

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Annual Report

For The Financial Year Ended
30 June 2011

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392
(A Company Limited By Guarantee)

Annual Report
For The Year Ended 30 June 2011

	<i>Page Number</i>
<i>Directors' Report</i>	2
<i>Auditors' Independence Declaration</i>	7
<i>Auditors' Report</i>	8
<i>Directors' Declaration</i>	10
<i>Statement of Comprehensive Income</i>	11
<i>Statement of Financial Position</i>	12
<i>Statement of Changes in Equity</i>	13
<i>Statement of Cash Flows</i>	14
<i>Notes to the Financial Statements</i>	15
<i>Additional Financial Information</i>	51

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Directors' Report

Your Directors submit the financial accounts of the Company for the year ended 30 June 2011.

Names And Details Of Directors

The names and details of directors in office at the date of this report and their details are:

YOUNG, Donald (Chairman): Engineer by profession with a Diploma of Business Management. Served in National Service in the Army then joined the RAAF serving in Korea and Malaysia 1952 to 1956. Moved to the Central Coast in 1988 and retired in 1994 and joined the Volunteers in Policing working on the Coast and Sydney CBD. Is currently the welfare Officer for the EDA Association and also the National Association of Extremely Disabled War Veterans. A member of the Ettalong Beach War Memorial Club and the Woy Woy, Ettalong, Hardy's Bay RSL since 1988 and recently joined the EBWMC Fishing Club. Has been a director of Ettalong Beach War Memorial Club for 4 years

BELL, John (Deputy Chairman): Served 21 years in the RAAF - in Korea as an Aircraft Engineer and also in Vietnam as a flight engineer on C-130s. Was a Qantas flight engineer officer for 20 years. Was a Finance Director for four years and eight years as a club director. Completed 12 years on the Club NSW Central Coast Region Committee. Has been a director of Ettalong Beach War Memorial Club for 6 years.

ROUTER, Bevin – Served in Royal Australian Navy. Is a foundation member of Gosford City Sub Branch of the Vietnam Veterans Association, serving in the posts of Treasurer and President over a period of four years. Is currently the President and RSL Representative Director appointed by the Woy Woy, Ettalong-Hardy's Bay RSL Sub Branch in February 2005. Has been a director of Ettalong Beach War Memorial Club for 6 years.

HEATH, Mervyn Bruce - Served two tours of duty in Korea with the Royal Australian Navy. Has been a member of the RSL for 46 years and has served 20 years on the committee of the local sub branch. Vice President local Naval Association. Is the NSW State Delegate of the Korean Vets Association of Aust Inc. Has been a director of Ettalong Beach War Memorial Club for 6 years.

WOOD, John – Worked for 26 years as a Development Supervisor for Gosford City Council, during this time served on the Board of Directors of Gosford City Credit Union (13 years). Has been a member of Ettalong Beach War Memorial Club for 45 years and is also a member of Woy Woy Ettalong and Hardy's Bay RSL. Has been a director of Ettalong Beach War Memorial Club since 6 June 2011.

Directors have been in office since the start of the financial year unless otherwise stated.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Directors' Report

Names And Details Of Directors (cont'd)

The following director ceased to be a director during the year

KEARNS, Wayne - A retired airline pilot having worked the last 16 years of working life in airline management. Managed flight operations on most of the aircraft fleets for Qantas during this time and stood down as Deputy Chief Pilot for Qantas before the wind down to retirement. Prior to going into management was employee elected representative on the Qantas Staff Superannuation Board for 3 years. Resigned from Board April 2011

Company Secretary

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

Melissa Hamilton Appointed company secretary on 22 February 2010.

ATTENDANCE CHART OF
BOARD OF DIRECTORS MEETINGS 2011

Name of Director	Monthly Board Meetings Attended/Monthly Meeting Held	Special Meetings Attended/Special Meetings Held
D Young	12/12	1/1
J Bell	12/12	1/1
B Router	12/12	1/1
M Heath	11/12	1/1
W Kearns	8/9	1/1
J Woods	1/1	1/1

Principal Activities

The company's principal activities in the course of the financial year were, that of a Licensed Club. No significant change in the nature of these activities occurred during the year.

The company's Short term goals:

- Maintain and grow profitability
- Provision of amenities for members, the Returned Services League, sporting clubs and community groups

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Directors' Report

Principal Activities (cont'd)

The company's Long term goals:

- Maintain and grow profitability
- Provision of amenities for members, the Returned Services League, sporting clubs and community groups

To achieve these through diversification the company has adopted the following strategies:

- Increase membership and grow the company's profitability
- Provide high standard facilities to members and guests

Measures used by the company for its performance:

- Standard Club industry Key Performance Indicators including Gross Profit percentages, Wages percentages, EBIT and EBITDA etc.

Operating Results

The profit for the company for the financial year after income tax amounted to \$295,652 (2010: (\$366,954)).

Going Concern

Notwithstanding the deficiency of net assets, the financial statements have been prepared on a going concern basis as the company has received financial support by way of a restructure of the company's loan and other facilities. The bank has indicated that the financial support will only continue whilst the company complies with certain conditions imposed by the bank after the restructure of the various bank facilities. The directors believe that such financial support will continue to be made available. (Refer Note 1).

Dividends

Under the Company's Constitution no dividend can be paid.

Review Of Operations

During the financial year the company continued its activities. The results of those operations were similar to results for previous years subject to normal market fluctuations except for the significant impact of the no-smoking regulations.

Details of those activities are as follows:

Bar Trading:

Bar sales for the year totalled \$2,222,679. This is a decrease from 2010 of \$96,578 (4.1%). The trading gross profit of \$1,389,311 showed a decrease of \$54,650. The Bar Net Profit decreased by \$55,402 (6.1%).

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Directors' Report

Review Of Operations (cont'd)

Poker Machine Trading:

Net takings for the year totalled \$8,714,665. This is a decrease from 2010 of \$966,750 (9.9%). The trading profit of \$4,605,842 showed a decrease of \$582,394 which was due mainly to the decrease in net takings (\$966,750), Duty Tax (\$282,579) and Poker Machine Rentals (\$89,423).

Catering Trading

The Club did not conduct any Catering Trading activities in the year ended 30 June 2011.

Significant Changes In State Of Affairs

No significant changes in the Company's state of affairs, occurred during the year, other than that referred to in the accounts or notes thereto.

After Balance Date Events

No other matters or circumstances, not otherwise dealt with in this report or the accounts that has 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 subsequent financial years.

Future Developments

The entity expects to maintain the present status and level of operations.

The company's bankers have provided financial support by way of a restructure of the term loan into various facilities based upon certain conditions being met by the company. The directors are of the opinion that the conditions of the term loan will be met by the company.

Environmental Issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a State or Territory.

Auditors Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 7 of the Directors Report.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Directors' Report

Membership

As at the end of the financial year the club had 15,423 members (2010: 17,215).

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$5.00 each towards meeting any outstanding obligations of the company. As at 30 June 2011 the total amount that members of the company are liable to contribute if the company is wound up is \$77,115 (2010: \$86,075).

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

On behalf of the Directors

D Young

Chairman/Director

Dated at Ettalong on 14 September 2011

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Auditors Independence Declaration
under Section 307C of the Corporations Act 2001
to the Directors of Ettalong Beach War Memorial Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 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.

BRACEY & ASSOCIATES
(Central Coast)
Chartered Accountants

D C Bracey
1/255 The Entrance Road
ERINA NSW 2250

14 September 2011

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

**Independent Audit Report To The Members
Of Ettalong Beach War Memorial Club Limited**

Report on the Financial Report

We have audited the accompanying financial statements of Ettalong Beach War Memorial Club Limited which comprises the statement of financial position as at 30 June 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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 entity's preparation of the financial report that gives a true and fair view 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 audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Ettalong Beach War Memorial Club Limited would be in the same terms if given to the directors as at the time of this auditor's report.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Independent Audit Report To The Members
Of Ettalong Beach War Memorial Club Limited

Opinion

In our opinion, the financial report of Ettalong Beach War Memorial Club Limited is in accordance with the Corporations Act 2001, including :

- (i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that the company made a profit after income tax of \$295,652 during the year ended 30 June 2011, and as of that date, the company's total liabilities exceeded its total assets by \$14,839,967 and whilst the company's bankers have provided financial support to date, they have indicated that the financial support will only continue whilst the company complies with certain conditions imposed by the bank after the restructure of the various bank facilities. These conditions, along with the matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern, and, therefore, whether the company will realise its assets and extinguish its liabilities in the normal course of business and the amounts stated in the financial report.

No adjustments have been made in the financial report relating to the recoverability and classification of recorded assets amounts and description of liabilities that might be necessary if the company does not continue as a going concern.

Bracey & Associates
(Central Coast)
Chartered Accountants

D C Bracey

1/255 The Entrance Road
ERINA NSW 2250

14 September 2011

Liability limited to a scheme approved under Professional Standards Legislation

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Directors' Declaration

The Directors of the Company declare that:

1. The financial report and notes set out on pages 11 to 50 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 30 June 2011, 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 become due and payable.

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

D Young
Chairman/Director

Dated at Ettalong 14 September 2011

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Statement of Comprehensive Income
For The Year Ended 30 June 2011

	Note	2011 \$	2010 \$
Classification of Expenses by Nature			
Revenues		12,505,901	13,396,885
Other Revenues		536,518	465,031
Costs of Goods Sold		(833,368)	(875,296)
Employee wages and benefits expense		(2,514,846)	(2,490,090)
Depreciation and amortisation expense		(1,025,768)	(904,932)
Financial Costs		(1,244,931)	(1,244,249)
Power & Gas		(341,478)	(350,337)
Repairs & Maintenance		(816,774)	(838,661)
Audit, Legal & Other		(122,245)	(93,979)
Other expenses		(5,857,212)	(6,707,304)
Profit/(Loss) before income tax		285,797	357,068
Income Tax (Expense) / Benefit	1(b)	9,855	9,886
		295,652	366,954
Profit/(Loss) for the year		295,652	366,954
Other comprehensive income:			
Net gain on revaluation of non-current assets		-	-
Net (loss)/gain on revaluation of financial assets		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		295,652	366,954
Profit attributable to members of the company		295,652	366,954
Total comprehensive income attributable to the members of the company		295,652	366,954

The accompanying notes form part of these financial statements.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Statement of Financial Position
As At 30 June 2011

	Note	2011 \$	2010 \$
Assets			
Current Assets			
Cash and Cash Equivalents	5	1,411,000	1,059,405
Trade & Other Receivables	6	64,428	82,859
Inventories	7	57,544	57,124
Other current assets	8	66,176	53,828
Total Current Assets		<u>1,599,148</u>	<u>1,253,216</u>
Non-Current Assets			
Property, Plant & Equipment	9	20,378,171	20,873,576
Investments	10	789	39
Total Non-Current Assets		<u>20,378,960</u>	<u>20,873,615</u>
Total Assets		<u>21,978,108</u>	<u>22,126,831</u>
Liabilities			
Current Liabilities			
Trade & Other Payables	11	1,492,276	1,789,679
Borrowings	13	10,442	20,885
Short Term Provisions	12	488,504	430,809
Total Current Liabilities		<u>1,991,222</u>	<u>2,241,373</u>
Non-Current Liabilities			
Borrowings	13	34,283,415	34,475,206
Long Term Provisions	12	543,438	545,871
Total Non - Current Liabilities		<u>34,826,853</u>	<u>35,021,077</u>
Total Liabilities		<u>36,818,075</u>	<u>37,262,450</u>
Net Assets/(Liabilities)		<u>(14,839,967)</u>	<u>(15,135,619)</u>
Members Funds			
Retained Earnings	14	(14,839,967)	(15,135,619)
Reserves	15	-	-
Total Members Funds/(Deficiency in Funds)		<u>(14,839,967)</u>	<u>(15,135,619)</u>

The accompanying notes form part of these financial statements.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Statement of Changes in Equity
For the Year Ended 30 June 2011

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 30 June 2009	(15,502,573)	-	(15,502,573)
Profit for the year	366,954	-	366,954
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2010	(15,135,619)	-	(15,135,619)
Profit for the year	295,652	-	295,652
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2011	(14,839,967)	-	(14,839,967)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Statement of Cash Flows
For The Year Ended 30 June 2011

	2011	2010
	\$	\$
<i>Cash flows from Operating Activities</i>		
Receipts from patrons & visitors & others	13,002,872	13,848,414
Payments to suppliers, employees and payouts	(10,701,602)	(11,663,201)
Finance Costs and Interest Paid	(1,244,931)	(1,244,249)
Interest Received	39,547	13,502
	<hr/>	<hr/>
Net cash generated from operating activities (refer note 23)	1,095,886	954,466
	<hr/>	<hr/>
<i>Cash Flow from Investing Activities</i>		
Proceeds from the sale of property, plant & equipment	-	16,363
Investments	(750)	-
Payment for property, plant & equipment	(541,307)	(297,585)
	<hr/>	<hr/>
Net cash used in investing activities	(542,057)	(281,222)
	<hr/>	<hr/>
<i>Cash Flow from Financing Activities</i>		
Repayments of borrowings	(202,234)	(182,904)
Increase in borrowings	-	-
	<hr/>	<hr/>
Net cash used in financing activities	(202,234)	(182,904)
	<hr/>	<hr/>
<i>Net increase/(decrease) in cash held</i>	351,595	490,340
Cash and cash equivalents as at the beginning of the financial year	1,059,405	569,065
	<hr/>	<hr/>
<i>Cash and cash equivalents as at the end of the financial year</i>	1,411,000	1,059,405
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

Ettalong Beach War Memorial Club Limited

ABN 99 001 011 392

Notes to the Financial Statements For The Year Ended 30 June 2011

The financial statements are for Ettalong Beach War Memorial Club Limited an individual entity, unlisted public company, incorporated and domiciled in Australia. Ettalong Beach War Memorial Club Limited is a company limited by guarantee.

1. Summary Of Significant Accounting Policies

Basis of Preparation

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

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

The financial statements have been prepared on an accruals basis and are based on historical costs, modified by the revaluation of selected non-current assets for which the fair value basis of accounting has been applied. Cost is based on the fair value of the consideration given in exchange for assets modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue on 14 September 2011 by the directors of the company.

Going Concern Basis

Material Uncertainty Regarding Continuation as a Going Concern

The company incurred a profit (before tax) of \$295,652 during the year ended 30 June 2011, and as of that date, the company's total liabilities exceeded its total assets by \$14,839,967 and whilst the company's bankers have provided financial support to date, they have indicated that the financial support will only continue whilst the company complies with certain conditions imposed by the bank after the restructure of the various bank facilities.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern, and, therefore, whether the company will realise its assets and extinguish its liabilities in the normal course of business and the amounts stated in the financial statements.

The financial statements do not make any allowance for any adjustments relating to the recoverability and classification of recorded assets amounts or to the amounts and classification of liabilities that might be necessary if the company does not continue as a going concern.

The financing facilities provided by the Bank are further disclosed in Note 23(c) to the financial report.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

1. Summary Of Significant Accounting Policies (Cont'd)

Accounting Policies

(a) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to members, guests etc.

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

Revenue from rendering a service is recognised upon the delivery of the service to members, guests etc.

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

(b) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the end of the reporting period.

Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differenced arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination; where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differenced can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

1. Summary Of Significant Accounting Policies (Cont'd)

Accounting Policies (cont'd)

(c) Inventories

Inventories are measured at cost and current replacement cost. Inventories acquired at no cost or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

(d) Property, Plant and Equipment

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

Property

Buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's lengths transaction), based on the cost of the asset, less subsequent depreciation/amortisation for buildings. Additions to the Clubhouse and surrounds have been capitalised by the Club and an amount of depreciation is charged annually.

A valuation of the company's land and building was carried out by Heinz Lindemann AAPI (Certified Practising Value) – Aon Risk Services Australia Limited, as at 30 June 2009. As a result of the valuation, the company's land and buildings were significantly written down in value (Impairment of Property) in the 2009 financial report.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit and loss.

As the revalued buildings are depreciated the difference between depreciation recognised in the Statement of Comprehensive Income, which is based on the revalued carrying amount of the asset, and the depreciation based on the asset's original cost is transferred from the revaluation surplus 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.

Leasehold Land and Buildings that have been contributed at no cost or for nominal cost are valued at the fair value and recognised of the asset at the date it is acquired.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

1. Summary Of Significant Accounting Policies (Cont'd)

Accounting Policies (cont'd)

(d) Property, Plant and Equipment (cont'd)

Plant and Equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1 (l) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, is depreciated on a straight line basis over the useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease, or the estimated useful life of the improvements.

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	2.5%
Plant and equipment	5-20%
Poker machines	20%

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

1. Summary Of Significant Accounting Policies (Cont'd)

Accounting Policies (cont'd)

(e) Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to the company, are classified as finance leases.

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

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

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

(f) *Employee Benefits*

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the net present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

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

(g) *Members' subscriptions received in advance*

Amounts received from members in respect of subscriptions for 2011/2012 are shown in Note 11 to the Financial Statements as Other Liabilities – Members Subscriptions Received in Advance and are included in Trade Creditors and Accruals.

(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 statement of financial position.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

1. Summary Of Significant Accounting Policies (Cont'd)

Accounting Policies (cont'd)

(i) Comparative figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST included is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the Australian Taxation Office is included with other receivables or payables in the statement of financial position.

(k) Investments

Investments are measured on the cost basis. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

(l) Impairment of Assets

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

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

1. Summary Of Significant Accounting Policies (Cont'd)

Accounting Policies (cont'd)

(l) Impairment of Assets (cont'd)

Where the future economic benefits of the asset are not primarily dependent upon on the assets ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

When an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(m) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probably that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

(n) Government Grants

Government Grants that have been received whose primary condition is that the company should purchase long-term assets are accounted for by recognising the grant in the Statement of Financial Position as deferred income and then, the income is taken up over the periods necessary to match it with the related costs which they are intended to compensate, on a systematic basis, ie, the grants related to the depreciable assets are recognised as income over the periods and in the proportions in which depreciation on those assets is charged.

(o) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date the company commits itself, to either purchase or sell 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 and loss immediately.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

1. Summary Of Significant Accounting Policies (Cont'd)

Accounting Policies (cont'd)

(o) *Financial Instruments (cont'd)*

Classification and subsequent measurement

Financial instruments are subsequently measured at either 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 the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and less any reduction for impairment and adjusted for any cumulative amortisation of the difference, if any, between that initial amount recognised and the maturity amount calculated using the *effective interest method*.

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

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking or where they are 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 accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in 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 non-derivative assets that have fixed maturities and fixed or determined payments, and it is the 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 capable of being 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.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

1. Summary Of Significant Accounting Policies (Cont'd)

Accounting Policies (cont'd)

(iv) Available-for-sale financial assets (cont'd)

They are subsequently measured at fair value (ie. gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised on other comprehensive income is reclassified into profit or loss.

(v) Financial liabilities

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

Impairment

At the end of each reporting date, the entity 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 profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(p) Critical Accounting Estimates and Judgements

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

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

1. Summary Of Significant Accounting Policies (Cont'd)

Accounting Policies (cont'd)

(p) Critical Accounting Estimates and Judgements (cont'd)

Key estimates

Impairment

The company assesses impairment at each reporting date by evaluation of conditions specific to the company that may be indicative of impairment triggers. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(q) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(r) New Accounting Standards for Application in Future Periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the company has decided not to early adopt., A discussion of those future requirements and their impact on the company is as follows :

- AASB 9: Financial Instruments [December 2010] (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The company has not yet determined any potential impact on the financial statements.

- AASB 2009-14 : Amendments to Australian Interpretation – Prepayments of a Minimum Funding requirements [AASB Interpretation 14] (applicable for annual periods commencing on or after 1 January 2011).

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

1. Summary Of Significant Accounting Policies (Cont'd)

Accounting Policies (cont'd)

(r) New Accounting Standards for Application in Future Periods (cont'd)

This Standard is not expected to impact the company.

- AASB 2010-4 : Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard details numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian-Accounting-Standards financial statements;
- AASB 7 is amended to add an explicit statement that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- AASB 101 is amended to clarify that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- AASB 134 is amended by adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
- sundry editorial amendments to various Standards and interpretations.

This Standard is not expected to impact the company.

- AASB 2010-5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 188, 199, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 155, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

1. Summary Of Significant Accounting Policies (Cont'd)

Accounting Policies (cont'd)

(r) *New Accounting Standards for Application in Future Periods (cont'd)*

- AASB 2010-6 : Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard is not expected to impact the company.

- AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 188, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

This Standard is not expected to impact the company.

- AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes.

The amendments brought in by this Standard also incorporate Interpretation 11 into AASB 112.

The amendments are not expected to impact the company.

- AASB 2010-9: Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1] (applies to periods beginning on or after 1 July 2011).

This Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

1. Summary Of Significant Accounting Policies (Cont'd)

Accounting Policies (cont'd)

(r) *New Accounting Standards for Application in Future Periods (cont'd)*

The amendments brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-Accounting-Standards financial statements or to present Australian-Accounting-Standards financial statement for the first time.

This Standard is not expected to impact the company.

- AASB 2010-10: Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9; and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

The amendments brought in by this Standard ultimately affect AASB 1: First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date.

[The amendments to AASB 2009-11 will only affect early adopters of AASB 2009-11 (and AASB 9: Financial Instruments that was issued in December 2009) as it has been superseded by AASB 2010-7.]

This Standard is not expected to impact the company.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

	2011 \$	2010 \$
2. Revenue and Other Income		
Sales Revenue:		
Net Clearances - Poker Machines	8,714,665	9,681,415
Sale of Goods - Catering Sales	-	-
Sale of Goods - Bar Sales	2,222,679	2,319,257
Sale of Goods – Function Sales	1,568,557	1,396,213
	12,505,901	13,396,885
Other Revenue:		
Interest Received	39,547	13,502
Members & Subscriptions	63,981	63,865
Other income	227,552	181,976
Commission Received - Keno	96,873	104,897
- Other	49,817	53,828
Promotions Income	58,748	46,963
	536,518	465,031
Other Income:		
Gain on sale of Property, Plant & Equipment, non-current assets	-	-
	-	-
Total Other Income	-	-
	-	-
Total Revenue and Other Income	13,042,419	13,861,916
3. Profit for the Year		
(a) Expenses		
Depreciation and amortisation of non-current assets		
- building and leasehold improvements	413,829	412,500
- plant, furniture & fittings, poker machines	611,939	492,432
	1,025,768	904,932
Depreciation and Amortisation	1,025,768	904,932
	1,025,768	904,932
Total Employee Benefits Expense	2,514,846	2,490,090
	2,514,846	2,490,090

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

	2011	2010
	\$	\$
3. Profit for the Year (cont'd)		
Auditors Remuneration		
Audit services		
- current year	40,000	40,000
Other Services		
- current year	9,000	12,000
- prior year	-	-
Total Audit Remuneration	49,000	52,000
(b) Significant Revenues and Expenses		
Net gain (loss) on disposal of non-current assets:		
Property, plant and equipment		
Proceeds on disposal	10,000	16,363
Disposals at carrying value	(20,943)	(116,390)
Net gain/(loss) on disposals	(10,943)	(100,027)
4. Income Tax		
(a) The prima facie income tax on operating profit is reconciled to the income tax provided in the accounts as follows:		
Operating profit/(loss)	285,797	357,068
Prima facie income tax payable calculated at 6.297% (prior year 8.37%) of operating profit	17,997	29,918
Add/(less) tax effect of permanent differences at 6.297% (prior year 8.37%)	83	(315)
Non-allowable members only expenses	(4,029)	(5,351)
Non-assessable members only income	12,648	14,834
Non-mutual expenses	20,109	29,427
Non-mutual income	(26,049)	(31,918)

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

	2011	2010
	\$	\$
4. Income Tax (Cont'd)		
Adjusted for the effect of non-mutual income and expenses being assessable or deductible at 30% tax rate		
Non-mutual expenses	(95,803)	(105,362)
Non-mutual income	124,104	114,281
	<u>49,060</u>	<u>45,514</u>
Tax loss not carried forward		
Recoupment of prior year tax losses Not previously brought to account	-	-
	<u>-</u>	<u>-</u>
Income tax expense/(benefit) attributable to operating profit	-	-
	<u>-</u>	<u>-</u>
(b) The income tax expense/(benefit) comprises		
Current income tax payable	52,682	48,921
Deferred tax liability	(3,623)	(3,407)
Recoupment of prior year tax losses	49,059	(45,514)
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
5. Cash and Cash Equivalents		
Current:		
Cash on Hand	179,969	166,085
Cash at Bank	1,231,031	893,320
	<u>1,411,000</u>	<u>1,059,405</u>
Total cash and cash equivalents as stated in the statement of financial position	1,411,000	1,059,405
	<u>1,411,000</u>	<u>1,059,405</u>
6. Trade and other Receivables		
Current:		
Trade and Sundry debtors	64,428	82,859
	<u>64,428</u>	<u>82,859</u>
Total current trade and other receivables	64,428	82,859
	<u>64,428</u>	<u>82,859</u>

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

6. Trade and Other Receivables (Cont'd)

Provision for Impairment of Receivables

Current trade receivables are generally on 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items. There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

		2011	2010
		\$	\$
7. Inventories			
Current:			
At Cost:			
Stock		57,544	57,124
		57,544	57,124
		57,544	57,124
8. Other Current Assets			
Current:			
Prepayments and Other Debtors		66,176	53,829
Borrowing Costs		-	-
		66,176	53,829
		66,176	53,829
9. Property, Plant And Equipment			
Land – at valuation	⊕	2,100,000	2,100,000
		2,100,000	2,100,000
Buildings			
- at cost	⊕	113,499	11,895
Less Accumulated Depreciation		(1,345)	(15)
		112,154	11,880
		112,154	11,880
Buildings at Valuation			
- at Valuation	⊕	16,500,000	16,500,000
Less : Accumulated Depreciation		(825,000)	(412,500)
		15,675,000	16,087,500
		15,675,000	16,087,500

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

	2011 \$	2010 \$
9. Property, Plant And Equipment (cont'd)		
	<hr/>	<hr/>
Total Land and Buildings	17,887,154	18,199,380
	<hr/> <hr/>	<hr/> <hr/>
⊕ - Core Property		
New Club premises and carpark development. Property purchases and purchase costs, holding costs, development and construction costs to date (refer also Note 2(d))		
Plant, equipment, furniture and fittings - at cost	6,508,572	6,177,369
Less Accumulated Depreciation	(4,017,555)	(3,503,173)
Total Plant and Equipment	<hr/> 2,491,017	<hr/> 2,674,196
	<hr/> <hr/>	<hr/> <hr/>
Total Property, Plant and Equipment	20,378,171	20,873,576
	<hr/> <hr/>	<hr/> <hr/>

A valuation of the company's land and building was carried out by Heinz Lindemann AAPI (Certified Practising Value) – Aon Risk Services Australia Limited, as at 30 June 2009.

As per Section S41 j(3) of the Registered Clubs Act the Board of Directors of Ettalong Beach War Memorial Club Limited declare that as of 30 June 2011 the Club owned the following property assets classified as below.

Current use	Classification
Land and Buildings	Core
Car Park	Core

Movements in Carrying Accounts

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

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

9. Property, Plant And Equipment (cont'd)

	Land & Buildings \$	Plant & Equipment & Poker Machines \$	Total \$
2010			
Balance at the beginning of the year	18,600,000	2,997,313	21,597,313
Additions at cost	11,895	277,689	289,584
Disposals & Transfers	(15)	(108,374)	(108,389)
Depreciation expense	(412,500)	(492,432)	(904,932)
Carrying amount at end of year	<u>18,199,380</u>	<u>2,674,196</u>	<u>20,873,576</u>
2011			
Balance at the beginning of the year	18,199,380	2,674,196	20,873,576
Additions at cost	101,604	439,702	541,306
Revaluation	-	-	-
Disposals & Transfers	-	(10,942)	(10,942)
Depreciation expense	(413,830)	(611,939)	(1,025,769)
Carrying amount at end of year	<u>17,887,154</u>	<u>2,491,017</u>	<u>20,378,171</u>

	2011 \$	2010 \$
10. Investments		
Investment in subsidiaries		
- Ettalong Facilities Pty Ltd	1	1
- Ettalong Facilities Two Pty Ltd	1	1
Investment in associated companies:		
- Tonmarp Pty Ltd	37	37
ILG Suppliers corporation	750	-
	<u>789</u>	<u>39</u>

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

10. Investments (cont'd)

Ettalong Facilities Pty Ltd is a company set up by the club for the purposes of operating the resort facility, which is now to be operated by an independent management company.

Ettalong Facilities Two Pty Ltd is a company set up by the Club for the purposes of leasing the carpark from the Club and subdividing the title to apply the development of the resort, being a requirement of the project financiers.

Tonmarp Pty Ltd is a company that was set up to purchase an area in the resort for the new gymnasium.

	2011	2010
	\$	\$
11. Trade and Other Payables		
Current:		
Unsecured:		
Trade Creditors & Accruals	1,492,276	1,789,679
Total Trade and Other Payables	1,492,276	1,789,679

12. Provisions

Analysis of total Provisions

Current: Employee Entitlements

Annual Leave	325,266	283,106
Long Service Leave	149,912	135,209

Flexi Leave	1,326	494
Mortality Benefits *	12,000	12,000
Income Tax	-	-
	488,504	430,809

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

	2011 \$	2010 \$
12. Provisions (Cont'd)		
<i>Non Current</i>		
<i>Employee Entitlements:</i>		
Long Service Leave	86,638	76,016
Mortality Benefits	17,100	20,300
Deferred Tax Liabilities	439,700	449,555
	543,438	545,871
Total Provisions	1,031,942	976,680

* Mortality Benefits are payable to eligible Members who joined the Club prior to 30 June 1972.

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 (m) to these financial statements.

13. Borrowings

Current

Unsecured:

Loans - Members

-

-

Secured:

Hire Purchase Liabilities

10,442

20,885

Bank Overdraft

-

-

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

13. Borrowings (cont'd)

	2011	2010
	\$	\$
<i>Non Current</i>		
<i>Secured:</i>		
Bank Loans	34,283,415	34,475,206
Hire Purchase Liabilities	-	-
	<u>34,283,415</u>	<u>34,475,206</u>
	<u>34,293,857</u>	<u>34,496,091</u>

The Company's bankers have provided a term loans and overdraft facility secured by a registered first mortgage over the Company's freehold land & buildings and other assets (as detailed in Note 9) and hire purchase facilities secured by a charge over the plant & equipment acquired under the Hire Purchase facilities.

14. Retained Profits

Retained Profits at the beginning of the financial year	(15,135,619)	(15,502,573)
Net profit/(loss) for the year	295,652	366,954
	<u> </u>	<u> </u>
Retained Profits/(Accumulated Losses) at the end of the financial year	<u>(14,839,967)</u>	<u>(15,135,619)</u>

15. Reserves

Asset Revaluation Reserve		
Balance at the beginning of the year	-	-
Movement for the year	-	-
	<u> </u>	<u> </u>
Balance at the end of the year	<u> </u>	<u> </u>

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

15. Reserves (cont'd)

Asset Revaluation Reserve

The asset revaluation records the revaluation increments and decrements (that do not represent impairment write-downs) that relate to financial assets such as property, plant and equipment (non-current assets).

16. Rental Commitments

Non-cancellable rental agreements
 contracted for but not capitalised in
 The financial statements

Payable:

- not later than 1 year	6,732	77,068
- later than 1 year but not later than 5 years	-	6,732
- later than 5 years	-	-
	6,732	83,800
	6,732	83,800

The rental agreements relate to poker machines, motor vehicles provided to Executive staff, miscellaneous office equipment and external neon lighting at the Club premises.

17. Remuneration & Benefits of Directors & Executive Officers

(a) Remuneration of Directors

The Directors of Ettalong Beach War Memorial Club Ltd in office during the financial year were as follows:

D Young	J R Bell	M B Heath
B Router	J Woods	W Kearns

Aggregate income received, or due and receivable,
 by the directors of the company in connection with:

- honorariums	-	-
	-	-
	-	-

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

17. Remuneration & Benefits of Directors & Executive Officers (cont'd)

(b) Key Management Personnel Compensation

Total remuneration received or due and receivable by key management (1) of the company for management of the affairs of the company.

	Short term Benefits	Post-Employment Benefits	Total
2011			
Total Compensation	159,473	13,000	172,473
2010			
Total Compensation	165,265	13,500	178,765

18. Financial Risk Management

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

The totals of 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	2011 \$	2010 \$
Financial Assets			
Cash and Cash Equivalents	5	1,411,000	1,059,405
Trade and Other Receivables	6	64,428	82,858
Financial Assets		-	-
Total Financial Assets		<u>1,475,428</u>	<u>1,142,263</u>
Financial Liabilities			
Trade and Other Payables	11	1,492,276	1,789,679
Borrowings	13	34,293,857	34,496,091
Total Financial Liabilities		<u>35,786,133</u>	<u>36,285,770</u>

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

18. Financial Risk Management (cont'd)

Financial Risk Management Policies

The finance committee's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures

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

a. Credit Risk

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

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

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

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy.

b. Liquidity Risk

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

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

18. Financial Risk Management (cont'd)

Specific Financial Risk Exposures (cont'd)

b. Liquidity Risk (cont'd)

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk relating to financial assets;
- investing only in surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

c. Market Risk

(i) Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

18. Financial Risk Management (cont'd)

(c) Market Risk (cont'd)

(i) Interest Rate Risk (cont'd)

Financial Liability and Financial Asset Maturity Analysis	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Liabilities due for payment:								
Accounts Payable & Accruals	1,492,276	1,789,679	-	-	-	-	1,492,276	1,789,679
Loans	-	-	34,283,415	34,475,206	-	-	34,283,415	34,475,206
H P Liabilities	10,442	20,885	-	-	-	-	10,442	20,885
Bank Overdraft	-	-	-	-	-	-	-	-
Total expected outflows	1,502,718	1,810,564	34,283,415	34,475,206	-	-	35,786,133	36,285,770
Financial Assets: Cash flows realisable								
Cash at bank	1,231,031	893,320	-	-	-	-	1,231,031	893,320
Cash on hand	179,969	166,085	-	-	-	-	179,969	166,085
Receivables	64,428	82,859	-	-	-	-	64,428	82,859
Total anticipated inflows	1,475,428	1,142,264	-	-	-	-	1,475,428	1,142,264
Net (outflow)/inflow on financial Instruments	(27,290)	(668,300)	(34,283,415)	(34,475,206)	-	-	(34,310,705)	(35,143,506)

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

18. Financial Risk Management (cont'd)

Specific Financials Risk Exposure (cont'd)

c. Market Risk (cont'd)

(ii) Price Risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of security held.

Net Fair Values

Fair Value Estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying value as presented in the Statement of Financial Position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumption may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to valued fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments which are carried at amortised cost (ie. trade receivables, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the company.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

18. Financial Risk Management (cont'd)

Specific Financials Risk Exposure (cont'd)

c. Market Risk (cont'd)

(iii) Price Risk (cont'd)

Net Fair Values (cont'd)

Fair Value Estimation (cont'd)

		2011		2010	
	Footnote	Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair
Financial Assets					
Cash & Cash Equivalents	(i)	1,411,000	1,411,000	1,059,405	1,059,405
Trade & Other Receivables	(i)	64,428	64,428	82,858	82,858
Financial Assets	(ii)	-	-	-	-
Total Financial Assets		1,475,428	1,475,428	1,142,263	1,142,263
Financial Liabilities					
Trade & Other Payables	(i)	1,492,276	1,492,276	1,789,679	1,789,679
Borrowings	(ii)	34,283,415	34,283,415	34,496,091	34,496,091
Total Financial Liabilities		35,786,133	35,786,133	36,285,770	36,285,770

The fair values disclosed in the above have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for relating to annual leave and deferred income, which is outside the scope of AASB139.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

18. Financial Risk Management (cont'd)

Specific Financials Risk Exposure (cont'd)

c. Market Risk (cont'd)

(iv) Price Risk (cont'd)

Net Fair Values (cont'd)

Fair Value Estimation (cont'd)

(ii) Financial assets are held to maturity investments which are values at fair value.

(iii) Borrowings are valued at their carrying value to maturity.

19. Related Party Disclosures

(a) *Identities of Related Parties*

During the financial year certain transactions were made with the Company's directors as set out in (b) below.

(b) *Transactions with Related Parties*
- Directors

Type of Transaction	Terms and Conditions of Transaction	Class of Related Party	Related Party	Amount	
				2011	2010
Meals and Drinks	Provided free of Charge	Director related entities	Directors	569	94
Club Shirts & Suits	Provided free of Charge	Director related entities	Directors	-	-

(c) The directors also purchased goods and services from the Company on the same terms and conditions available to the Company's employees, members and guests.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

20. Financial Reporting By Segments

The company operates predominantly in one industry, that being the operation of a Registered Club, registered under the Registered Clubs Act, 1976. The Company operates predominantly in one geographical location, being Ettalong, NSW.

21. Company Details

The registered office of the Company is:

Ettalong Beach War Memorial Club Limited
211 Memorial Avenue
Ettalong Beach NSW 2257

The principal place of business of the Company is:

Ettalong Beach War Memorial Club Limited
211 Memorial Avenue
Ettalong Beach NSW 2257

22. Members Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. In accordance with the conditions in the Constitution, the liability of members in the event of the Club being wound up would not exceed \$5 per member towards meeting any outstandings and obligations of the company. At 30 June 2011 there were 15,423 members.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

		2011 \$	2010 \$
23. Cash Flow Information			
(a) Reconciliation of Cash			
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to items in the Statement of Financial Position as follows:			
	Note		
Cash	5	179,969	166,085
Other financial assets-Investments	5	1,231,031	893,320
Bank Overdraft		-	-
		1,411,000	1,059,405
		1,411,000	1,059,405
(b) Cash Flow Reconciliation from Operations with Profit/(Loss) after Income Tax			
Operating profit/(loss) after income tax		285,797	366,954
Profit on sale of Property, Plant & Equipment			-
Loss on disposal of Property Plant & Equipment		10,943	100,027
Impairment Losses - Property		-	-
Depreciation and amortisation of Property Plant and Equipment		1,025,768	904,932
Changes in net assets and liabilities:			
(Increase)/Decrease in Receivables		18,431	14,914
(Increase)/Decrease in Inventories		(420)	8,844
(Increase)/Decrease in Other current assets		(12,347)	98,137
Increase/(Decrease) Trade creditors and accruals		(297,403)	(563,162)
Increase/(Decrease) in Provisions		65,117	23,820
Cash Flows provided by Operating activities		1,095,886	954,466
		1,095,886	954,466

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

	2011 \$	2010 \$
23. Cash Flow Information (cont'd)		
(c) <i>Financing Facilities</i>		
<p>The Company has arrangements with Suncorp Banking to provide funds and support facilities. These are secured over all Club's assets.</p>		
Credit facility	36,600,000	34,600,000
Amount utilised	(34,283,415)	34,475,206
Unused/(Excess Over) credit facility	316,585	124,794
<p>The major facilities are summarised as follows:</p>		
Term Loan Facilities No. 1	16,000,000	16,000,000
Main Term Loan	18,600,000	18,600,000
	34,600,000	34,600,000

The company's bankers restructured the company's loan and other facilities. The facilities include the Main Term Loan, Term Loan Facility No 1 – Variable Rate (Interest only) and Temporary Bank Overdraft. The continuation of the facility(s) is subject to annual reviews and other conditions that will commence on 1 July 2011 or as requested by the Bank and will continue until 1 July 2014. In reviewing the facility(s) the bank may review:

- (a) the facility interest rate (which includes the facility margin)
- (b) the terms and conditions of the facility.

The bank may terminate any facility following a review or impose such other conditions as it considers appropriate for the continuation of any facility.

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

24. Contingent Liabilities

The Club and Gosford City Council are parties to a Deed. Council claims that the Club is liable to pay Council \$300,000 under the terms of the Deed. The Club denies such a liability and is strenuously defending its position in conjunction with its legal advisers.

The Club has provided a guarantee for the purchase by Tonmarp Pty Ltd of a unit in the new Club Resort at Ettalong Beach.

25. Capital Commitments

	2011	2010
	\$	\$
Building additions -		
Outdoor gaming area	211,185	-
Gaming System	424,604	-
Less: Paid to date	(140,000)	-
Capital Commitment	495,789	-

There were no other capital commitments entered into by the company at 30 June 2011, and up to date of this report.

26. Controlled Entities

	Country of Incorporation	Percentage Owned (%)	Percentage Owned (%)
Ettalong Facilities Pty Ltd	Australia	100	100
Ettalong Facilities Two Pty Ltd	Australia	100	100
Tonmarp Pty Ltd	Australia	7.4	50

Financial information in relation to:

(i) Income Statement

Profit/(Loss) from ordinary activities before		
Income tax	-	-
Income tax expense relating to ordinary		
Activities	-	-

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

	2011 \$	2010 \$
26. Controlled Entities (cont'd)		
Profit from ordinary activities after income	-	-
Tax expense	-	-
	-	-
Total changes in equity	-	-
 (ii) Retained Profits		
Retained profits at the beginning of the year	-	-
Profit/(Loss) from ordinary activities after income tax expense	-	-
Dividends provided for or paid	-	-
	-	-
Retained profits at the end of the financial year	-	-
 (iii) Balance Sheet		
CURRENT ASSETS		
Cash Assets	-	-
Receivables	-	-
Inventories	-	-
	-	-
TOTAL CURRENT ASSETS	-	-
 (iii) Balance Sheet (cont'd)		
NON-CURRENT ASSETS		
Property, Plant & Equipment	-	-
Intangibles	-	-
	-	-
TOTAL NON-CURRENT ASSETS	-	-
 TOTAL ASSETS	-	-

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Notes To the Financial Statements
For The Year Ended 30 June 2011

	2011 \$	2010 \$
26. Controlled Entities (cont'd)		
CURRENT LIABILITIES		
Payables	-	-
Interest Bearing Liabilities	-	-
Provisions	-	-
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	-	-
	<hr/>	<hr/>
NON-CURRENT LIABILITIES		
Interest Bearing Liabilities	-	-
Provisions	-	-
	<hr/>	<hr/>
TOTAL NON-CURRENT LIABILITIES	-	-
	<hr/>	<hr/>
TOTAL LIABILITIES	-	-
	<hr/>	<hr/>
NET ASSETS	-	-
EQUITY	<hr/>	<hr/>
Reserves	-	-
Retained Profits	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Additional Financial Information
For The Year Ended 30 June 2011

Summarised Trading Statement

	Annexure	2011 \$	2010 \$
Income			
Commissions Received - Other		49,817	53,828
Other income		227,552	181,976
Interest received		39,547	13,502
Members subscriptions		63,981	63,865
Promotions income		58,748	46,963
Profit on sale of property, plant & equipment		-	-
Function Income		1,568,557	1,396,213
Bar trading profit	1	847,243	902,645
Poker Machine trading profit	2	4,605,842	5,188,236
Catering trading profit/(loss)	3	-	-
Keno Income		96,873	104,897
Total Income		<u>7,558,160</u>	<u>7,952,125</u>
Expenditure	4	7,272,363	7,595,057
Net Profit/(Loss) Before Income Tax		<u>285,797</u>	<u>357,068</u>
Income Tax (Expense)/Benefit Attributable to Operating Profit/(Loss)		9,855	9,886
Net Profit/(Loss)		<u>295,652</u>	<u>366,954</u>
Net Profit/(Loss) After Income Tax			
Add: Retained Profits - 1 July 2010		(15,135,619)	(15,502,573)
Retained Profits/(Accumulated Losses) - 30 June 2011		<u>(14,839,967)</u>	<u>(15,135,619)</u>

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Additional Financial Information
For The Year Ended 30 June 2011

Annexure 1 - Bar Trading Statement

	2011	2010
	\$	\$
Income		
Bar sales	2,222,679	2,319,257
Less: Cost of goods sold		
Opening stock	57,124	65,278
Purchases	833,788	867,142
Less closing stock	(57,544)	(57,124)
Cost of Goods Sold	833,368	875,296
Gross Profit	1,389,311	1,443,961
% of sales	62.5	62.2
Direct Expenses		
Wages and salaries and associated costs	500,594	499,243
% of sales	22.5	21.3
Consumables, Cleaning etc	7,547	8,925
Promotions	2,528	3,066
Repairs & Maintenance	2,551	5,883
Sundry Expenses	21,648	16,999
Stocktaking	7,200	7,200
Total Direct Expenses	542,068	541,316
Bar Trading Profit	847,243	902,645

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Additional Financial Information
For The Year Ended 30 June 2011

Annexure 2 - Poker Machine Trading Statement

	2011 \$	2010 \$
Income		
Net Poker Machine Takings	8,714,665	9,681,415
Direct Expenses		
Duty Tax	1,988,433	2,271,012
GST Subsidy – Poker Machines	(17,160)	(17,180)
Wages and salaries and associated costs	1,201,446	1,169,452
% of net clearances	13.7	12.0
Repairs and maintenance	133,417	125,564
Depreciation	315,530	302,001
Promotions	4,301	16,471
Community Development and Support	172,024	213,996
Rentals	196,800	286,223
Central Monitoring System (CMS)	103,462	104,355
Sundry Expenses	10,570	21,285
	4,108,823	4,493,179
Poker Machine Trading Profit	4,605,842	5,188,236

Annexure 3 - Catering Trading Statement

Income		
Sales	-	-
	-	-
Less: Cost of Goods Sold	-	-
	-	-
Gross Profit	-	-

Ettalong Beach War Memorial Club Limited
ABN 99 001 011 392

Additional Financial Information
For The Year Ended 30 June 2011

Annexure 4 - Expenditure

	2011	2010
	\$	\$
Operating Expenses (Cont'd)		
Strata Management Fee	220,617	168,337
Security	165,251	158,100
Subscriptions and Licences	1,698	3,563
Sundry Expenses	18,672	2,814
Telephone	30,469	41,895
Wages and associated costs	670,345	670,031
Total Operating Expenses	<u>7,272,363</u>	<u>7,595,057</u>