

KEMPSEY MACLEAY RSL CLUB LTD

49001031876

Financial Statements

For the Year Ended 28 December 2010

KEMPSEY MACLEAY RSL CLUB LTD

49001031876

For the Year Ended 28 December 2010

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KEMPSEY MACLEAY RSL CLUB LTD

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Directors' Report

28 December 2010

Your directors present their report, together with the statement of The Group, being the Club, for the financial year ended 28 December 2010.

1. General information

Directors

The names of each person who has been a director during the year and to the date of this report are:

Names	Position	Date Appointed
Paul Maurice McGregor	Director	31 March 2004
Darrell Joshua Crilley	Director	26 March 2003
Terence Lancelot Hunt	Director	15 April 2007
Robert Thomas Ainsworth	Director	05 March 1986
Ronald John Jenkins	Director	01 August 2006
Geoffrey Bernard Aldwell	Director	19 March 2006
Barry James Whitton	Director	28 March 2001
Darryl Smith	Director	30 March 2010

Mr Aldwell was not re-elected in the 2010 year. Mr Aldwell finished his directorship on the 30 March 2010.

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

Principal Activities

The principal activities of KEMPSEY MACLEAY RSL CLUB LTD during the financial year were the provision of social amenities for members.

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

2. Operating Results and Review of Operations for the Year

Operating Results

The profit from ordinary activities after providing for income tax amounted to \$ 272,788. This represented an 69% increase on the results reported for the year ended 31 December 2009. This was largely from cost savings initiated by management.

3. Other items

Significant Changes in State of Affairs

No significant changes in the Club's state of affairs occurred during the financial year. The Club became liable to pay income tax during the year.

KEMPSEY MACLEAY RSL CLUB LTD

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Directors' Report

28 December 2010

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

Future developments

The Club expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

Environmental Issues

The Club's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

4. Membership

(a) The Club is a company limited by guarantee and is without share capital. The number of members at 28 December 2010 and the comparison with last year is as follows:

RSL Members	221	222
Associate Members	6,365	6,257
Junior Members	11	14
Total Members	<u>6,597</u>	<u>6,493</u>

Information on Directors

Paul Maurice McGregor	Director/ Chairman of the Board
Experience	Six years on the Board of Directors. Member of Finance Committee
Darrell Joshua Crilley	Director
Experience	Seven years on the Board of Directors Member of Finance Committee.
Terence Lancelot Hunt	Director/ Vice Chairman of the Board
Experience	Three Years on the Board of Directors
Special Responsibilities	Member of Finance Committee and Responsibility for Asset Register
Robert Thomas Ainsworth	Director
Experience	Twenty four years on the Board of Directors
Ronald John Jenkins	Director
Experience	Four years on the Board of Directors

KEMPSEY MACLEAY RSL CLUB LTD

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Directors' Report

28 December 2010

Information on Directors continued

Geoffrey Bernard Aldwell Director
Experience Three years on the Board of Directors

Barry James Whitton Director
Experience 9 Years on the Board of Directors

Darryl Smith Director
Experience First year on the Board of Directors.

Meetings of Directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Special Meeting	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Paul Maurice McGregor	11	11	1	1
Darrell Joshua Crilley	11	11	1	1
Terence Lancelot Hunt	11	10	1	1
Robert Thomas Ainsworth	11	11	1	1
Ronald John Jenkins	11	11	1	1
Geoffrey Bernard Aldwell	2	2	-	-
Barry James Whitton	11	10	1	1
Darryl Smith	9	8	1	1

Indemnifying Officers or Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of KEMPSEY MACLEAY RSL CLUB LTD.

Proceedings on Behalf of Company

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

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

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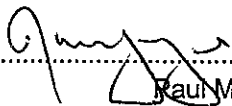
Directors' Report

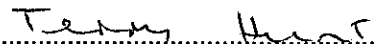
28 December 2010

Auditor's Independence Declaration

The lead auditors independence declaration for the year ended 28 December 2010 has been received and can be found on page 8 of the financial report.

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

Director: 
Paul Maurice McGregor

Director: 
Terence Lancelot Hunt

Dated 9 March 2011

KEMPSEY MACLEAY RSL CLUB LTD

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Auditors Independence Declaration under Section 307C of the Corporations Act 2001

To the Board KEMPSEY MACLEAY RSL CLUB LTD

I declare that, to the best of my knowledge and belief, during the year ended 28 December 2010 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.



Doug Cheetham

Wrights Chartered Accountants

59 Smith Street

Kempsey NSW 2440

8 March 2011

KEMPSEY MACLEAY RSL CLUB LTD

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Statement of Comprehensive Income

For the Year Ended 28 December 2010

	2010	2009
Note	\$	\$
Revenue	5,342,287	5,519,298
Other income	196,609	194,376
Employee benefits expense	(1,751,226)	(1,856,555)
Depreciation and amortisation expense	(609,816)	(600,000)
Other expenses	(2,849,172)	(3,035,078)
Finance costs	(35,062)	(61,020)
Surplus before income taxes	293,620	161,021
Income tax expense	(20,832)	-
Surplus for the year	272,788	161,021

The accompanying notes form part of these financial statements.

KEMPSEY MACLEAY RSL CLUB LTD

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Statement of Financial Position

28 December 2010

	Note	2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	703,279	730,516
Trade and other receivables	3	3,210	19,133
Inventories		93,630	113,196
Other assets		110,016	54,708
TOTAL CURRENT ASSETS		910,135	917,553
NON-CURRENT ASSETS			
Property, plant and equipment		8,352,514	8,744,488
Intangible assets	6	1,133,000	2,398,000
TOTAL NON-CURRENT ASSETS		9,485,514	11,142,488
TOTAL ASSETS		10,395,649	12,060,041
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	196,331	351,573
Borrowings		22,026	62,140
Current tax liabilities		141,172	55,836
Short-term provisions		211,436	181,135
TOTAL CURRENT LIABILITIES		570,965	650,684
NON-CURRENT LIABILITIES			
Borrowings		100,000	650,000
Long-term provisions		170,884	213,343
TOTAL NON-CURRENT LIABILITIES		270,884	863,343
TOTAL LIABILITIES		841,849	1,514,027
NET ASSETS		9,553,800	10,546,014
EQUITY			
Reserves		1,024,758	2,289,758
Retained Earnings		8,529,042	8,256,256
TOTAL EQUITY		9,553,800	10,546,014

The accompanying notes form part of these financial statements.

KEMPSEY MACLEAY RSL CLUB LTD

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Statement of Changes in Equity

For the Year Ended 28 December 2010

2010

	Retained Earnings	Asset Revaluation Reserve	Total
Note	\$	\$	\$
Balance at 1 January 2010	8,256,255	2,289,758	10,546,013
Profits Attributable to members of the entity	272,788	-	272,788
Revaluation increment (decrement)	-	(1,265,000)	(1,265,000)
Balance at 28 December 2010	8,529,043	1,024,758	9,553,801

2009

	Retained Earnings	Asset Revaluation Reserve	Total
Note	\$	\$	\$
Balance at 1 January 2009	8,095,234	2,289,758	10,384,992
Profit attributable to members of the entity	161,021	-	161,021
Balance at 31 December 2009	8,256,255	2,289,758	10,546,013

The accompanying notes form part of these financial statements.

KEMPSEY MACLEAY RSL CLUB LTD

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Statement of Cash Flows

For the Year Ended 28 December 2010

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		5,565,821	5,731,207
Payments to suppliers and employees		<u>(4,784,987)</u>	<u>(4,847,125)</u>
Net cash provided by (used in) operating activities		<u>780,834</u>	<u>884,082</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		<u>(217,841)</u>	<u>(375,498)</u>
Net cash provided by (used in) investing activities		<u>(217,841)</u>	<u>(375,498)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		<u>(590,230)</u>	<u>(385,381)</u>
Net cash provided by (used in) financing activities		<u>(590,230)</u>	<u>(385,381)</u>
OTHER ACTIVITIES			
Net increase (decrease) in cash held		(27,237)	123,203
Cash and cash equivalents at beginning of financial year		<u>730,516</u>	<u>607,313</u>
Cash and cash equivalents at end of financial year		<u>703,279</u>	<u>730,516</u>

The accompanying notes form part of these financial statements.

KEMPSEY MACLEAY RSL CLUB LTD

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Notes to the Financial Statements

For the Year Ended 28 December 2010

The financial statements are for KEMPSEY MACLEAY RSL CLUB LTD as an individual entity, incorporated and domiciled in Australia. KEMPSEY MACLEAY RSL CLUB LTD is a Club limited by guarantee.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(b) Comparative Figures

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

(c) Inventories

Inventories are measured at the lower of cost and current replacement cost.

(d) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their Cost less subsequent depreciation for buildings

Plant and equipment

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

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, is depreciated mainly on a straight-line basis over the asset's useful life to the Club commencing from the time the asset is held ready for use.

KEMPSEY MACLEAY RSL CLUB LTD

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Notes to the Financial Statements

For the Year Ended 28 December 2010

1 Summary of Significant Accounting Policies continued

(d) Property, Plant and Equipment continued

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

Class of Fixed Asset

Buildings	2.5%
Plant and Equipment	5% to 33.33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(e) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the Club commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

The Club does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(f) Impairment of Assets

At the end of each reporting period, the Club reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments.

KEMPSEY MACLEAY RSL CLUB LTD

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Notes to the Financial Statements

For the Year Ended 28 December 2010

1 Summary of Significant Accounting Policies continued

(h) Employee Benefits

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the amounts expected to be paid when the liability is settled.

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

(i) Provisions

Provisions are recognised when the Club has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Leases

Finance leases - company limited by guarantee

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Club are classified as finance leases.

(k) Goods and Services Tax (GST)

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

Cash flows are presented in the statement of cash flows on a net basis, i.e. excluding GST.

(l) Critical Accounting Estimates and Judgments

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

KEMPSEY MACLEAY RSL CLUB LTD

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Notes to the Financial Statements

For the Year Ended 28 December 2010

2 Cash and Cash Equivalents

	2010	2009
Note	\$	\$
Cash on hand	104,750	103,550
Cash at bank	598,529	626,966
	<u>703,279</u>	<u>730,516</u>

3 Trade and Other Receivables

	2010	2009
Note	\$	\$
CURRENT		
Trade receivables	3,210	19,137

4 Inventories

	2010	2009
Note	\$	\$
CURRENT		
At Cost		
Finished goods	93,630	113,196

5 Property, Plant and Equipment

	2010	2009
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	1,196,513	1,196,513
Total land	<u>1,196,513</u>	<u>1,196,513</u>
Building		
At cost	6,711,372	6,711,372
Accumulated depreciation	(1,175,618)	(1,010,808)
Total buildings	<u>5,535,754</u>	<u>5,700,564</u>
Total land and buildings	<u>6,732,267</u>	<u>6,897,077</u>
PLANT AND EQUIPMENT		
At cost	4,051,465	3,989,172
Accumulated depreciation	(2,993,452)	(2,747,327)
Total plant and equipment	<u>1,058,013</u>	<u>1,241,845</u>

KEMPSEY MACLEAY RSL CLUB LTD

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Notes to the Financial Statements

For the Year Ended 28 December 2010

5 Property, Plant and Equipment continued

	2010	2009
	\$	\$
Leased plant and equipment		
Capitalised leased assets	104,372	104,372
Accumulated depreciation	(38,285)	(25,238)
Total leased plant and equipment	<u>66,087</u>	<u>79,134</u>
Poker Machines		
Poker Machines at Cost	2,025,293	1,920,086
Accumulated depreciation	(1,533,646)	(1,393,654)
Total Poker Machines	<u>491,647</u>	<u>526,432</u>
Improvements		
At cost	4,500	-
Total improvements	<u>4,500</u>	<u>-</u>
Total plant and equipment	<u>1,620,247</u>	<u>1,847,411</u>
Total property, plant and equipment	<u><u>8,352,514</u></u>	<u><u>8,744,488</u></u>

In terms of Section 41J(2) of the Registered Club's Act, the following are the core properties of the Club:

- 4 York Lane, Kempsey, the Club's main premises.
- 13 Austral Street, Kempsey, the bowling club premises and grounds.

(a) Movements in Carrying Amounts

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

	Land	Buildings	Plant and Equipment	Poker Machines	Improvements	Total
	\$	\$	\$	\$	\$	\$
Balance at the beginning of year 1 January 2010	1,196,513	5,700,564	1,320,979	526,432	-	8,744,488
Additions	-	-	62,293	151,048	4,500	217,841
Disposals - written down value	-	-	-	1	-	1
Depreciation expense	-	(164,810)	(259,172)	(185,834)	-	(609,816)
Carrying amount at the end of 28 December 2010	<u>1,196,513</u>	<u>5,535,754</u>	<u>1,124,100</u>	<u>491,647</u>	<u>4,500</u>	<u>8,352,514</u>

KEMPSEY MACLEAY RSL CLUB LTD

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Notes to the Financial Statements

For the Year Ended 28 December 2010

5 Property, Plant and Equipment continued

(a) Movements in Carrying Amounts continued

	Land	Buildings	Plant and Equipment	Poker Machines	Improvements	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2009						
Balance at the beginning of year	1,196,513	5,829,518	1,539,460	403,512	-	8,969,003
Additions	-	14,046	106,519	254,933	-	375,498
Disposals - written down value	-	-	-	(13)	-	(13)
Depreciation expense	-	(143,000)	(325,000)	(132,000)	-	(600,000)
Carrying amount at the end of 31 December 2009	1,196,513	5,700,564	1,320,979	526,432	-	8,744,488

6 Intangible Assets

	2010	2009
	\$	\$
Poker Machine Entitlements	1,133,000	2,398,000
Total Intangibles	1,133,000	2,398,000

7 Trade and Other Payables

	2010	2009
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	156,939	311,961
Amounts received in advance	24,392	26,171
Accrued expense - Auditors Fees	15,000	13,441
	196,331	351,573

KEMPSEY MACLEAY RSL CLUB LTD

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Notes to the Financial Statements

For the Year Ended 28 December 2010

8 Borrowings

	2010	2009
Note	\$	\$
CURRENT		
Secured liabilities		
Finance lease obligation	22,026	62,140
	2010	2009
Note	\$	\$
NON-CURRENT		
Secured liabilities		
Bank loans	100,000	650,000

Leased liabilities are secured by the underlying leased assets.

8 Provisions

	Employee entitlements	Total
	\$	\$
Opening balance at 1 January 2010	394,477	394,477
Additional provisions	6,974	6,974
Amounts used	(19,132)	(19,132)
Balance at 28 December 2010	382,319	382,319

Analysis of Total Provisions

	2010	2009
	\$	\$
Current	211,436	181,135
Non-current	170,884	213,343
	382,320	394,478

Provision for Long-Term Employee Entitlements

A provision has been recognised for employee benefits relating to long service leave for employees. Employee benefits payable later than one year have been measured at the amount accrued at current wage rates on balance date.

KEMPSEY MACLEAY RSL CLUB LTD

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Notes to the Financial Statements

For the Year Ended 28 December 2010

9 Reserves

(a) Asset Revaluation Surplus

The asset revaluation surplus records revaluations of non current assets. Asset Revaluation Reserve has been revalued at \$1,024,758 as at 28 December 2010. This was due to a reduction in the value of the Poker Machine Entitlements.

10 Financial Risk Management

Financial Risk Management Policies

The Clubs financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, bills, leases and hire purchase debt.

The main purpose of non derivative financial instruments is to raise finance for the Club's operations

The club doesn't have any derivative instruments at 28 December 2010

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Club.

Credit risk is managed mainly by declining, or restricting, credit to members and guests wanting to use Club facilities, resulting in minimal debt owing to the Club.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Club might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Club manages risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financial activities;
- maintaining undrawn credit facilities;
- maintaining a reputable credit risk profile;
- only investing surplus cash with AA rated major financial institutions; and
- ensuring that loan repayments can be met from liquid investments.

KEMPSEY MACLEAY RSL CLUB LTD

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Notes to the Financial Statements

For the Year Ended 28 December 2010

10 Financial Risk Management continued

i. Price risk

The Club is not exposed to commodity price risk.

Sensitivity Analysis

The directors don't believe that a sensitivity analysis will be useful to users of this financial report because the interest on financial instruments is not critical to profitability or to cash flow.

11 Members' Guarantee

The Club is incorporated under the *Corporations Act 2001* and is a Club limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$ 2 each towards meeting any outstandings and obligations of the Club. At 28 December 2010 the number of members was 6,597 (2009: 6,493).

12 Revenue and Other Income

Revenue from Continuing Operations

	Note	2010 \$	2009 \$
Sales revenue			
- Bar/Poker Machines		<u>5,272,629</u>	<u>5,447,373</u>
		<u>5,272,629</u>	<u>5,447,373</u>
Other revenue			
- interest received		15,382	8,368
- member subscriptions		54,276	63,557
- other revenue		196,609	194,376
		<u>266,267</u>	<u>266,301</u>
Total Revenue		<u>5,538,896</u>	<u>5,713,674</u>

KEMPSEY MACLEAY RSL CLUB LTD

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Notes to the Financial Statements

For the Year Ended 28 December 2010

13 Profit for the Year

(a) Expenses

	2010	2009
	\$	\$
Interest expense on financial liabilities not at Fair Value through Profit and Loss	35,062	61,020
Employee benefits expense	1,751,226	1,856,555
Audit Remuneration auditing or reviewing the financial report	27,674	22,000
Total Audit Remuneration	27,674	22,000

14 Interests of Key Management Personnel

The totals of remuneration paid to key management personnel of the Club during the year are as follows:

	2010	2009
	\$	\$
Short-term employee benefits	311,011	326,938

15 Contingent Liabilities and Contingent Assets

There are no contingent liabilities or contingent assets.

16 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There were no transactions involving related parties during the year.

KEMPSEY MACLEAY RSL CLUB LTD

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Notes to the Financial Statements

For the Year Ended 28 December 2010

17 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2010	2009
	\$	\$
Profit for the year	272,788	161,021
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Decrease in Value of Investment	-	20,000
- Depreciation	609,816	600,000
Changes in assets and liabilities		
- (Increase)/decrease in trade and term receivables	15,923	(5,070)
- (Increase)/decrease in prepayments	(55,308)	(9,947)
- (Increase)/decrease in inventories	19,566	(1,577)
- Increase/(decrease) in trade payables and accruals	(155,242)	113,180
- Increase/(decrease) in income taxes payable	85,451	(3,153)
- Increase/(decrease) in provisions	(12,160)	9,628
	<u>780,834</u>	<u>884,082</u>

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Notes to the Financial Statements

For the Year Ended 28 December 2010

17 Cash Flow Information continued (b) Reconciliation of cash

	2010	2009
Note	\$	\$
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	<u>703,279</u>	<u>730,516</u>

18 Events After the End of the Reporting Period

The financial report was authorised for issue on by the board of directors.

19 Company Details

The registered office of the company is:
KEMPSEY MACLEAY RSL CLUB LTD
4 YORK LANE
KEMPSEY NSW 2440

The principal places of business are:
4 YORK LANE
KEMPSEY NSW 2440

KEMPSEY MACLEAY RSL CLUB LTD

49001031876

Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 9 to 24, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 28 December 2010 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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

Director
Paul Maurice McGregor

Director
Terence Lancelot Hunt

Dated 9 March 2011

KEMPSEY MACLEAY RSL CLUB LTD

49001031876



Independent Audit Report to the members of KEMPSEY MACLEAY RSL CLUB LTD

Report on the Financial Report

We have audited the accompanying financial statements of KEMPSEY MACLEAY RSL CLUB LTD (the Club), which comprises the statement of financial position as at 28 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Director's Responsibility for the Financial Report

The directors of the Club are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Club's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

KEMPSEY MACLEAY RSL CLUB LTD

49001031876



Independent Audit Report to the members of KEMPSEY MACLEAY RSL CLUB LTD

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*, provided to the directors of KEMPSEY MACLEAY RSL CLUB LTD on 9 March 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion the financial statements of KEMPSEY MACLEAY RSL CLUB LTD is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Club's financial position as at 28 December 2010 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Wrights Chartered Accountants

Douglas F Cheetham

59 Smith Street
Kempsey
NSW 2440
10 March 2011