affected by the *Coleambally* decision.

These amendments will ensure RSL and social clubs continue not to be taxed on receipts from contributions and payments received from members.

Riverwood Legion and Community Club Limited Directors' Declaration

The directors of Riverwood Legion and Community Club Limited (the company) declare that the concise financial report of the company for the financial year ended 31 December 2009, as set out on pages 7 to 13:

- (a) complies with Accounting Standard AASB 1039: Concise Financial Reports; and
- (b) is an extract from the full financial report for the year ended 31 December 2009 and has been derived from and is consistent with the full financial report of the company.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated at Riverwood this 4th day of February 2010.

M Free
Director

Riverwood Legion and Community Club Limited

Independent Audit Report on the Concise Financial Report To the Members of Riverwood Legion and Community Club Limited

Report on the concise financial report

The accompanying concise financial report of Riverwood Legion and Community Club Limited (the company) comprises the Statement of Financial Position as at 31 December 2009, the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended and related notes, derived from the audited financial report of the company for the year ended 31 December 2009, and the Discussion and Analysis set out on pages 7 to 13. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Directors' responsibility for the concise financial report

The directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039: *Concise Financial Reports* (including the Australian Accounting Interpretations), statutory and other requirements. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying the appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of the company for the year ended 31 December 2009. Our audit report on the financial report for the year was signed on 4 February 2010 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures with respect to the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039: *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in AASB 1039: *Concise Financial Reports*.

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*. We confirm that the independence declaration required by the *Corporations Act 2001*, was provided to the directors of the company on 4 February 2010.

Auditor's opinion

In our opinion, the concise financial report including the discussion and analysis of the company for the year ended 31 December 2009 complies with Accounting Standard AASB 1039: *Concise Financial Reports*.

The financial report also complies with IFRS as disclosed in Note 1.

PKF

Paul Cheeseman

Partner

4 February 2010

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