



Riverstone Schofields

MEMORIAL CLUB



ANNUAL REPORT & FINANCIAL STATEMENTS

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JAN - DEC 2012



Riverstone Schofields

MEMORIAL CLUB

2012 DIRECTORS



GLENN HUNTER
President



GRANT SMITH
Treasurer



MAL REED
Snr Vice President



GLENN RILEY
Jnr Vice President



Neil Harvey
Director



KURT HIPPE
Director



CHRIS BRITTON
Director



LILA WHITBY
Director



VIC COHEN
Director



MATTHEW DAWSON
General Manager



MARK WHITBY
Operations Manager



ANNUAL GENERAL MEETING

NOTICE is hereby given that at the Annual General Meeting of **RIVERSTONE-SCHOFIELDS MEMORIAL CLUB LIMITED** to be held on Sunday 5th May 2012 commencing at the hour of 10am at the premises of the Club, Market Street, Riverstone, New South Wales. All financial members may attend

BUSINESS:

1. To confirm the minutes of the previous Annual General Meeting held on Sunday 6th May 2012
2. To receive and consider the Board of Directors report for the year ending 31st December 2012
3. To receive and consider the Statement of financial performance, Statement of cash flows and accompanying statements and the Auditors report
4. To declare the returning officers report on the election of the Board of Directors
5. To consider the ordinary resolutions as stated on pages 4 and 5 of the annual report
6. To deal with any business of which due notice has been given in writing

N.B. All business and notice of motion to be dealt with at the Annual General Meeting shall be handed to the General Manager no later than 14 days prior to the date of the meeting

Dated 2nd April 2013, By direction of the Board

Matthew Dawson
Chief Executive Officer



FIRST RESOLUTION

That pursuant to the Registered Clubs Act 1976:

- a) the members approve and agree to expenditure by the club in a sum not exceeding \$10,000 (excluding GST) until the next AGM of the club for the following activities of Directors
 - i) reasonable meal and refreshments to be associated with each Board meeting of the club
 - ii) The right for Directors to incur reasonable expenses in travelling to and from Board meetings and other committee meetings as approved by the Board from time to time on the production of invoices, receipts and other proper evidence of such expenditure
 - iii) The reasonable cost of entertaining and providing refreshments in the club premises for the members of the Board of Directors for entertaining visitors in the club.
 - iv) The provision as required of blazers and associated apparel for the use of Club Directors when representing the club.
- b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those members who are Directors of the club.



SECOND RESOLUTION

That pursuant to the Registered Clubs Act 1976:

- a) the members approve and agree to expenditure by the club in a sum not exceeding \$10,000 (excluding GST) for the professional development and education of Directors until the next AGM of the club and being
 - i) The reasonable cost of Directors attending the Clubs NSW AGM and the Services Clubs AGM and any other association of which the club is a member.
 - ii) The reasonable cost of Directors attending industry related functions where Directors are required to represent the club
 - iii) The reasonable cost of Directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time
- b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those members who are Directors of the club.



PRESIDENTS REPORT – 2012

In 2012 the group achieved a combined net loss of \$146,569.00. Whilst the other reports in this journal will discuss our financial position, I will address other issues that directly affect all members.

At the Memorial club we have been buoyed by the success of the Friday night membership draw. However we have been disappointed with the attendance at the Saturday night entertainment. Therefore commencing in April we have changed to a more family style offering. I encourage you to check this out I believe that it will be well received.

The Bowling club remains a challenge however the Board of Directors are committed to its continued operation. Recent changes to operating hours and facilities at the Bowling club may not have been well received however they are financially necessary and they have been done to give the Bowling club a better chance for success.

Two recent initiatives that I believe will be vital to the future success of the Bowling club have been the recent appointment of a full time Bowling club supervisor and the move to make the Men's Bowls section self sufficient.

Michelle Bullard has recently been hired as the Bowling club Supervisor and a major part of her role is to ensure consistent standards in service delivery and improve the communication with the members. Please make her feel welcome.

The Mens Bowls section is now self-sufficient and early figures and projections look encouraging. In this regard I would like to thank all the volunteers that have helped out throughout the year and a big thank you to Mal Reed and his team who have worked tirelessly for the benefit of the Bowlers.

To my fellow Directors, thank you again for your strength and support throughout the year, you have all kept the best interests of the club foremost in your decision making.

To Matthew Dawson our CEO, congratulations on doing a tough job very well. These results could not be achieved without you. To the management team, administration and our diligent staff, thank you. You are the reason for our success and you make the club an enjoyable club to spend a night out.

Lastly to you the members thank you for your continued patronage of the club and for your efforts to embrace new concepts.

GLENN HUNTER, President



GENERAL MANAGERS REPORT 2012

In 2012 the financial results for the two clubs was a combined loss of \$146,569.00. A financial loss is never good in any sense however in this tough economic climate the year still produced many positives.

Financially your club is in a better overall position than it was 12 months ago. We have reduced our net debt by over \$500,000.00 and improved our general cash position by over \$100,000.00 when compared to 2011. The loss at the Bowling club remained stable; however with the Mens Bowls Section becoming self sufficient in the third quarter of 2012 we are anticipating a better result at the Bowling club in 2013. The next challenge is to improve our general turnover whilst continuing to reign in our costs

It has always been our aim to be a club that caters for the entire community therefore it is vitally important that we continue to review the quality of all the services that we provide. As a result of our reviews you will notice changes to the gaming machines, general promotions and entertainment in 2013, I trust that you will support and appreciate these changes.

As members I appreciate that you have your preference on which of our venues that you like to visit. However the same facilities, benefits or even operating hours are not available at each venue. This is simply done to help the viability of each venue; it is madness to compete with yourself. This is not the time for conspiracy theories it is time for common sense to prevail and support the club as a whole, as support for one venue is essentially support for the other.

Your club has a proactive team of Directors and Managers who work together for the best interest of both venues and I would like to thank Glenn Hunter for his leadership and tireless commitment to our club and the Board of Directors for their dedication, teamwork and willingness to embrace new ideas. Tony and David Liu and their team for their commitment and skills which have been of huge benefit to the club.

I would also like to thank my Operations Manager, Mark Whitby, Executive Assistant Melinda Keating and Marketing Manager Francesca Appuhamy for your loyalty, support and dedication and to my entire management and supervision team for your support and willingness to put yourselves out for the good of the team, your dedication is amazing. Finally to my staff, our greatest asset, we have a great team of dedicated individuals who serve all our patrons with respect, dignity and courtesy, sometimes in the most trying of circumstances. Their professionalism and integrity is second to none. It is a pleasure to work with them and be part of their growth and success.

MATTHEW DAWSON, General Manager



TREASURERS REPORT 2012

In 2012 the combined entity produced a financial loss of \$146,569.00 which in the current economic climate is a reasonable result.

On a club by club basis the Memorial club returned a reduced profit of \$36,072.00 (2011 profit of \$371,977.00) and the Bowling club returned a loss of \$182,641.00 (2011 loss of \$182,843.00).

As Treasurer I believe that it is my responsibility to ensure that we aim to balance the needs of all members with sound business decisions in line with our finances. I believe that this has been clearly demonstrated over the years through our continued low beverage prices.

The Board of Directors commitment to the future of the Bowling club has not wavered, however it is our continued challenge to ensure that we maximize the benefits of running the two clubs. The decision to make the Men's Bowls section self sufficient has been well received and in this regard I would like to thank Mal Reed and the Bowls committee for their tireless efforts in raising sponsorship and ensuring that Bowls runs smoothly.

In my report last year I wrote about the continuing decline in retail spending and consumer confidence, which has affected patronage and spending levels. For the first time in many years our gaming figures have regressed and we are now at 2009 levels. The Board have recognized this and we are in the process of putting together a gaming machine replacement strategy and promotional program for both venues.

The implementation of the Carbon Tax brought higher energy prices which negatively impacted the club by \$47,000.00. However on a brighter side the club paid \$587,208.00 off its debt in 2012 and improved our cash position by \$104,204.00

The Board of Directors understand the difficulties that the club is facing and I thank them for the way that they put the long term financial future of the club first. They have made decisions with the aim that the club is a viable operation for future generations.

Finally I would like to thank all those concerned in achieving this outcome. From Glenn Hunter and the Board of Directors your direction and support has been greatly appreciated. To the CEO Matthew Dawson and the entire management team your leadership and dedication to the club and its members is outstanding and your policy of continuous training for all staff has ensured that we have an outstanding team who are committed to giving great hospitality to all patrons.

GRANT SMITH, Treasurer



DIRECTORS' REPORT

Your Directors submit the Financial Accounts of the Company for the year ended December 31, 2012 and report as follows:

DIRECTORS

The names of the Directors in office at any time during the year ended December 31, 2012 are as follows:

NAME	QUALIFICATIONS	CONTINUITY AS DIRECTOR	SPECIAL RESPONSIBILITIES
Chris Britton	Maintenance Fitter	18/04/2004	
Vic Cohen	Salesman	01/05/2011	
Neil Harvey	Retired	03/05/2003	
Kurt Hippe	Private Investigator	01/05/2011	
Glenn Hunter	Plumber	07/04/2002	Chairman
Richard Palmer	Self Employed	01/05/2011	
Michael Randall	Stocktaker	18/04/2004	
Mal Reed	Retired	03/05/2009	Snr Vice Chairman
Glenn Riley	Clerk	06/05/2012	Jnr Vice Chairman
Grant Smith	Builder	18/04/2004	Treasurer
Lila Whitby	Shop Assistant	06/05/2012	

MEETINGS OF DIRECTORS

During the year, 19 meetings of directors were held. Attendances by each director were as follows:

	NO.MEETINGS ATTENDED	NO.MEETINGS HELD
Chris Britton	18	19
Vic Cohen	19	19
Neil Harvey	16	19
Kurt Hippe	18	19
Glenn Hunter	17	19
Richard Palmer	5	5
Michael Randall	5	5
Mal Reed	17	19
Glenn Riley	14	14
Grant Smith	19	19
Lila Whitby	12	14



CONSTITUTION

The Club is a Company Limited by Guarantee and without a Share Capital and the liability of members of the Licensed Club is limited to an amount not exceeding five (\$5.00) dollars towards the payments of debts and liabilities in the event of winding up. The number of members as at the date of this report were:

Associate: 6,649 Life: 7

ACTIVITIES

The principal activity of the Company in the course of the financial year was to provide members and their guests with amenities and facilities usually associated with a social and recreational club.

No significant change in the nature of the activity occurred during the year.

SHORT TERM OBJECTIVES

The primary short term objective of the Club is to maintain its financial security during the uncertain times and challenges currently facing the Club from the proposed gaming machine legislation and worsening economic circumstances.

LONG TERM OBJECTIVES

The long term objective of the Club remains consistent with the original aims of the Founding Members, which is the promotion of the local community from the greater Riverstone area.

STRATEGIES IN ACHIEVING THESE OBJECTIVES

The Club has continued to invest in the Club's facilities ensuring the Club continues to be an attractive place for its members and guests.

The Club continues to maintain control over its own financial future.

The Club has carefully monitored its operational performance to ensure that costs and expenditure are appropriate for the Club. However the Club has carried on supporting and sponsoring a variety of events, social activities and charities.

OPERATING RESULTS

The net operating loss of the Company after providing for income tax for the financial year was \$146,569 (2011: profit \$189,134).



REVIEW OF OPERATIONS

The Club's loss of \$146,569 for the year ended 31st December 2012 resulted in a negative turn around from the 2011 year of \$335,703. This was mainly due to patchy trading as good months were followed by less successful months that were the result of tougher times currently facing retail business. Careful management of expenditure has supported the continued patronage by both members and guests.

Movement in significant items of revenue and expenses are as follows:

	2012 \$	2011 \$
Poker Machine Trading Profit	3,903,875	3,938,886
Bar Trading Profit	7,881	193,710
Keno Profit/-Loss	95,248	115,737
T.A.B. Profit/-Loss	-4,423	-10,381
Other Club Income	433,172	516,673
Club Expenses	4,826,137	4,607,602

DIVIDENDS

The Company is a not-for-profit organisation and is prevented by its Constitution from paying a dividend.

REVIEW OF OPERATIONS

A review of the operations of the Company during the financial year and the results of those operations found that during the year, the company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

EMPLOYEE REMUNERATION

The top five employees of the company whose remuneration package from the company or any related party over \$100,000 during the financial year under review is disclosed in additional information pursuant to Section 41 H(1) of the Registered Clubs Amendment Act.

STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the company that occurred during the Financial Year under review not otherwise disclosed in this Report or the Accounts.



EVENTS SUBSEQUENT TO BALANCE DATE

The directors are unaware of any matters or circumstances which have arisen since the end of the financial year, which 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 financial years subsequent to the financial year ended December 31 2012.

LIKELY DEVELOPMENTS AND RESULTS

Likely developments in the operations of the Company and the expected results of the operations have not been included in this report as the directors believe on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the Company.

ENVIRONMENTAL ISSUES

The Company's operations are not subject to significant environmental regulations under the law of the Commonwealth or of a state or territory.

DIRECTORS' INTEREST

Since the end of the previous financial year no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or receivable by Directors shown in the accounts) by reason of a contract made by the Company or a related corporation with a Director or with a firm of which the Director is a Member, or with an entity in which the Director has a substantial interest, other than Mr. Neil Harvey who manages Harvey Meats which provides meat products in the normal course of business.

DIRECTORS' INDEMNITY

Directors' indemnity premiums have been provided for, and paid, during the year for Directors' and Officers' Liability. The Insurance is in respect of legal liability for damages and legal costs arising from claims made by reason of any omissions or acts (other than dishonesty) by them, whilst acting in their individual or collective capacity as Directors or Officers.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' Liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contracts.



PROCEEDINGS ON BEHALF OF 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 a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

AUDITORS INDEPENDENCE DECLARATION

The Directors have obtained a declaration of independence from the auditor, Ross Fowler & Co, in accordance with section 307C of the Corporations Act 2001, which forms part of this report. A copy of the declaration is attached to this report.

NON-AUDIT SERVICES

Non-audit services were provided by the auditor, Ross Fowler & Co, for the 2012 year. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of non-audit services provided means that the auditor independence is not compromised.

This report is signed in accordance with a resolution of the Directors and is signed for and on

behalf of the Directors by:

Glenn HUNTER
Director

Grant SMITH
Director

Dated at Riverstone this 13th day of March, 2013.



INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

CLASSIFICATION OF EXPENSES BY NATURE	Note	2012 \$	2011 \$
Revenue from ordinary activities	2	8,440,120	8,844,527
Changes in inventories		113	2,086
Consumables used		-892,471	-877,285
Employee benefits expense		-2,256,455	-2,186,460
Depreciation and amortisation expenses	2	-794,414	-797,604
Borrowing costs expense	2	-444,455	-464,080
Other expenses from ordinary activities		-4,199,007	-4,332,050
Profit/-loss from ordinary activities before income tax expense		-146,569	189,134
Income Tax relating to ordinary activities	3	0	0
Net profit from ordinary activities and after income tax expense attributable to members		-146,569	189,134
TOTAL CHANGES IN EQUITY		-146,569	189,134

STATEMENT OF CHANGES IN MEMBERS FUNDS FOR THE YEAR ENDED DECEMBER 31, 2012

	Retained Earnings \$	Total \$
Balance 31st December 2010	10,275,807	10,275,807
Profit Attributable to Members	189,134	189,134
Balance 31st December 2011	10,464,941	10,464,941
Loss Attributable to Members	-146,569	-146,569
Balance 31st December 2012	10,318,372	10,318,372

**BALANCE SHEET AS AT DECEMBER 31, 2012**

	Note	2012 \$	2011 \$
CURRENT ASSETS			
Cash		245,270	179,372
Receivables	4	5,000	11,682
Inventories	6	50,586	50,473
Other	7	237,959	298,417
TOTAL CURRENT ASSETS		538,815	539,944
NON-CURRENT ASSETS			
Investments – Shares	8	752	752
Property, plant & equipment	9	14,818,003	15,582,273
TOTAL NON-CURRENT ASSETS		14,818,755	15,583,025
TOTAL ASSETS		15,357,570	16,122,969
CURRENT LIABILITIES			
Accounts Payable	10	623,117	638,468
Borrowings	11	589,443	666,736
Provisions	12	385,466	366,162
Other	13	10,086	7,355
TOTAL CURRENT LIABILITIES		1,608,112	1,678,721
NON-CURRENT LIABILITIES			
Borrowings	11	3,431,086	3,979,307
Provisions	12	0	0
TOTAL NON-CURRENT LIABILITIES		3,431,086	3,979,307
TOTAL LIABILITIES		5,039,198	5,658,028
NET ASSETS		10,318,372	10,464,941
MEMBERS FUNDS			
Retained Profits	14	10,318,372	10,464,941
TOTAL MEMBERS' FUNDS		10,318,372	10,464,941

**STATEMENT OF CASH FLOWS FOR THE YEAR
ENDED DECEMBER 31, 2012**

	Note	2012 INFLOWS - OUTFLOWS \$	2011 INFLOWS - OUTFLOWS \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		9,291,940	9,725,877
Cash payments in the course of operations		-8,067,123	-8,720,141
Interest received		0	1,326
Interest and costs of finance paid		-444,455	-464,080
Income taxes paid		0	0
NET CASH PROVIDED BY/ -USED INOPERATING ACTIVITIES	19(B)	780,362	542,982
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		370,000	0
Payment for property plant & equipment		-548,670	-635,181
NET CASH PROVIDED BY/-USED IN INVESTING ACTIVITIES		-178,670	-635,181
CASH FLOWS FROM FINANCIAL ACTIVITIES			
Proceeds from borrowings		89,720	188,116
Repayment of borrowings		-587,208	-273,765
NET CASH PROVIDED BY/-USED IN FINANCIAL ACTIVITIES		-497,488	-85,649
Net increase/-decrease in cash held		104,204	-177,848
Cash as at January 1, 2011		-236,921	-58,073
CASH AS AT DECEMBER 31, 2011	19(A)	-132,717	-236,921



NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1. STATEMENT OF ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of the financial statements are:

a) Basis of Preparation

The directors of Riverstone-Schofields Memorial Club Limited have elected under Section 334(5) of the Corporations Act 2011 to apply the following Accounting Standards in advance of their effective dates:

AASB 1053 Application of Tiers of Australian Accounting Standards; and
AASB 2010 – 2 Amendments to Australian Accounting Standards arising from reduced disclosure requirements.

These accounting standards are not required to be applied until annual reporting periods beginning on or after 1st July 2013.

AASB 1053 establishes a differential financial reporting framework consisting of two tiers of reporting requirements for general purpose financial statements:

Tier 1 – Australian Accounting Standards

Tier 2 – Australian Accounting Standards – Reduced Disclosure Requirements.

The company complies with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board.

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.

b) Financial Assets

All financial asset and non financial assets are assessed at each reporting date to determine whether there is any objective evidence that it is impaired.

All impairment losses are recognized in profit or loss.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell.



c) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the full-year financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS")

d) Amortisation and Depreciation of Property, Plant and Equipment

Property, plant and equipment are depreciated/amortised at rates based upon their expected economic lives, using the diminishing value method or unless otherwise stated.

The depreciable rates used for each class of asset are as follows:

Building and Leasehold Improvements	2.50%	Prime Cost
Plant and Equipment	7.5% - 40%	Diminishing Value
Leased Plant	30%	Prime Cost
Poker Machines	30%	Diminishing Value
Motor Vehicles	22.50%	Diminishing Value
Leased Machines	30%	Diminishing Value

e) Inventories

Inventories, representing liquor and sundry stocks are valued at the lower of cost and net realisable value.

f) Income Tax

Due to the Doctrine of Mutuality income tax is levied on that portion of the club's income attributed to visitors and other external sources. Expenses of the club directly related to members are not allowed as a deduction for income tax purposes.

g) Employee Entitlements

Annual Leave and Sick Leave

The provision for employee entitlements to annual leave represents the amount which the economic entity has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been calculated at nominal amounts based on current wage and salary rates and includes related on-costs. Sick leave entitlements are charged to the Statement of Financial Performance when claimed.

Long Service Leave

The liability for employee entitlements to long service leave represents leave entitlements accrued by those employees with greater than five years of service and includes related on-costs.



h) Lease Plant and Equipment

Leases of plant and equipment under which the company assumes substantially all the risks and benefits of ownership are classified as finance leases.

Finance leases are capitalised. A lease asset and liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Contingent rentals are written off as an expense of the accounting period in which they are incurred. Capitalised lease assets are amortised on a straight line basis over the term of the relevant lease. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged to the statement of financial performance.

i) Superannuation

The Company is committed to paying Award Club Plus Superannuation to all employees based on nine percent of their ordinary time earnings.

j) Investments

Investments are carried at the lower of cost or recoverable amount.

k) Goods and Services Tax

Revenue expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognized as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financial activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

l) Comparative figures and reporting format

Where ever possible comparative figures have been adjusted to conform with changes in presentation and format to that of the previous financial year.

**NOTE 2. REVENUE**

	2012 \$	2011 \$
Operating Activities		
Poker machine net receipts	5,744,828	5,978,348
Bar sales	1,873,731	1,915,734
Entertainment receipts	253,695	282,542
Catering Receipts	0	0
Bowls receipts	76,038	71,578
Function receipts	81,949	128,638
Government Subsidy – training	9,500	42,000
Members’ subscriptions	34,307	42,000
Sundry income	154,133	132,439
Keno commission	157,377	180,421
TAB commission	54,562	55,871
	<hr/> 8,440,120	<hr/> 8,829,571
GST Collected	851,820	882,676
	<hr/> 9,291,940	<hr/> 9,712,247
Non-Operating Activities		
Proceeds on sale of non-current assets	0	0
Rent Received	0	13,630
Interest received	0	1,326
	0	14,956
	<hr/> 9,291,940	<hr/> 9,727,203
TOTAL REVENUE		
	<hr/> 9,291,940	<hr/> 9,727,203
Profit from ordinary activities before income tax expense has been determined after:		
a) Expenses		
Borrowing costs	0	0
Bad debts/- recovered	0	0
Depreciation/amortisation of property, plant & equipment	794,414	797,604
Interest paid	444,455	464,080
Remuneration of Auditors:		
- Audit & Review	19,000	18,000
- Other Services	24,400	24,000
Amounts set aside to provision for:		
- Employee entitlements/-written back	31,701	22,639
b) Revenue and Net Gains		
Profit/-loss on sales of non-current assets		0

**NOTE 3. INCOME TAX**

The Income Tax Act, 1936 (amended) provides that under the concept of mutuality clubs are only liable for income tax on income derived from non-members, interest and commission received less concessional deductions and from outside entities, and not on the surplus as shown in the Statement of Financial Performance. In view of this special circumstance it is not appropriate to compare income tax payable with the operating profit/-loss as disclosed in the Statement of Financial Performance.

- a) The amount set aside for income tax in the Statement of Financial Performance has been calculated as follows: Income tax applicable to above at tax rate of 30%

	2012 \$	2011 \$
2012 and 2011	0	7,387
Under/-over provision in prior year	0	0
Less benefit of tax losses brought forward	0	7,387
	<hr/> 0	<hr/> 0

- b) Provision for Current Income Tax Movements during the year:

	2012 \$	2011 \$
Balance at beginning of the year	0	0
Income tax refund/-payable	0	0
Current year's income tax expense on operating profit	0	0
Under/-over provision in prior year	0	0
	<hr/> 0	<hr/> 0

- c) Deferred Tax Assets

Future income tax benefit not taken into account:

The potential income tax benefit arising from timing differences and tax losses brought forward has not been recognised as an asset because recovery is not assured beyond reasonable doubt:

The potential future income tax benefit will only be obtained if:

- i) the Company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised
- ii) the Company continues to comply with the conditions for deductibility imposed by the Law: and
- iii) no changes in tax legislation adversely affect the Company in realising the benefit.

**NOTE 4. RECEIVABLES**

	2012 \$	2011 \$
Sundry Debtors	0	6,682
TAB - Security Deposit	5,000	5,000
	<u>5,000</u>	<u>11,682</u>

NOTE 5. REMUNERATION OF DIRECTORS

In accordance with the Registered Club Act – No Director received any remuneration other than out of pockets expenses as allowed by the Articles of Association.

NOTE 6. INVENTORIES

	2012 \$	2011 \$
Bar Stock - landed cost	<u>50,586</u>	<u>50,473</u>

NOTE 7. OTHER CURRENT ASSETS

	2012 \$	2011 \$
Income Tax paid in advance	56,124	54,214
Prepayments	181,835	244,203
	<u>237,959</u>	<u>298,417</u>

NOTE 8. INVESTMENTS

	2012 \$	2011 \$
Shares at cost - ING Co-Op Ltd	750	750
Community First	2	2
	<u>752</u>	<u>752</u>

**NOTE 9. PROPERTY, PLANT and EQUIPMENT (at cost)**

	2012 \$	2011 \$
Plant and Equipment	3,444,750	3,269,204
Less: Accumulated depreciation	2,655,059	2,419,421
	<u>789,691</u>	<u>849,873</u>
Poker Machines	4,120,722	3,994,061
Less: Accumulated depreciation	3,190,316	3,153,174
	<u>930,406</u>	<u>840,887</u>
Poker Machine Licences	<u>190,458</u>	<u>190,458</u>
Plant Under Lease	677,421	677,421
Less: Accumulated depreciation	240,314	162,314
	<u>437,107</u>	<u>515,107</u>
Land - Lot 6 Market Street	299,391	299,391
Land - Lot 2 Market Street	786,870	786,870
Land - 32 Market Street	0	415,043
Land – Bowling Club	1,900,000	1,900,000
Buildings – Bowling Club	1,403,644	1,403,644
Buildings - New Club House	10,217,703	10,212,357
	14,607,608	15,017,305
Less: Accumulated depreciation	2,137,267	1,831,267
	<u>12,470,341</u>	<u>13,186,038</u>
TOTAL PROPERTY, PLANT & EQUIPMENT - Net Book Value:	<u>14,818,003</u>	<u>15,582,273</u>

**NOTE 10. ACCOUNTS PAYABLE**

	2012 \$	2011 \$
GST Liability	76,842	57,922
Trade Creditors and accruals	546,275	580,546
	<u>623,117</u>	<u>638,468</u>

NOTE 11. BORROWINGS

	NOTE	2012 \$	2011 \$
CURRENT – Secured			
Bank Overdraft		377,987	416,293
Bank Bills	16	0	0
Lease Liabilities	15	211,456	250,443
		<u>589,443</u>	<u>666,736</u>
NON-CURRENT – Secured			
Bank Bills	16	0	0
Business Loan	16	3,353,468	3,780,283
Lease Liabilities	15	77,618	199,024
		<u>3,431,086</u>	<u>3,979,307</u>

NOTE 12. PROVISIONS

	2012 \$	2011 \$
CURRENT		
Provision - Income Tax	0	0
Provision - Poker Machine Tax	105,110	117,507
Provision - Employee Entitlements	280,356	248,655
	<u>385,466</u>	<u>366,162</u>
NON-CURRENT		
Provision - Deferred Income Tax Liability	0	0

**NOTE 13. OTHER CURRENT LIABILITIES**

	2011 \$	2011 \$
GST Rebate in advance	0	4,875
Subscriptions paid in advance	10,086	2,480
	<u>10,086</u>	<u>7,355</u>

NOTE 14. RETAINED PROFITS

	2011 \$	2011 \$
Retained profits at the beginning of the financial year	10,464,941	10,275,807
Net profit/-loss attributable to members	-146,569	189,134
Retained profits at the end of the financial year	<u>10,318,372</u>	<u>10,464,941</u>

NOTE 15. HIRE PURCHASE & LEASING COMMITMENTS

	2011 \$	2011 \$
COMMITMENTS IN RELATION TO:		
Finance leases payable as follows:		
Not later than 1 year	211,456	250,443
Later than 1 year but not later than 2 years	77,618	126,623
Later than 2 year but not later than 5 years	0	72,401
Minimum payments	<u>289,074</u>	<u>449,467</u>
Less: Future finance charges	<u>0</u>	<u>0</u>
TOTAL LIABILITY	<u>289,074</u>	<u>449,467</u>
Current	211,456	250,443
Non-Current	<u>77,618</u>	<u>199,024</u>
	<u>289,074</u>	<u>449,467</u>

**NOTE 16. BUSINESS LOAN FACILITIES**

Security covering the above facility comprises:

- a) Registered First Mortgage from Riverstone-Schofields Memorial Club Limited over property situated at Lot 2 corner George and Market Street, Riverstone described in Certificate of Title Folio Identifier 2/524457
- b) Registered First Equitable Mortgage by Riverstone-Schofields Memorial Club Limited over the whole of the company's assets and undertakings including uncalled capital.

NOTE 17. FINANCIAL INSTRUMENTS**a) Interest Rate Risk**

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as referred to in the relative preceding notes.

	Weighted Average Effective Interest		Floating Interest Rate		Fixed Interest Rate Maturing			
	2012 %	2011 %	2012 %	2011 %	Within 1 Year		1 to 5 Years	
					2012 %	2011 %	2012 %	2011 %
Financial Assets								
Cash	4.0	4.0	245,270	179,372	-	-	-	-
Financial Liabilities								
Bank Overdraft	10.63	12.00	377,987	416,293	-	-	-	-
Loan	10.44	11.95	3,353,468	3,780,283	-	-	-	-
Hire Purchase & Leasing	9.00	9.00	-	-	211,456	250,443	77,618	199,024
Total Financial Liabilities			3,731,455	4,196,576	211,456	250,443	77,618	199,024



b) Credit Risk

The maximum exposure of credit risk, excluding the value of any collateral of other security, at balance date to recognized financial assets, is the carrying amount as disclosed in the Statement of Financial Position and notes to and forming part of the financial statements. The company has a material risk exposure to the National Australia Bank under financial instruments entered into by the Company.

c) Net Fair Values

For all other financial assets and liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and notes to and forming part of the financial statements.

NOTE 18. RELATED PARTIES

The names of each person holding the position of Directors of Riverstone-Schofields Memorial Club Limited during the financial year are:

Messrs: C. Britton, V. Cohen, N. Harvey, K. Hippe, G. Hunter, R Palmer, M. Randall, M Reed, G. Riley, G. Smith and L. whitby.

**NOTE 19. NOTES TO THE STATEMENT OF CASH FLOWS****A. RECONCILIATION OF CASH**

For the purpose of this Statement of Cash Flows, cash includes Cash on Hand and in Banks and Investments in Money Market, Investments net of outstanding Bank Overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flow is reconciled to the related items in the Statement of Financial Position as follows:

	2012 \$	2011 \$
Cash	245,270	179,372
Bank Overdraft	-377,987	-416,293
	<u>-132,717</u>	<u>-236,921</u>

B. RECONCILIATION OF NET CASH FROM OPERATIONS WITH OPERATING PROFIT/-LOSS AFTER INCOME TAX

	2012 \$	2011 \$
Cash	<u>245,270</u>	<u>179,372</u>
Operating profit/-loss after income tax and before extraordinary items	-146,569	189,134
Non-cash Flows in Operating Profit		
Amortisation/depreciation	794,414	797,604
- Gain/loss on disposal of assets	58,806	0
Charges to Provision	31,701	22,639
Changes in Assets and Liabilities		
- Increase/decrease in trade & term debtors	6,682	0
- Increase/decrease in inventories	-113	-2,086
- Increase/decrease in prepayments	60,458	-43,541
- Increase/decrease in other debtors	0	0
- Increase/-decrease in trade creditors	-34,271	-136,852
- Increase/-decrease in other liabilities	9,254	-283,916
	<u>780,362</u>	<u>542,982</u>



DIRECTORS' DECLARATION

The Directors of the company declare that:

1. the financial statements and notes, as set out on the pages 1 to 19:
 - a) comply with Accounting Standards and the Corporations Act, 2001; and
 - b) give a true and fair view of the financial position as at December 31, 2012 and performance for the year ended on that date of the company
2. in the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due and payable.

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

Glenn HUNTER
Director

Grant SMITH
Director

Dated at Riverstone this 13th day of March, 2013.



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS
ACT 2001 TO THE DIRECTORS OF RIVERSTONE
SCHOFIELDS MEMORIAL CLUB LIMITED**

We declare that, to the best of our knowledge and belief, during the year ended 31 December 2012 there has 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.

Ross Fowler & Co
Chartered Accountants

R.B. Fowler

Address: 11 Tindale Street Penrith NSW 2750

Date: 13th day of March, 2013



Chartered Accountants and Business Advisors
Ross Fowler B.Comm. FCA ABN | 96 769 893 959



AUDITORS' REPORT TO THE MEMBERS

Scope

The Financial Report and Directors' Responsibility

We have audited the financial report of Riverstone-Schofields Memorial Club Limited for the financial year ended 31 December 2012. The financial report includes the Directors Declaration, Income Statement, Balance Sheet, Statement of Cash Flows and Notes to the financial statements.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report represents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature of our procedures, our audit was designed to provide assurance on internal controls.



Independence

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

Audit opinion

In our opinion, the financial report of Riverstone-Schofields Memorial Club Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2012 and of its performance of the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements.

Ross Fowler & Co
Chartered Accountants

R.B. Fowler

Address: 11 Tindale Street Penrith NSW 2750

Date: 113th day of March, 2013



Chartered Accountants and Business Advisors
Ross Fowler B.Comm. FCA ABN | 96 769 893 959



COMPILATION REPORT

On the basis of information provided by the Directors of Riverstone-Schofields Memorial Club Limited, we have compiled in accordance with APS 9 'Statement on Compilation of Financial Reports' the special purpose financial report of Riverstone-Schofields Memorial Club Limited for the year ended 31 December 2012.

The specific purpose for which the special purpose financial report has been prepared is to provide private information to the directors. The extent to which Accounting Standards and other mandatory professional reporting requirements have or have 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 and are appropriate to satisfy the requirements of the Directors.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors 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 that 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 company and its members and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

Ross Fowler & Co
Chartered Accountants

R.B. Fowler

Address: 11 Tindale Street Penrith NSW 2750
Date: 113th day of March, 2013



Chartered Accountants and Business Advisors
Ross Fowler B.Comm. FCA ABN | 96 769 893 959



Riverstone Schofields
MEMORIAL CLUB



Riverstone Schofields

MEMORIAL CLUB

THE CLUB ASSISTED THE FOLLOWING ORGANISATIONS IN 2012

RIVERSTONE FAMILIES CONNECT

RIDING FOR THE DISABLED

RIVERSTONE CRICKET CLUB

RIVERSTONE NETBALL CLUB

RIVERSTONE GOLF CLUB

RIVERSTONE DOLPHINS SWIMMING

SCHOFIELDS BASEBALL CLUB

SCHOFIELDS SOCCER CLUB

HUXLEY NETBALL CLUB

SCHOFIELDS NETBALL CLUB

RIVERSTONE LITTLE ATHLETICS

RIVERSTONE RUGBY LEAGUE CLUB

RIVERSTONE COMBINED CHURCHES

ST JOHNS CHURCH

PREMIERS DISASTER RELIEF FUND





Riverstone Schofields

MEMORIAL CLUB



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