

Bellingen R.S.L. Country Club Limited

Trading as Bellingen Golf Club

A.B.N. 25 001 018 819

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of Bellingen R.S.L. Country Club Limited – Trading as Bellingen Golf Club, will be held at the Company's Licensed Premises, 1172 Waterfall Way, Bellingen at 7.30pm on Monday 12th April 2010.

The business for such a meeting is:

1. To confirm the Minutes of the previous Annual General Meeting held on Monday April 20th 2009
2. To receive the President's Report
3. To receive and consider the financial statements of the company, together with the Director's and Auditor's Report for the year ending December 31, 2009. (It would be appreciated if Members have any questions in regard to these reports they lodge these questions with the Office 7 days prior to the Annual General Meeting to enable an accurate response to be presented to Members.)
4. To elect the Board of Directors for 2010-2011
5. To transact any other business, which may be lawfully brought before the meeting.

By Order of the Board
Gillian Anderson
Secretary/Manager

CHAIRMAN'S REPORT

2009 was a very challenging one for the Club. The figures the Board inherited from 2008 were less than impressive and then to rub salt into the wounds we had to cope with five floods during the year. The Board, working with the newly appointed Secretary/Manager, had to make changes to the way the Club operated to ensure our continued viability into the future. Many things were changed during 2009 to ensure this outcome and I am pleased to report that with the support of members we are gradually turning things around. Changes to procedures, price increases and cutting back on expenditure will always attract comments and criticism from some members. None of us like change but I can assure you that the changes made as a result of decisions by the Board during the year have all been absolutely necessary. I can honestly tell you that had we not made these changes the Club would have been in very dire straits.

We do have many wonderful members, but as in all Clubs there are a few who believe nothing is right, and nothing is ever good enough. I urge every member to keep positive about our great Club, take ownership of it and help it to modernise and move into the future with confidence.

I commend to members the work put in by Gillian during her first year as Secretary/Manager. She has worked with great energy and enthusiasm and all facets of the Club operations are running much smoother now. The effort she has put in deserves our sincere thanks.

It is sad for me to announce my retirement from the Board. My new employment is in Coffs Harbour and I find it very difficult to make it to meetings on time and also fulfil my other commitments to the Club. It is desirable that the Chairman is readily available when needed. I think that I have done my part for the Club over many years. I started around 1992 as a Golf Committee person and became the Golf President in 1994 when we were running the two clubs. I held that position until the main Club moved to the golf club site in 1997. I became Chairman of the board in 2001 after the massive floods destroyed a large section of the golf course and except for 2008 when I suffered a heart attack, have held the position of Chairman until now. My passion for the Club has not faded, but I would really like to hand it over to someone that can continue with the baton and take our Club into a modern future. We own a beautiful asset, but we all need to pull together and make it tick! I hope that I can still run the Karaoke nights. Thank you everyone.

Gary Bryant
Chairman

TREASURERS REPORT

The audited statements for the 2009 financial year are attached for members information and adoption at the Annual General Meeting.

The current year profit of \$10,389 is a very welcome improvement on last years loss of \$144,285. It needs to be remembered however that two significant amounts received from insurance recoveries (\$65058) and asset disposal including poker machines (\$56654), contributing to this outcome are one-off receipts in 2009 and not part of normal yearly trading operations.

The year was a very difficult one with five floods causing damage to Club property, regular trading interruptions and course closures. The general economic climate we all experienced during 2009 was also a challenging one. I believe that in these circumstances the Club achieved a very satisfactory result for the financial year. A number of decisions taken by the Board in late 2008 and early 2009 contributed to this improved outcome. These included increasing a range of prices, appointing a part time Secretary/Manager, adopting a tight budget for the year, cost reductions and spending restraint, contracting out the bistro operations and selling six unused poker machine licences. Some of these decisions may not have been popular with members at the time but they were necessary for the long term financial survival of our Club.

I would like to commend Gillian for her work during the year in increasing Club patronage and the attention she has given to cost control. Considerable savings have been made in a number of areas by her work and these have all helped our bottom line. Leanne and Kevin have also done a great job during 2009 in keeping everything in order and looking after the accounts and the bar's profitability week in week out. Thank you Leanne and Kevin. I would be happy to answer any questions members may have on the finances of the Club at the AGM.

Jeff Hoare
Treasurer

MENS CAPTAIN'S REPORT

Another challenging year has passed, with our main problem, as usual, being the weather. Not only did we receive the highest annual rainfall on record, but after the rain came long dry spells which caused the fairways to dry out and harden, slowing down any remedial works. These events ultimately meant reduced golf days and reduced fields. At least the inclement weather enabled us to streamline the Club's evacuation procedure! However there is still machinery and stock to be relocated and this requires many hands. More high shelving has been purchased and erected, enabling a lot more gear to be left downstairs when the floods are expected to be relatively minor.

In the last few months, the course has been very well presented which has been a great effort by our greens staff and regular volunteers. A huge thank you must go to all the volunteers, who give of there time, in many different areas to make this Club and course function and present as well as it does. I shudder to imagine what the place would be like without you. It is great to see and feel in the volunteers a sense of pride and achievement in their works. To our many valued and appreciated sponsors, a huge thank you. Goods and prizes presented at the Club this year was valued in excess of \$13,000! What a fantastic effort by all involved. I would like to welcome the many new members to the Club. One of the big challenges for the Club is the attraction of new members. Hopefully people

would look to golf as an option when they get a bit old to continue other sports, or don't have to drive the kids everywhere on a Saturday.

I would like to thank my Golf Committee, and the Special Events Committee, for their input and support throughout the year. Congratulations to all the winners during the year, especially the major events. It is my fond wish that the Club remain harmonious and prosper into the future.

Chris Smith
Captain

LADIES CAPTAIN'S REPORT

What a testing year we had with numerous floods making the course unplayable for short periods of time, but the good spirit of our Club members kept us up and running.

We were able to have our Club championships and I would like to congratulate Gillian who is our lady champion. She works tirelessly in her position as Secretary/Manager and I am sure she will lead the Club to a brighter future.

Also I would like to congratulate our foursomes champions Gabe Gibson and Sue Wilson-Brown and our mixed foursomes champions Jean and Wayne Jeffery.

Congratulations to our pennants team who won the 2009 pennant competition.

I hope you will all support Azalea day which is always special. Thanks to Azalea Glen for their continued sponsorship of this event.

The Bellingham Weekend Classic in October last year was a great success and I'm sure all those who played will be looking forward to our next Classic in October this year.

Our short course is proving to be a very popular game.

Hopefully this year we will get more players to come and enjoy our beautiful course.

Our special thanks to the life blood of our Club the volunteers who help to keep our course beautiful.

I hope we will all enjoy good health and golfing this year and may we all support our Club functions.

June Giblett
Ladies Captain

SECRETARY MANAGERS REPORT

This year has really tested our staff, board and volunteers and they all came through with flying colours. Five floods are exceptional and so are the people who worked, helped, and volunteered to get the Club through a very difficult year. Throw in a drought, and a break in and you would have to say it has been a memorable year.

Under the circumstance we have managed very well financially. The years profit is partly due to the sale of some poker machine entitlements and insurance claims, but also reflects sound management by the Board. To achieve this, the Board had to make some very tough decisions and they are to be commended for their actions. Hours have been reduced in the bar, office and on the golf course.

The cut backs to the greens staff hours unfortunately resulted in Des having to find employment elsewhere. We thank him very much for helping to keep the course in top condition. Thanks also to Errol who has worked above and beyond the call of duty. In every flood Errol volunteered his time and worked tirelessly to minimise the impact of the floods. Smokey's work on the course this year has been of immense importance; he and the other volunteer mowers do a great job every week. Thank you all. Troy's job also had to be absorbed and we thank him for his work throughout the year.

The office has seen a few changes over the past year. Thanks to Melanie, Donna and Fiona for their hard work. By the time this report is out our new office assistant, Cathy Parsons, will have commenced work - welcome Cathy. Words cannot express how valuable our employee's Leanne and Kevin are to this Club. Their dedication, knowledge and loyalty to this Club is quite exceptional. They have been the most wonderful support for me and I thank them from the bottom of my heart. Thanks also to our wonderful bar staff Pat, Jodie, Russell and Elijah; a really great team. Vanessa and Natalie, who chose to leave us this year, we thank you for your many years of service to the Club.

The caterers have changed this year with Joe and family taking over from Emma and Sam. Joe and his family have provided a very professional friendly service to the Club over the last six months. Thank you. Also thanks to Greg Martin for cooking us wonderful Rooney Burgers every Saturday, plus all the many other jobs he does during the week.

Thank you to a very hard working Board, Gary, Peter, Jeff, Chris, Jan, Tony and Smokey. Stan left the Board during the year but continues to unselfishly volunteer his time for the good of the Club.

It is really hard in a few words to thank all our volunteers, and there are so many it is impossible to name them all. The importance of their contribution to the running of our Club was highlighted at our staff and volunteers Xmas party with invitations going to 100 Club members who had volunteered their help during the year. It was a lovely evening, attended by over 70 volunteers and their partners, and hopefully an evening we can repeat each year. Without our volunteers the Club would not be able to survive. The coming year will continue to present a challenging trading environment and it remains imperative to have a strong volunteer team to work with our board and staff.

Gillian Anderson
Secretary/Manager

Bellingen RSL Country Club Limited

ABN 25 001 018 819

Independent Audit Report to the members of Bellingen RSL Country Club Limited

Report on the Financial Report

We have audited the accompanying financial report of Bellingen RSL Country Club Limited, which comprises the balance sheet as at 31 December 2009 and the income statement, statement of changes in equity and cash flow statement for the year ended that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

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 (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 report 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 report 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 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 judgement, 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 company'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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our review, 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 Bellingen RSL Country Club Limited on 16 February 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.

Liability limited by a scheme approved under Professional Standards Legislation.

Bellingen RSL Country Club Limited

ABN 25 001 018 819

Independent Audit Report to the members of Bellingen RSL Country Club Limited

Auditor's Opinion

In our opinion the financial report of Bellingen RSL Country Club Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2009 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.

HQB Chartered Accountants


Ian Hogbin

17 February 2010
Coffs Harbour

Bellingen RSL Country Club Limited

ABN 25 001 018 819

Directors' Report

31 December 2009

Your directors present their report on the company for the financial year ended 31 December 2009.

1. General information

Directors

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

Names	Appointed/Resigned
Brian Mortimer	Resigned 20 April 2009
Doug Winn	Resigned 20 April 2009
Peter Stenson	Appointed 30 April 2007
Jeff Hoare	Appointed 30 April 2007
Tony Parker	Resigned 20 April 2009
Chris Smith	Appointed 24 April 2006
Gary Bryant	Appointed 20 April 2009
Stan McCabe	Resigned 21 September 2009
Jan Kearsley	Appointed 20 April 2009
Tony Epstein	Appointed 20 April 2009
Clifford Barry	Appointed 9 November 2009

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

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Kevin McMahon - 19 years experience in club industry.

Principal Activities

The principal activity of Bellingen RSL Country Club Limited during the financial year was operation of a Licenced Golf Club.

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

2. Business review

Operating Results

The profit/(loss) from ordinary activities after providing for income tax amounted to \$ 10,389(2008: \$ (144,285)).

Bellingen RSL Country Club Limited

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Directors' Report

31 December 2009

3. Other items

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the company occurred during the financial year:

(i) The club was affected by five flood incidents during the year, which impacted on the club's trading activities.

(ii) As reported last year, the club has now sold six surplus poker machine entitlements during the year.

After balance day events

To further improve the club's cashflow, the Directors are endeavoring to sell a further three poker machine entitlements, to fund an upgrade of the remaining poker machines and to build an outdoor smoking poker machine playing area.

The Club continues to hold merger talks with the Bellingen Bowling and Sporting Club Limited. There has been no further progress on this matter during the year.

Except for the above, no other matters or circumstances 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 future financial years.

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 32.

Rounding of amounts

The company is an entity to which ASIC Class order 98/100 applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest dollar.

Environmental Issues

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

The club continues to monitor environmental regulations.

Bellingen RSL Country Club Limited

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Directors' Report

31 December 2009

3. Other items continued Non-audit services

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 31 December 2009:

	2009	2008
	\$	\$
Accounting and Bookkeeping Services	2,500	7,199
	<u>2,500</u>	<u>7,199</u>

4. Director Information

Information on Directors

Brian Mortimer	Retired Army Officer
Doug Winn	Retired Stockbroker
Peter Stenson Special Responsibilities	Retired Naturopath Vice Chairman
Tony Parker	Retired Butcher & Metal Polisher
Jeff Hoare Special Responsibilities	Retired CEO Treasurer
Chris Smith	Surveyors Assistant/Dip of Ed.
Gary Bryant Special Responsibilities	Panel Beater Chairman
Stan McCabe	Retired/Hotel & Club Management
Jan Kearsley	Self Funded Retiree
Tony Epstein	Retired Architect/Project Manager

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Directors' Report

31 December 2009

Clifford Barry

Retiree

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	
	Eligible to attend	Number attended
Brian Mortimer	4	4
Doug Winn	4	4
Peter Stenson	12	11
Jeff Hoare	12	12
Tony Parker	3	2
Chris Smith	12	10
Gary Bryant	9	9
Stan McCabe	9	9
Jan Kearsley	9	7
Tony Epstein	9	8
Clifford Barry	2	1

5. Remuneration Report

The Chairman and Treasurer are paid an honorarium, as determined at the annual general meeting, as a token payment to assist in defraying costs of attending to the company's affairs.

The current year honorarium is:

Gary Bryant (Chairman)	\$1,800
Jeff Hoare (Treasurer)	\$1,500

6. Indemnifying Officers

Insurance premiums paid for directors

The company has paid premiums to insure Directors and Officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.

Bellingen RSL Country Club Limited

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Directors' Report

31 December 2009

7. Related Third Party Transactions

No director, with the exception of Gary Bryant, of the company has received or become entitled to receive, during or since the financial year, a benefit by reason of a contract made by the company or a related corporation with a director or a firm of which a director is a member, or with a company in which a director has a substantial interest.

Gary Bryant is the principal of J & D Motor Body Repairs, who repair motor vehicles damaged by golf balls.

8. Proceedings on Behalf of Company

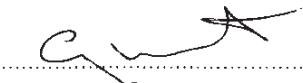
No Leave or proceedings

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.

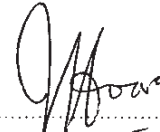
The company was not a party to any such proceedings during the year.

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

Director:


Gary Bryant

Director:


Jeff Hoare

Dated this Sixteen day of February 2010

Bellingen RSL Country Club Limited


ABN 25 001 018 819


Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 14 to 32, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 31 December 2009 and of the 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 become due and payable.

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

Director

Gary Bryant

Director

Jeff Hoare

Dated this Sixteen day of February 2010

Bellingen RSL Country Club Limited

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Balance Sheet

31 December 2009

	Note	2009 \$	2008 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	54,760	48,988
Trade and other receivables	3	18,332	22,283
Inventories	5	32,111	41,936
TOTAL CURRENT ASSETS		105,203	113,207
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,753,145	1,602,200
TOTAL NON-CURRENT ASSETS		1,753,145	1,602,200
TOTAL ASSETS		1,858,348	1,715,407
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	93,891	139,787
Borrowings	8	124,526	131,931
Short-term provisions	9	66,925	59,155
TOTAL CURRENT LIABILITIES		285,342	330,873
NON-CURRENT LIABILITIES			
Borrowings	8	34,191	32,339
Other long-term provisions	9	1,874	1,642
TOTAL NON-CURRENT LIABILITIES		36,065	33,981
TOTAL LIABILITIES		321,407	364,854
NET ASSETS		1,536,941	1,350,553
EQUITY			
Reserves		1,526,552	1,494,838
Retained earnings		10,389	(144,285)
TOTAL EQUITY		1,536,941	1,350,553

Bellingen RSL Country Club Limited

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Income Statement

For the Year Ended 31 December 2009

	Note	2009 \$	2008 \$
Sales revenue	4	969,126	1,151,243
Cost of sales		(413,061)	(503,897)
Gross profit		556,065	647,346
Other income	4	92,372	25,764
Revenue - investment	4	305	985
Profit/(Loss) on Sale of Asset	4	56,655	(11,728)
Marketing expenses		(22,377)	(20,839)
Occupancy expenses		(55,445)	(52,464)
Administrative expenses		(111,329)	(138,369)
Employee costs		(409,282)	(498,937)
Depreciation	6	(77,427)	(76,647)
Finance costs		(19,148)	(19,396)
Profit before income tax		10,389	(144,285)
Income tax expense		-	-
Profit attributable to members		10,389	(144,285)

Statement of Changes in Equity

2009

	Note	Asset Revaluation Reserve \$	General Reserves \$	Total \$
1 January 2009		883,782	466,770	1,350,552
Profit attributable to members		-	10,389	10,389
Revaluation increment (decrement)		176,000	-	176,000
Transfers to and from reserves		-	-	-
- asset revaluation reserve		(42,000)	42,000	-
Balance at 31 December 2009		1,017,782	519,159	1,536,941

2008

	Note	Asset Revaluation Reserve \$	General Reserves \$	Total \$
Balance at 1 January 2008		-	611,055	611,055
Profit attributable to members		-	(144,285)	(144,285)
Revaluation increment		883,782	-	883,782
Transfers to and from reserves		-	-	-
Sub-total		883,782	(144,285)	739,497
Balance at 31 December 2008		883,782	466,770	1,350,552

Bellingen RSL Country Club Limited

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Cash Flow Statement

For the Year Ended 31 December 2009

	Note	2009 \$	2008 \$
Cash from operating activities:			
Receipts from customers		1,155,692	1,224,498
Payments to suppliers and employees		(1,129,836)	(1,294,671)
Interest received		305	985
Finance costs		(19,148)	(19,395)
Net cash provided by (used in) operating activities		7,013	(88,583)
Cash flows from investing activities:			
Proceeds from sale of plant and equipment		4,314	15,940
Net cash provided by (used in) investing activities		4,314	15,940
Cash flows from financing activities:			
Proceeds from borrowings		39,159	16,975
Payment of finance lease liabilities		(39,858)	(45,247)
Net cash provided by (used in) financing activities		(699)	(28,272)
Other activities:			
Net increase (decreases) in cash held		10,628	(100,915)
Cash at beginning of financial year		(34,854)	66,061
Cash at end of financial year		(24,226)	(34,854)

Bellingen RSL Country Club Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2009

1 Summary of Significant Accounting Policies

(a) General Information

The financial report is for Bellingen RSL Country Club Limited as an individual entity, incorporated and domiciled in Australia. Bellingen RSL Country Club Limited is a company limited by guarantee and not having a Share Capital.

(b) Basis of Preparation

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

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

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

(c) Comparatives

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

(d) Income Taxes

The company adopts the liability method of tax effect accounting, whereby income tax expense shown in the profit and loss account is based on the operating profit before income tax, calculated after applying the mutuality principle, and adjusted for any permanent and timing differences.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

(f) 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.

Bellingen RSL Country Club Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2009

1 Summary of Significant Accounting Policies continued

(f) Property, Plant and Equipment continued

Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are generally measured on the cost basis less depreciation and impairment losses. However some pieces of specific plant and equipment have been revalued to fair value based on independent valuation.

Poker machine entitlements were revalued to market value as at 31 December 2009. Poker machine plant and equipment were revalued as at 31 December 2008.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset

Buildings	2 - 2.5%
Plant and Equipment	9 - 67%

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

(g) Financial Instruments

Initial recognition and measurement

Bellingen RSL Country Club Limited

ABN 25 001 018 819

Notes to the Financial Statements

For the Year Ended 31 December 2009

1 Summary of Significant Accounting Policies continued

(g) Financial Instruments continued

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 company commits itself to either purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- the amount in which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

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

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in

Bellingen RSL Country Club Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2009

1 Summary of Significant Accounting Policies continued

(g) Financial Instruments continued

accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) 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.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial liabilities

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

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(h) 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 balance sheet.

Bellingen RSL Country Club Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2009

1 Summary of Significant Accounting Policies continued

(i) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. 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 present value of the estimated future cash outflows to be made for those benefits. These cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(j) Provisions

Provisions are recognised when the company 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.

(k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(l) Revenue and Other Income

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

Grant revenue is recognised in the income statement when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the balance sheet as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Bellingen RSL Country Club Limited receives non-reciprocal contributions of assets from the government and other parties for no or a nominal value. These assets are recognised at fair value on the date of acquisition in the balance sheet, with a corresponding amount of income recognised in the income statement.

Donations and bequests are recognised as revenue when received.

Bellingen RSL Country Club Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2009

1 Summary of Significant Accounting Policies continued

(l) Revenue and Other Income continued

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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).

(m) 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 balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Rounding of Amounts

The company has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest \$ 1.

2 Cash and Cash Equivalents

	2009	2008
	\$	\$
Cash on hand	28,000	30,400
Cash at bank	10,441	2,926
Short-term bank deposits	3,500	3,500
Other cash and cash equivalents	12,819	12,162
	<u>54,760</u>	<u>48,988</u>

3 Trade and Other Receivables

	2009	2008
Note	\$	\$
CURRENT		
Trade receivables	1,150	4,075
Prepayments	12,626	11,747
EFTPOS/ATM	4,556	5,850
Other receivables	-	611
	<u>18,332</u>	<u>22,283</u>

Bellingen RSL Country Club Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2009

4 Revenue

	2009	2008
	\$	\$
Operating Activities:		
- Bar	337,674	330,720
- Golf	140,048	137,162
- Gaming	354,589	397,959
- Entertainment	44,428	47,295
- Bistro	35,515	188,736
- Other revenue	56,872	49,371
	<u>969,126</u>	<u>1,151,243</u>
- Other Revenues		
- Interest income	305	985
- Donations and sponsorships	15,793	3,170
- Other income	11,520	5,841
- Government grants	-	9,753
- Gain and loss on disposal of assets	56,655	(11,728)
- Insurance recoveries	65,059	7,000
	<u>149,332</u>	<u>15,021</u>
Total Revenue	<u>1,118,458</u>	<u>1,166,264</u>

5 Inventories

	2009	2008
	\$	\$
CURRENT		
At Cost		
Merchandise	32,111	41,936
	<u>32,111</u>	<u>41,936</u>

Bellingen RSL Country Club Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2009

6 Property, Plant and Equipment

	2009	2008
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At independent valuation	405,000	405,000
Total freehold land	<u>405,000</u>	<u>405,000</u>
Buildings		
At independent valuation	922,026	922,026
Less accumulated depreciation	(222,879)	(208,902)
Total buildings	<u>699,147</u>	<u>713,124</u>
Total land and buildings	<u>1,104,147</u>	<u>1,118,124</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	845,707	763,062
At independent valuation	42,276	42,276
Less accumulated depreciation	(658,512)	(615,662)
Total plant and equipment	<u>229,471</u>	<u>189,676</u>
Poker Machines		
At independent valuation	392,188	258,188
At cost	323,161	319,561
Less accumulated depreciation	(295,822)	(283,349)
Total poker machines	<u>419,527</u>	<u>294,400</u>
Total plant and equipment	<u>648,998</u>	<u>484,076</u>
Total property, plant and equipment	<u>1,753,145</u>	<u>1,602,200</u>

Bellingen RSL Country Club Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2009

6 Property, Plant and Equipment continued

(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	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year	405,000	713,124	189,676	294,400	1,602,200
Additions	-	-	92,176	3,600	95,776
Disposals	-	-	(1,404)	-	(1,404)
Depreciation expense	-	(13,977)	(50,977)	(12,473)	(77,427)
Revaluation decrease recognised in equity	-	-	-	(42,000)	(42,000)
Revaluation increase recognised in equity	-	-	-	176,000	176,000
Carrying amount at the end of 31 December 2009	405,000	699,147	229,471	419,527	1,753,145
Balance at					
Balance at the beginning of year	-	-	181,682	68,724	799,308
Depreciation expense	-	(14,095)	(38,202)	(24,350)	(76,647)
Revaluation decrease recognised in equity	-	-	-	-	(548,902)
Revaluation increase recognised in equity	405,000	727,219	46,196	250,026	1,428,441
Carrying amount at the end of	405,000	713,124	189,676	294,400	1,602,200

7 Trade and Other Payables

	2009	2008
	\$	\$
CURRENT		
Trade payables	31,056	72,404
Prepaid Subscriptions	20,387	23,407
GST Poker Machine Offset	7,152	7,156
Other payables	35,296	36,820
	93,891	139,787

Bellingen RSL Country Club Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2009

8. Financial Liabilities

	2009	2008
Note	\$	\$
CURRENT		
Secured liabilities		
Bank overdraft	16 78,986	83,841
Finance obligation	16 45,540	48,090
	<u>124,526</u>	<u>131,931</u>
	2009	2008
	\$	\$
NON-CURRENT		
Secured liabilities		
Finance obligation	16 34,191	32,339
	<u>34,191</u>	<u>32,339</u>

(a) Total current and non-current secured liabilities

	2009	2008
	\$	\$
Bank overdraft	78,986	83,841
Finance obligations	79,731	80,429
	<u>158,717</u>	<u>164,270</u>

9 Provisions

	Employee entitlements	Total
	\$	\$
Opening balance at 1 January 2009	60,797	60,797
Additional provisions	8,002	8,002
Balance at 31 December 2009	<u>68,799</u>	<u>68,799</u>
No. of Employees	11	11

Bellingen RSL Country Club Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2009

9 Provisions continued

Analysis of Total Provisions

	2009	2008
	\$	\$
Current	66,925	59,155
Non-current	1,874	1,642
	<u>68,799</u>	<u>60,797</u>

10 Auditors' Remuneration

	2009	2008
	\$	\$
Remuneration of the auditor of the company for:		
- Auditing or reviewing the financial report	7,000	7,000
- Other services	2,500	7,199
	<u>9,500</u>	<u>14,199</u>

11 Reserves

(a) Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non current assets. The company attained an independent valuation of all the company's assets as at 31 December 2008. Poker machine entitlements were revalued to market value as at 31 December 2009.

12 Operating Profit/(Loss)

(a) Operating Loss has been determined after including the following significant items:

	2009	2008
	\$	\$
Depreciation		
Buildings	13,977	14,095
Plant and Equipment	50,977	38,202
Poker Machines	12,473	24,350
	<u>77,427</u>	<u>76,647</u>
Interest Paid		
	<u>19,148</u>	<u>19,396</u>

Bellingen RSL Country Club Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2009

13 Directors Remuneration

Number of Directors whose income from the company fell within the following bands:

\$1 - \$9,999 2009 (2) 2008 (2)

14 Cash Flow Information

(a) Reconciliation of cash

	2009	2008
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	54,760	48,987
Bank overdraft	<u>(78,986)</u>	<u>(83,841)</u>
	<u>(24,226)</u>	<u>(34,854)</u>

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

	2009	2008
	\$	\$
Net income/loss for the period	10,389	(144,285)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	77,427	76,647
Net gain on disposal of property, plant and equipment	(56,655)	(11,728)
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	3,950	(9,995)
(Increase)/decrease in inventories	9,825	(11,313)
Increase/(decrease) in trade payables and accruals	(45,925)	13,446
Increase/(decrease) in provisions	8,002	(1,355)
	<u>7,013</u>	<u>(88,583)</u>

Bellingen RSL Country Club Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2009

15 Calculation of Income Tax Payable

	2009
	\$
Operating Profit	\$ 10,389
Non-deductible Items	
Building Allowance	13,977
Provision for Employee Entitlements	8,002
	<u>21,979</u>
Less	
Members Subscriptions	43,540
Interest & Commissions	2,210
Donations Received	13,743
	<u>(59,493)</u>
Add	
Members only Expenditure (printing & stationary)	1,584
Donations	742
Keno Expenses	4,098
Superannuation	26,669
Rates and Taxes	10,752
	<u>43,845</u>
Total	<u>\$ 16,720</u>
(a) Apportionable Income/(Loss)	
Profit Attributable to non-members (10.3%)	1,716
Add	
Interest & Commissions	2,210
	<u>3,926</u>
Less Allowable Expenses	
Superannuation	26,669
Donations	742
Keno Expenses	4,098
Rates and Taxes	10,752
	<u>(42,261)</u>
Taxable Income/(Loss) for Year	<u>(38,335)</u>
Prior year Profit/(Loss) brought forward	<u>(558,880)</u>
Carried forward Profit/(Loss)	<u>(597,215)</u>

Bellingen RSL Country Club Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2009

16 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, leases and loans

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2009 \$	2008 \$
Financial Assets			
Cash and cash equivalents		54,760	48,988
Loans and receivables		1,150	4,686
		<u>55,910</u>	<u>53,674</u>
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables		93,891	139,787
- Borrowings		158,717	164,270
		<u>252,608</u>	<u>304,057</u>

(i) Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are interest rate risk, credit risk and price risk.

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. The overdraft operates on the credit union's current overdraft rate while other loans are fixed for the duration.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

Price risk

The company is not exposed to any material commodity price risk.

Bellingen RSL Country Club Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2009

16 Financial Risk Management continued

(ii) Financial instrument composition and maturity analysis

The company's exposure to interest rate risk, which is the risk that a financial instruments 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 follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate		Non-interest Bearing		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:										
Cash and cash equivalents	4.95	5.00	23,110	15,088	3,500	3,500	28,150	30,400	54,760	48,988
Receivables	-	-	-	-	-	-	1,150	4,686	1,150	4,686
Total Financial Assets			23,110	15,088	3,500	3,500	29,300	35,086	55,910	53,674
Financial Liabilities:										
Bank loans and overdrafts	9.45	10.20	78,986	83,841	-	-	-	-	78,986	83,841
Trade and sundry payables	-	-	-	-	-	-	93,891	139,787	93,891	139,787
Hire purchase liabilities	7.03	9.33	-	-	79,731	80,429	-	-	79,731	80,429
Total Financial Liabilities			78,986	83,841	79,731	80,429	93,891	139,787	252,608	304,057

Bellingen RSL Country Club Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2009

17 Club Membership

In 2009; 315 members were subscribed to the club. In 2008; 764 members were subscribed.

18 Company Details

Registered office

The registered office of the company is:
Bellingen RSL Country Club Limited
1172 Waterfall Way
Bellingen NSW 2454

Bellingen RSL Country Club Limited

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

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

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

HQB Chartered Accountants

Ian Hogbin

17 February 2010

Coffs Harbour