



AVALON
Beach
R·S·L

Annual Report 2010

AVALON BEACH RSL CLUB LIMITED
A.B.N.59 000 968 838

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31st December 2010.

DIRECTORS

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

Name and Qualifications	Experience and Special Responsibilities
Peter Morrow	Carpenter - Peter been a Director since 1992 and an executive of the Board for several years. Portfolios include Finance, Building, Marketing & Citation committees.

Vice Presidents

Bob White	Glazier - Bob has been a Director since 1986 and also on the executive for many years. Portfolios include Marketing & Building.
Peter Nash	Company Director - Peter has also served two terms as a Director since 1998 holding the position of President. His current term as a Director commenced 2008. His portfolio is Finance.

Directors

Phil Hooff	Retired - Phil has been a Director since 1998 and presides on the Citation Committee.
Richard McEvoy	Primary Producer - Richard has been a Director since 2005. His portfolio is Finance.
Peter Anderson	Company Director - Peter has served two terms as a Board Member twice since 2000. His current term commenced 2006. His portfolio is Marketing.
Garry Gibson	Retired - Garry has been a Director on two occasions since 1987. His current term commenced in 1998. His portfolios are Marketing & Building.
Chris Elliott	Builder - Chris has been a Director since 2007. His portfolios are Building & Marketing.
Mark Houlder	Fire Brigade Officer - Mark has been a Director since 2005. His portfolio is Finance.
Mick Dick	Carpenter - Mick has been a Director since 2008. His portfolio is Building.
Mal French	Company Director - Mal has been Director since 2007. His portfolio is Building.
Laurie Malone	Retired - Laurie been a Director since 2005. Laurie's portfolio is Finance.

AVALON BEACH RSL CLUB LIMITED

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DIRECTORS' REPORT

MEETINGS OF DIRECTORS

During the financial year, 13 meetings of directors were held. Attendances were:

	Held	Attended		
Peter Morrow	13	13		
Laurence Malone	13	10		
Robert White	13	12		
Phil Hooff	13	12		
Peter Nash	13	9		
Malcolm French	13	9		
Peter Anderson	13	11		
Mark Houlder	13	9		
Michael Dick	13	13		
Christopher Elliott	13	13		
Richard McEvoy	8	7	Resigned	26/09/2010
Garry Gibson	6	3	Resigned	26/07/2010

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 activity of the company during the financial year to provide the facilities of a licensed club to the members and visitors.

The club's short term objectives are to:

- i) provide the best possible clubhouse facilities to members.
- ii) encourage new membership.
- iii) remain financially viable to achieve the above objectives.

The club's long term objectives are to:

- i) establish and maintain membership that fosters the club's strategic plan; and
- ii) be sustainable and strive for continuous improvement so as to offer the best possible facilities and social amenities to members.

To achieve these objectives, the club has adopted the following Strategies:

- i) the Board strives to attract and retain quality management and provide high standards of service levels to the members. The Board believes that attracting and retaining quality staff will assist with the success of the club in both the short and long term.
- ii) maintain rigorous control over the club's finances to ensure the club remains viable and is able to continually upgrade clubhouse facilities for the benefit of members and encourage new membership.
- iii) the Board is committed to meet consistent standards of governance, best practice and provide clear expectations of professional accountabilities and responsibilities to all members.

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DIRECTORS' REPORT

The club is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the club is wound up, the constitution states that each member is required to contribute a maximum of \$2.00 towards meeting any outstanding obligations of the club. At 31st December 2010 the collective liability of members was \$5,390 (2009: \$7,180).

AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATION ACT 2001

A copy of the Auditor's Independence Declaration follows this Directors Report.

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



Peter Morrow
Director



Robert White
Director

Dated: 4/04/2011

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF AVALON BEACH RSL CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 31st 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.

BRYAN RUSH & COMPANY
Chartered Accountants



D R Conroy
Principal

Sydney
Dated:

4/04/2011

AVALON BEACH RSL CLUB LIMITED

A.B.N. 59 000 968 838

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31st DECEMBER 2010**

	Notes	2010 \$	2009 \$
Revenue from continuing operations			
Revenue	2	4,078,472	4,380,040
Other revenue	2	68,000	38,567
Total revenue from continuing operations		<u>4,146,472</u>	<u>4,418,607</u>
Expenses			
Cost of Sales	3	(791,088)	(881,661)
Advertising & Promotions Expense		(53,599)	(57,304)
Employee Benefits Expense		(1,512,128)	(1,710,135)
Insurance		(70,622)	(72,808)
Lease and Rental		(107,286)	(107,745)
Members Amenities		(162,995)	(169,438)
Poker Machine Duty		(278,606)	(306,090)
Repairs and Maintenance		(101,404)	(99,086)
Rates and Utilities		(106,970)	(103,221)
Loss on Disposal of Equipment		(10,066)	-
Other Expenses		(642,368)	(509,115)
Total Expenses		<u>(3,837,132)</u>	<u>(4,016,603)</u>
Earnings before depreciation, amortisation and finance costs		309,340	402,004
Depreciation and amortisation	3	(303,518)	(269,865)
Finance Costs	3	(146,483)	(143,333)
		<u>(450,001)</u>	<u>(413,198)</u>
Profit (Loss) before income tax		(140,661)	(11,194)
Income tax expense		-	-
Net Profit (Loss)		<u>(140,661)</u>	<u>(11,194)</u>
Other Comprehensive Income	4	-	-
Total Comprehensive Income for the Year		<u>(140,661)</u>	<u>(11,194)</u>

The accompanying notes form part of these financial accounts.

AVALON BEACH RSL CLUB LIMITED

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STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2010

	Notes	2010 \$	2009 \$
CURRENT ASSETS			
Cash and Cash Equivalents	6	161,913	222,118
Trade and Other Receivables	7	3,817	680
Inventories	8	60,062	66,472
Other Assets	9	49,654	18,377
TOTAL CURRENT ASSETS		<u>275,446</u>	<u>307,647</u>
NON CURRENT ASSETS			
Property, Plant and Equipment	11	3,966,146	4,077,954
Financial Assets	10	750	750
TOTAL NON-CURRENT ASSETS		<u>3,966,896</u>	<u>4,078,704</u>
TOTAL ASSETS		<u>4,242,342</u>	<u>4,386,351</u>
CURRENT LIABILITIES			
Trade and Other Payables	12	220,066	182,656
Financial Liabilities	13	471,150	525,861
Short Term Provisions	14	157,721	181,700
Other Current Liabilities	15	29,382	29,104
TOTAL CURRENT LIABILITIES		<u>878,319</u>	<u>919,321</u>
NON CURRENT LIABILITIES			
Financial Liabilities	13	1,492,669	1,490,546
Long Term Provisions	14	67,595	32,064
TOTAL NON-CURRENT LIABILITIES		<u>1,560,264</u>	<u>1,522,610</u>
TOTAL LIABILITIES		<u>2,438,583</u>	<u>2,441,931</u>
NET ASSETS		<u><u>1,803,759</u></u>	<u><u>1,944,420</u></u>
MEMBERS' FUNDS			
Retained Earnings		<u>1,803,759</u>	<u>1,944,420</u>
TOTAL MEMBERS' FUNDS		<u><u>1,803,759</u></u>	<u><u>1,944,420</u></u>

The accompanying notes form part of these financial accounts.

AVALON BEACH RSL CLUB LIMITED

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STATEMENT OF CHANGES IN MEMBERS' FUNDS

AS AT 31st DECEMBER 2010

	Retained Earnings	Total
	\$	\$
Balance at 1st January 2009	<u>1,955,614</u>	<u>1,955,614</u>
Loss attributable to members of the company	(11,194)	(11,194)
Balance at 31st December 2009	<u>1,944,420</u>	<u>1,944,420</u>
Loss attributable to members of the company	(140,661)	(140,661)
Balance at 31st December 2010	<u><u>1,803,759</u></u>	<u><u>1,803,759</u></u>

The accompanying notes form part of these financial accounts.

AVALON BEACH RSL CLUB LIMITED

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st DECEMBER 2010**

	Notes	2010 \$	2009 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Trading		4,486,054	4,875,318
Payments to Suppliers and Employees		(4,213,653)	(4,581,408)
Interest Received		241	98
Finance Costs		<u>(146,483)</u>	<u>(143,333)</u>
Net cash provided by (used in) operating activities	20	<u>126,159</u>	<u>150,675</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds on sale of Property, Plant & Equipment		80,727	62,767
Payment for Property, Plant & Equipment	11	<u>(213,625)</u>	<u>(241,405)</u>
Net cash provided by (used in) investing activities		<u>(132,898)</u>	<u>(178,638)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Lease Hire Purchases		159,907	150,078
Repayment of Borrowings		(90,000)	-
Repayment of Lease Hire Purchases		<u>(107,968)</u>	<u>(53,019)</u>
Net cash provided by (used in) financing activities		<u>(38,061)</u>	<u>97,059</u>
<i>Net increase/(decrease) in cash held</i>		<i>(44,800)</i>	<i>69,096</i>
Cash at 1st January 2010		<u>(39,464)</u>	<u>(108,560)</u>
CASH at 31st December 2010	20 & 6	<u>(84,264)</u>	<u>(39,464)</u>

The accompanying notes form part of these financial accounts.

AVALON BEACH RSL CLUB LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

The financial statements are for Avalon RSL Club Limited as an individual entity, incorporated and domiciled in Australia. Avalon RSL Club Limited is a company limited by guarantee.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Avalon RSL Club Limited has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 20102: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning the 1st January 2010.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001.

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

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

Accounting policies

Going Concern

The financial statements have been prepared on the going concern basis of accounting, which assumes the Company will be able to continue trading and realise its assets and discharge its liabilities in the ordinary course of business for a period of one year from the date the financial statements are approved.

The continuance of the Company as a going concern is dependent upon the generation of future positive cash flows and the ongoing support of its financiers and its members and its ability to negotiate further facilities as required. The Club's financial report has been prepared on a going concern basis which assumes the realisation of the Club's assets and the extinguishment of its liabilities in the normal course of business.

Income Tax

Income tax is accounted for using the comprehensive balance sheet liability method whereby:

The tax consequences of recovering (settling) all assets (liabilities) are reflected in the financial statements;
Current and deferred tax is recognised as income or expense except to the extent that the tax relates to equity items or to a business combination;

A deferred tax asset is recognised only to the extent that is probable that future tax profit will be available to realise the asset;

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

The Club had carry forward tax losses at balance date. Future tax benefits in relation to those losses and to timing differences have not been recognised as an asset in the club's balance sheet.

Inventories

Inventories are measured at the lower of cost and net realisable value.

AVALON BEACH RSL CLUB LIMITED

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, Plant and Equipment

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

Property, plant and equipment are measured on the cost basis. The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation and Amortisation

The depreciable amount of plant and equipment is depreciated on a straight line basis and diminishing value basis over their useful lives to the Club commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the remaining term of the lease.

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

Class of Fixed Asset	Depreciation Rate
Building	2.5%
Plant and Equipment	3.0% -40%
Motor Vehicles	22.5%-40%
Poker Machines	15%-40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount.

These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Impairment of Assets

At each reporting date, the Club reviews the carrying values of its tangible 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 assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

AVALON BEACH RSL CLUB LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Leases

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

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

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

Employee Benefits

Provision is made for the Club's liability for employee entitlements arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year are 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 present value of the estimated Contributions are made by the Club to employee superannuation funds and are charged as expenses when incurred.

Revenue

Revenue from the sale of goods is recognised upon the delivery of the goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the dividend is actually received.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

Goods and Services Tax (GST)

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

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Comparative Figures

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

AVALON BEACH RSL CLUB LIMITED

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NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at cost plus transactions cost where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and subsequent measurement

1. Financial assets at fair value through profit or loss

Financial assets are classified at fair value through the profit or loss when they are held for trading for the purpose of short term profit taking. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

2. 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 using the effective interest rate method.

3. Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

4. Available for sale financial assets

Available for sale financial assets are non derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

5. Financial Liabilities

Non derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Critical Accounting Estimates and Judgments

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

Key Estimates - Impairment

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

Key Judgments

The directors believe that the amount included in accounts receivable is recoverable and no provision for impairment has been made at the end of the financial year.

AVALON BEACH RSL CLUB LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$
NOTE 2 – REVENUE		
Operating Activities:		
Bar Sales	1,368,156	1,465,086
Food and Catering	665,098	726,218
Poker Machine Takings	1,842,583	1,965,132
Rent Received	67,442	69,683
Membership Subscriptions	26,832	50,658
Commissions, Rebates, Room Hire	63,435	63,601
Interest Received	241	98
Other Income	44,685	39,564
	<u>4,078,472</u>	<u>4,380,040</u>
Non-operating activities:		
Profit on disposal of Non Current Assets	-	38,567
Profit on disposal of Gaming Entitlements	68,000	-
	<u>68,000</u>	<u>38,567</u>
Total Revenue	<u><u>4,146,472</u></u>	<u><u>4,418,607</u></u>

NOTE 3 – PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities before income tax has been determined after:

(a) Expenses

Cost of Sales:

Bar & Catering	791,088	881,661
Interest and finance charges	146,483	143,333
Loss on Disposal of Non Current Assets	10,066	-
	<u>947,637</u>	<u>1,024,994</u>

AVALON BEACH RSL CLUB LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
Depreciation and Amortisation of Non-Current Assets:		
Depreciation	(303,518)	269,865
Total Depreciation and Amortisation	<u>(303,518)</u>	<u>269,865</u>
 NOTE 4 – INCOME TAX EXPENSE		
Income tax	<u>-</u>	<u>-</u>
 NOTE 5 – AUDITOR'S REMUNERATION		
Remuneration of the Auditor of the Company for:		
Lawler Partners		
- Auditing the Financial Report	-	13,047
- Other Services	-	-
	<u>-</u>	<u>13,047</u>
Bryan Rush & Co		
- Auditing the Financial Report	15,950	10,500
- Other Services	3,440	2,000
	<u>19,390</u>	<u>12,500</u>
 NOTE 6 – CASH AND CASH EQUIVALENTS		
Cash on Hand	144,326	174,814
Cash at Bank	11,986	13,651
Short Term Deposits	5,601	33,653
	<u>161,913</u>	<u>222,118</u>
 NOTE 7 – TRADE AND OTHER RECEIVABLES		
Current		
Trade and Other Receivables	<u>3,817</u>	<u>680</u>
 NOTE 8 – INVENTORIES		
Beverage and Catering Stock - at Cost	<u>60,062</u>	<u>66,472</u>
 NOTE 9 – OTHER ASSETS		
Current		
Prepayments	49,654	16,377
Other Debtors	-	2,000
	<u>49,654</u>	<u>18,377</u>
Non-Current		
 NOTE 10 – FINANCIAL ASSETS		
Shares	<u>750</u>	<u>750</u>

AVALON BEACH RSL CLUB LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

	2010	2009
	\$	\$
Property		
Land at cost	1,219,000	1,219,000
	<u>1,219,000</u>	<u>1,219,000</u>
Buildings		
Buildings at cost	1,989,852	1,984,202
Less Accumulated	(151,059)	(113,528)
	<u>1,838,793</u>	<u>1,870,674</u>
Total Property	<u>3,057,793</u>	<u>3,089,674</u>
Leasehold Improvements		
Leasehold Improvements at cost	154,783	154,783
Less Accumulated Depreciation	(110,827)	(94,570)
Total Leasehold Improvements	<u>43,956</u>	<u>60,213</u>
Plant, Furniture & Fittings at cost		
Plant, Furniture & Fittings at cost	3,668,592	3,694,332
Less Accumulated Depreciation	(2,804,195)	(2,766,265)
Total Plant, Furniture & Fittings	<u>864,397</u>	<u>928,067</u>
Total Property, Plant and Equipment	<u>3,966,146</u>	<u>4,077,954</u>

Movements in Carrying Amounts

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

	Land	Buildings	Plant and Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year	1,219,000	1,870,674	928,067	60,213	4,077,954
Additions	-	5,650	207,975	-	213,625
Disposals	-	-	(21,915)	-	(21,915)
Depreciation expense	-	(37,531)	(249,730)	(16,257)	(303,518)
Carrying amount at the end of year	<u>1,219,000</u>	<u>1,838,793</u>	<u>864,397</u>	<u>43,956</u>	<u>3,966,146</u>

NOTE 12 – TRADE AND OTHER PAYABLES

Current

Unsecured liabilities

Trade Creditors	104,478	87,878
Sundry creditors and accrued expenses	115,588	94,778
	<u>220,066</u>	<u>182,656</u>

NOTE 13 - FINANCIAL LIABILITIES

Current

Secured Liabilities

Bank Overdraft	246,177	261,582
National Bill Facility	120,000	180,000
Finance Lease Obligation	104,973	84,279
	<u>471,150</u>	<u>525,861</u>

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

Non-Current Secured Liabilities	2010	2009
	\$	\$
Finance Lease Obligation	127,669	95,546
National Bill Facility	<u>1,365,000</u>	<u>1,395,000</u>
	<u><u>1,492,669</u></u>	<u><u>1,490,546</u></u>

NOTE 14 – PROVISIONS

Current		
Employee Entitlements	<u>157,721</u>	<u>181,700</u>
Non Current		
Employee Entitlements	<u>67,595</u>	<u>32,064</u>
	<u><u>225,316</u></u>	<u><u>213,764</u></u>

Superannuation commitments

The Club contributes to the following superannuation plan for employees:

Club Plus, Host Plus, Australian Super, BT, First State, Intrust, Rest and Sun Super.

Types of benefits

The funds provide benefits that represent the accumulation of contributions to employers, providing lump sum or annuity benefits upon retirement, death or disability.

Contributions

The Club is under a legal obligation to contribute 9% of each employee's base salary to a superannuation fund.

Details of contributions during the year are as follows:

Employer contributions to the plans	<u>116,920</u>	<u>128,153</u>
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NOTE 15 – OTHER LIABILITIES

Current		
Income received in advance	19,670	19,958
Subscriptions in advance	<u>9,712</u>	<u>9,146</u>
	<u><u>29,382</u></u>	<u><u>29,104</u></u>

NOTE 16 - KEY MANAGEMENT PERSONNEL DISCLOSURES FOR NON-DISCLOSING ENTITIES

The following were key management personnel of the Company at any time during the reporting period, and unless otherwise indicated were directors for the entire period:

Non Executive Directors

Peter Morrow	President
Robert White	Vice president
Peter Nash	Vice president
Phil Hooff	Director
Laurence Malone	Director
Malcolm French	Director
Peter Anderson	Director
Mark Houlder	Director
Michael Dick	Director
Christopher Elliott	Director
Richard McEvoy	Director
Garry Gibson	Director

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Executives

Ronald Berczelly	Secretary/Manager
Berlinda Whiteman	Assistant Secretary/Manager
Grant Nielson	Catering Manager

- Unless otherwise stated, transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

- There were no other transactions with any of the directors during the year.

The key management personnel compensations included in "Employee Benefits Expense" as follows:

	2010	2009
	\$	\$
Short-term employee benefits	329,429	323,406
Other long term benefits	-	-
Termination benefits	-	-
	<u>329,429</u>	<u>323,406</u>

Apart from the details disclosed in this note, no director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

From time to time, directors of the Company, or their director-related entities, may purchase goods from the Company. These purchases are on the same terms and conditions as those entered into by other Company employees or customers and are trivial or domestic in nature.

NOTE 17 – COMPANY DETAILS

The Club is incorporated and domiciled in Australia as a Company. In accordance with the Constitution of the Club, every member of the Club undertakes to contribute an amount limited to \$2.00 per member. At 31st December 2010 there were 2,695 members (2009: 3,590 members).

The registered office of the Club is:

Avalon Beach RSL Club Limited
1 Bowling Green Lane
Avalon Beach NSW 2107

NOTE 18– FINANCE LEASE COMMITMENTS

Payable minimum lease payments

Within one year	124,015	97,347
One year or later and no later than five years	<u>139,810</u>	<u>105,678</u>
Minimum lease liability payments	263,825	203,025
Less : Future finance and lease charges	<u>(31,183)</u>	<u>(23,200)</u>
	<u>232,642</u>	<u>179,825</u>

Lease liabilities provided for in the financial statements:

Current	104,973	84,279
Non-current	<u>127,669</u>	<u>95,546</u>
Total lease liability	<u>232,642</u>	<u>179,825</u>

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NOTES TO AND FORMING PART OF THE ACCOUNTS
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	2010	2009
NOTE 19 – OPERATING LEASE COMMITMENTS	\$	\$
Non- cancellable operating lease contracted for but not capitalised in the financial statements		
Payable minimum lease payments		
Within one year	27,228	49,161
One year or later and no later than five years	<u>21,705</u>	<u>-</u>
Total	<u><u>48,933</u></u>	<u><u>49,161</u></u>
 NOTE 20 – RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX.		
Reconciliation of Cash		
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and		
Cash on Hand	144,326	174,814
Cash at Bank	11,986	13,651
Deposits	5,601	33,653
Bank overdraft	<u>(246,177)</u>	<u>(261,582)</u>
	<u><u>(84,264)</u></u>	<u><u>(39,464)</u></u>
 Profit (Loss) from ordinary activities after income tax	 (140,661)	 (11,194)
 Non-cash flows in profit from ordinary activities		
Depreciation	303,518	269,865
(Gain) on sale of Assets	(68,000)	(38,567)
Loss on sale of Assets	10,066	-
 Changes in Assets and Liabilities		
(Increase)/Decrease in Receivables	(3,137)	5,998
(Increase)/Decrease in Other Assets	(31,277)	5,807
(Increase)/Decrease in Inventories	6,410	2,811
Increase/(Decrease) in Trade and Other Payables	37,410	(72,437)
Increase/(Decrease) in Other Liabilities	278	(9,892)
Increase/(Decrease) in Provisions	<u>11,552</u>	<u>(1,716)</u>
 CASH FLOWS FROM OPERATIONS	 <u><u>126,159</u></u>	 <u><u>150,675</u></u>

AVALON BEACH RSL CLUB LIMITED

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DIRECTORS' DECLARATION

The directors of the Club declare that:

1. the financial statements and notes, 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 31st December 2010 and of the performance for the year ended on that date of the Club.
2. in the directors' opinion there are reasonable grounds to believe that the Club 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.



PETER MORROW
DIRECTOR



ROBERT WHITE
DIRECTOR

Dated: 4/04/2011

AVALON BEACH RSL CLUB LIMITED

A.B.N. 59 000 968 838

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON BEACH RSL CLUB LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Avalon Beach RSL Club Limited, which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, the statement of changes in members' funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company.

Directors' Responsibility for the Financial Report.

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

Audit Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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 is free from material misstatement.

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

We believe that the 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.

Auditor's Opinion

In our opinion:

- a. the financial report of Avalon Beach RSL Club Limited is in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the company's financial position as at 31 December 2010 and performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Corporations Regulations 2001.

BRYAN RUSH & COMPANY

Chartered Accountants



D R Conroy
Principal

154 Elizabeth Street SYDNEY NSW 2000

Dated: 4/04/2011

Disclosure requirements under section 41J of the Registered Clubs Act 1976

Core and Non-Core Property

Section 41J of the registered clubs act 1976 requires the club to disclose its core and non core property, as defined, in the annual report.

The club's core property comprises the defined trading premises situated at 1 Bowling Green Lane, Avalon Beach NSW 2107.

The club has no non core property.