FORBES SERVICES MEMORIAL CLUB LIMITED

ABN: 49 000 980 058

Annual Financial Report For The Year Ended 30 June 2009

Forbes Services Memorial Club Limited

30 June 2009

ABN: 49 000 980 058

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FORBES SERVICES MEMORIAL CLUB LIMITED ABN: 49 000 980 058
DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2009.

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

Dennis Butler
Lenoard Stephens
Valerie Taylor
Ronald Hurley
Patrick Reedy
Ralph Baker
Bryan Jones
Reginald Dwyer
Wayne Richards

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

The profit of the company for the financial year after providing for income tax amounted to $-752,772.

A review of the operations of the Club during the financial year and the results of those operations found the following: Increased depreciation charges, increased financing costs, golf course vacation expenses,along with the effects of the global financial crisis have all contributed to the decrease in the Club's operating profit before tax. A refinancing of the Club's loan facilities was required during the year due to a slowdown in cashflows, predominantly from the effects as previously mentioned. The refinancing both improves the clubs liquidity ratio as well as giving the Club an extended period over which to pay off the loan facility

No significant changes in the state of affairs of the club occurred during the financial year.

The principal activities of the club during the financial year were the provision of social & sporting facilities for its members.

The only significant change to operations during the year was the diectors made the decision to vacate golf course operations due to unsustainable projected losses.

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

Likely developments in the operations of the club and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the club.

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

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

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

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

Dennis Butler
President. Elected to the Board in 2001. Retired. Member of the Clubs Director Institute.

Leonard J Stephens
Senior Vice President. Elected to the Board in 1997. Retired farmer. Many years experience in rural industry. Member of the Clubs Director Institute.

Valerie S Taylor
Elected to the Board in 1997. Home duties. Many years involved inlocal community organisations. Member of the Clubs Director Institute.

Ronald Hurley
Treasurer. Elected to the Board in 2005. Retired school principal. Member of the Clubs Director Institute.

Reginald Dwyer
Elected to the Board in 2007. Retired member of the Royal Australian Navy. Member of the Clubs Director Institute.

Wayne Richards
Junior Vice President. Elected to the Board in 2006. Former Lieutenant Commander RAN, semi retired. Member of the Clubs Director Institute.

Patrick J Reedy
Elected to the Board in 2000. Semi-retired motor mechanic. Member of the Clubs Director Institute.

Ralph Baker
Joined the Board in 2008. Local businessman and qualified tradesperson (plumber). Member of the Clubs Director Institute.

Bryan Jones
Joined the Board in 2008. Bricklayer and scoffolder and formerly a board member from 2000 to 2004. Member of the Clubs Director Institute.

Name	DIRECTORS' MEETINGS		FINANCE MEETINGS		SPECIAL MEETINGS		TOTAL MEETINGS	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Dennis Butler	8	8	14	14	6	5	28	27
Leonard Stephens	8	7	14	12	5	5	27	24
Valerie Taylor	8	6	14	14	5	4	27	24
Ronald Hurley	8	8	14	11	5	5	27	24
Wayne Richards	8	6	14	9	5	3	27	18
Patrick Reedy	8	8	14	14	5	5	27	27
Allan Dwyer	8	8	14	14	4	4	26	26
Ralph Baker	8	6	14	9	5	2	27	17
Bryan Jones	8	3	14	6	4	1	26	10

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 2.

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

Director

Dennis Butler

Dated this day of 2009

FORBES SERVICES MEMORIAL CLUB LIMITED ABN: 49 000 980 058
AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF FORBES SERVICES MEMORIAL CLUB LIMITED

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

Name of Firm ______________________

Name of Partner Brett Slack-Smith

Date 21/09/2009

Address ______________________

FORBES SERVICES MEMORIAL CLUB LIMITED ABN: 49 000 980 058
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 $	2008 $
Revenue	2	5,760,702	5,246,876
Raw materials and consumables used		(882,036)	(897,031)
Employee benefits expense		(2,024,898)	(1,840,363)
Members Amenities		(386,279)	(496,975)
Poker Machine Tax		(490,960)	(462,137)
Loan Refinance Fee	3	(274,813)	-
Depreciation and amortisation expenses		(571,767)	(428,248)
Finance costs	3	(382,885)	(248,080)
Other expenses		(1,499,836)	(1,259,349)
Profit before income tax		(752,772)	(385,307)
Income tax expense	4	-	-
Profit attributable to members of the entity		(752,772)	(385,307)

The accompanying notes form part of these financial statements.

Loan Refinance Fee is a one off expense relating to the renegotiation of loan facilities of which the benefit is expected the be recouped over the next 4 years.

FORBES SERVICES MEMORIAL CLUB LIMITED ABN: 49 000 980 058
BALANCE SHEET AS AT 30 JUNE 2009

	Note	2009 $	2008 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	248,211	318,624
Trade and other receivables	8	62,753	29,783
Inventories	9	73,426	64,564
Other current assets	10	16,445	17,318
TOTAL CURRENT ASSETS		400,835	430,289
NON-CURRENT ASSETS			
Trade and other receivables	8	-	-
Property, plant and equipment	11	7,559,276	7,727,941
Other non-current assets	10	12,311	14,964
TOTAL NON-CURRENT ASSETS		7,571,587	7,742,905
TOTAL ASSETS		7,972,422	8,173,194
CURRENT LIABILITIES			
Trade and other payables	12	372,897	538,917
Borrowings	13	111,220	729,066
Short-term provisions	14	94,658	121,047
TOTAL CURRENT LIABILITIES		578,775	1,389,030
NON-CURRENT LIABILITIES			
Trade and other payables	12	-	-
Borrowings	13	4,256,635	3,100,404
Long-term provisions	14	48,296	57,497
TOTAL NON-CURRENT LIABILITIES		4,304,931	3,157,901
TOTAL LIABILITIES		4,883,706	4,546,931
NET ASSETS		3,088,716	3,626,263
EQUITY			
Reserves		1,392,453	1,177,228
Retained earnings		1,696,263	2,449,035
TOTAL EQUITY		3,088,716	3,626,263

The accompanying notes form part of these financial statements.

FORBES SERVICES MEMORIAL CLUB LIMITED ABN: 49 000 980 058
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

	Note	Retained Earnings (accumulated losses)	Asset Revaluation Reserve	Total
		$	$	$
Balance at 1 July 2007		2,834,342	1,177,228	4,011,570
Profit attributable to equity shareholders		(385,307)		(385,307)
Transfers to and from reserves:				
— general reserve				-
Transfers from retained profits				-
Sub-total		2,449,035	1,177,228	3,626,263
Balance at 30 June 2008		2,449,035	1,177,228	3,626,263
Shares issued during the year				-
Profit attributable to equity shareholders		(752,772)		(752,772)
Revaluation increment / (decrement)			215,225	215,225
Sub-total		1,696,263	1,392,453	3,088,716
Dividends paid or provided for		-		-
Balance at 30 June 2009		1,696,263	1,392,453	3,088,716

The accompanying notes form part of these financial statements.

a. *Asset Revaluation Reserve*
The asset revaluation reserve records revaluations of non-current assets.

FORBES SERVICES MEMORIAL CLUB LIMITED ABN: 49 000 980 058
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 $	2008 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		5,714,072	5,246,875
Payments to suppliers and employees		(5,466,618)	(5,000,669)
GST Subsidy		21,070	24,519
Interest received		6,824	42,530
Finance costs		(382,885)	(248,080)
Net cash provided by operating activities	18(a)	(107,537)	65,175
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		121,973	95,777
Proceeds from sale of investments		-	-
Purchase of property, plant and equipment		(309,759)	(3,660,429)
Net cash used in investing activities		(187,786)	(3,564,652)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		855,213	2,860,394
Repayment of borrowings		(102,873)	(41,680)
Net cash provided by (used in) financing activities		752,340	2,818,714
Net (decrease) increase in cash held		457,017	(680,763)
Cash at beginning of financial year		(208,806)	471,957
Cash at end of financial year	7	248,211	(208,806)

The accompanying notes form part of these financial statements.

This financial report includes the financial statements and notes of Forbes Services Memorial Club Limited. Forbes Services Memorial Club Limited is a club limited by shares, incorporated and domiciled in Australia.

Note 1 Statement of Significant Accounting Policies

Basis of Preparation

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. 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.

(a) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. 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 assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) 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 a first-in first-out

(c) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), 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.

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 measured on the cost basis.

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

Depreciation

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

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

Class of Fixed Asset	**Depreciation Rate**
Buildings	2.5-20%
Plant and equipment	2.5-40%

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

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

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

(d) Leases

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

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

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

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the club commits itself to either purchase or sell the asset (i.e. 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 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 (i) the amount at which the financial asset or financial liability is measured at initial recognition (ii) less principal repayments (iii) 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 (iv) 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.

(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 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 the entity'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.

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

(vi) Fair Value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the club estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Derecognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expire 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 expire. The difference between the carrying value of the financial liability 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.

(g) Employee Benefits

Provision is made for the club'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, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(h) Provisions

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

(i) 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.

(j) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

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 recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

(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 of sale.

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

(l) 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.

(m) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

(n) New Accounting Standards for application in future periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods and which the club has decided not to early adopt. A discussion of those future requirements and their impact on the club is as follows:

- AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASB Standards 1,2,4,5,7,101,107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 and 107] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 and AASB 136] (applicable for annual reporting periods commencing from 1 January 2009). These Standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. In this regard, its impact on the club is not able to be determined. Changes to accounting requirements include:
  - acquisition costs incurred in a business combination will no longer be booked to goodwill but will be expensed unless the cost relates to issuing debt or equity securities
  - contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition
  - a gain or loss of control will require the previous ownership interests to be remeasured to their fair value
  - there shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity (this will not represent a change to the Club's policy)
  - dividends declared out of pre-acquisition profits will not be deducted from the cost of an investment but will be recognised as income
  - impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee
  - where there is in substance no change to club interests, parent entities inserted above existing clubs shall measure the cost of its investments at the carrying amount of its share of the equity items shown in the balance sheet of the original parent at the date of reorganisation

  The club will need to determine whether to maintain its present accounting policy of calculating goodwill acquired based on the parent's share of net assets acquired or change so that goodwill recognised will also reflect that of the non-controlling interest.

- AASB 8: Operating Segments and AASB 2007–3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). This Standard replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the company's Board for the purposes of decision making.

- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefine the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the company. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 and AASB 138 and Interpretations 1 and 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the company as a policy of capitalising qualifying borrowing costs has been maintained by the company.

- AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.

- AASB 2008-2: Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132 & AASB 139 & Interpretation 2] (applicable for annual reporting periods commencing from 1 January 2009). These amendments introduce an exception to the definition of a financial liability, to classify as equity instruments certain puttable financial instruments and certain other financial instruments that impose an obligation to deliver a pro-rata share of net assets only upon liquidation.

- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) detail numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Club.

- AASB 2008-8: Amendments to Australian Accounting Standards – Eligible Hedged Items [AASB 139] (applicable for annual reporting periods commencing from 1 July 2009). This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations and is not expected to materially affect the club.

- AASB 2008-13: Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 and AASB 110] (applicable for annual reporting periods commencing from 1 July 2009). This amendment requires that non-current assets held for distribution to owners to be measured at the lower of carrying value and fair value less costs to distribute.

- AASB Interpretation 15: Agreements for the Construction of Real Estate (applicable for annual reporting periods commencing from 1 January 2009). Under the Interpretation, agreements for the construction of real estate shall be accounted for in accordance with AASB 111 where the agreement meets the definition of 'construction contract' per AASB 111 and when the significant risks and rewards of ownership of the work in progress transfer to the buyer continuously as construction progresses. Where the recognition requirements in relation to construction are satisfied but the agreement does not meet the definition of 'construction contract', revenue is to be accounted for in accordance with AASB 118. Management does not believe that this will represent a change of policy to the club.

- AASB Interpretation 16: Hedges of a Net Investment in a Foreign Operation (applicable for annual reporting periods commencing from 1 October 2008). Interpretation 16 applies to entities that hedge foreign currency risk arising from net investments in foreign operations and that want to adopt hedge accounting. The interpretation provides clarifying guidance on several issues in accounting for the hedge of a net investment in a foreign operation and is not expected to impact the club.

- AASB Interpretation 17: Distributions of Non-cash assets to Owners (applicable for annual reporting periods commencing from 1 July 2009).

  This guidance applies prospectively only and clarifies that non-cash dividends payable should be measured at the fair value of the net assets to be distributed where the difference between the fair value and carrying value of the assets is recognised in profit or loss.

The club does not anticipate early adoption of any of the above reporting requirements and does not expect them to have any material effect on the club's financial statements.

Note 2 Revenue and Other Income

	Note	2009 $	2008 $
Sales revenue			
— sale of goods		5,753,878	5,204,346
— provision of services		-	-
Total sales revenue		5,753,878	5,204,346
Other revenue			
— dividends received	2(a)	-	-
— interest received	2(b)	6,824	42,530
— construction revenue		-	-
— services revenue		-	-
— other revenues		-	-
Total other revenue		6,824	42,530
Total sales revenue and other revenue		5,760,702	5,246,876
(b) Interest revenue from:			
— other related parties		-	-
— other persons		6,824	42,530
— directors		-	-
Total interest revenue on financial assets not at fair value through profit of loss		6,824	42,530

Note 3 Profit before Income Tax

	2009 $	2008 $
(a) Expenses		
Cost of sales	887,702	897,031
Interest expense on financial liabilities not at fair value through profit of loss		
— Company	-	-
— Director related company	-	-
— Other persons	382,885	248,080
— Loan Refinance Fee	274,813	-
Total interest expense	657,698	248,080
Impairment of non-current investments	-	-
Foreign currency translation losses	-	-
Bad and doubtful debts:		
— trade receivables	-	833
Total bad and doubtful debts	-	833
Rental expense on operating leases		
— minimum lease payments	8,623	6,214
— contingent rentals	-	-
— rental expense for sub-lease	-	246
	8,623	6,460
Contingent rentals on finance leases	-	-
Research and development costs	-	-
(b) Significant Revenue and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
— Write-off of obsolete inventory included within cost of sales	-	-
— Loss on disposal of property, plant and equipment	41,225	17,844
— Loss on disposal of non-current investments	-	-

Note 4 Income Tax Expense

	Note	2009 $	2008 $
(a) The components of tax expense comprise:			
Current tax			
Deferred tax			
Recoupment of prior year tax losses			
Under provision in respect of prior years			
		-	-

The Club is liable for income tax in accordance with the mutuality principle.

Note 5 Key Management Personnel Compensation

Names and positions held of the Club's key management personnel in office at any time during the financial year are

Dennis Butler	President
Lenoard Stephens	Senior Vice President
Valerie Taylor	
Ronald Hurley	Treasurer
Regenald Dwyer	
Patrick Reedy	
Ralph Baker	
Bryan Jones	
Wayne Richards	Junior Vice President
David Fitzgerald	Secretary Manager

The Board approves annually an allowance payable to the President of the Club which is used to cover their annual costs of administrating and promoting the Club.
The Directors voluntarily provide their time and knowledge to the Club and receive no remuneration or other benefits except as those available to members, or stated above.

Note 6 Auditors' Remuneration

	2009 $	2008 $
Remuneration of the auditor for:		
— auditing or reviewing the financial report	20,729	22,000
— taxation services	1,050	1,050
— due diligence services	-	-
— taxation services provided by related practice of auditor	-	-

Note 7 Cash and Cash Equivalents

	Note	2009 $	2008 $
CURRENT			
Cash at bank and in hand		248,211	318,624
Short-term bank deposits		-	-
		248,211	318,624

Reconciliation of cash
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:

	Note	2009 $	2008 $
Cash and cash equivalents		248,211	318,624
Bank overdrafts	13	-	(527,430)
		248,211	(208,806)

A floating charge over cash and cash equivalents has been provided for certain debt. Refer to Note 13 for further detail.

Note 8 Trade and Other Receivables

	Note	2009 $	2008 $
CURRENT			
Trade receivables		62,753	29,783
Provision for impairment		-	-
		62,753	29,783
Total current trade and other receivables		62,753	29,783
NON-CURRENT			
Trade receivables		-	-
Provision for impairment		-	-
Total non-current trade and other receivables		-	-

Credit risk

The club has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 8. The main source of credit risk to the club is considered to relate to the class of assets described as 'trade and other receivables'.

The following table details the club's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the club and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the club.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

2009	Gross Amount	Past due and impaired	Past due but not impaired (days overdue) < 30	31 – 60	61 – 90	>90	Within initial trade terms
	$	$	$	$	$	$	$
Other receivables	62,753		9,515	1,150	17,083		35,005
Total	62,753	-	9,515	1,150	17,083	-	35,005

The club does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

Note 9 Inventories

	Note	2009 $	2008 $
CURRENT			
At cost			
Raw materials and stores		-	-
Work in progress		-	-
Finished goods		73,426	64,564
Land held for resale		-	-
Construction work in progress		-	-
		73,426	64,564
		73,426	64,564

Note 10 Other Assets

	2009 $	2008 $
CURRENT		
Borrowing costs	5,955	5,255
Other assets	5,112	12,063
Prepayments	5,378	-
	16,445	17,318
NON-CURRENT		
Borrowing Costs	12,311	14,964
	12,311	14,964

Note 11 Property, Plant and Equipment

	2009 $	2008 $
LAND AND BUILDINGS		
Freehold land at:		
— independent valuation 2009	645,330	550,000
Total Land	645,330	550,000
Buildings at:		
— independent valuation 2009	5,422,500	2,340,000
— at cost	-	3,356,154
Less accumulated depreciation	-	(319,261)
Total Buildings	5,422,500	5,376,893
Total Land and Buildings	6,067,830	5,926,893
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	5,431,568	5,948,902
Accumulated depreciation	(3,940,122)	(4,147,854)
Accumulated impairment losses	-	-
	1,491,446	1,801,048
	-	-
Total Plant and Equipment	1,491,446	1,801,048
Total Property, Plant and Equipment	7,559,276	7,727,941

The club's land and buildings, poker machine entitlements and water entilements were revalued at 18 August 2009 by independent valuers. Valuations were made on the "fair value" basis in accordance with the relevant accounting standards. The poker machine entitlements and water entitlements were valued at market value of $1,305,000 and $180,000 respectively and in accordance with the accounting standards these intangible assets can not be brought to account even though they have a value.

(a) Movements in Carrying Amounts

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

	Freehold Land $	Buildings $	Plant and Equipment $	Leased Plant and Equipment $	Total $
Balance at 1 July 2007	551,088	2,865,474	1,128,796		4,545,358
Additions		2,686,065	974,364		3,660,429
Disposals	(1,088)	(6,053)	(42,457)		(49,598)
Revaluation increments/(decrements)					-
Depreciation expense		(168,593)	(259,655)		(428,248)
Capitalised borrowing cost and depreciation					-
Balance at 30 June 2008	550,000	5,376,893	1,801,048	-	7,727,941
Additions	330	122,093	187,336		309,759
Disposals			(121,973)		(121,973)
Revaluation increments/(decrements)	95,000	120,225			215,225
Depreciation expense		(196,711)	(374,965)		(571,676)
Capitalised borrowing cost and depreciation					-
Carrying amount at 30 June 2009	645,330	5,422,500	1,491,446	-	7,559,276
		-	-		-

	2009	2008
	$	$

Note 12 Trade and Other Payables

	Note	2009 $	2008 $
CURRENT			
Unsecured liabilities			
Trade payables		168,149	310,277
Sundry payables and accrued expenses		168,007	183,803
— Poker machine tax		36,741	44,837
	12(a)	372,897	538,917

(a) Financial liabilities at amortised cost classified as trade and other payables

	2009 $	2008 $
Trade and other payables		
— Total Current	372,897	538,917
— Total Non-Current	-	-
	372,897	538,917
Financial liabilities as trade and other payables	372,897	538,917

Note 13 Borrowings

	Note	2009 $	2008 $
CURRENT			
Bank loan secured	13(c)	111,220	201,636
Bank overdraft secured		-	527,430
Total current borrowings		111,220	729,066
NON-CURRENT			
Bank loan secured	13(c)	4,256,635	3,100,404
Total non-current borrowings		4,256,635	3,100,404
Total borrowings	21	4,367,855	3,829,470

	2009	2008
(a) Total current and non-current secured liabilities:		
Bank overdraft	-	527,430
Bank loan	4,367,855	3,302,040
	4,367,855	3,829,470
(b) The carrying amounts of non-current assets pledged as security are:		
Freehold land and buildings	7,559,276	7,727,941
	7,559,276	7,727,941

(c) The bank debt and overdraft is secured by a first registered mortgage over certain freehold properties owned by the controlled entity and a floating charge over the trade receivables and listed shares of the parent entity and controlled entity.

Financial assets that have been pledged as part of the total collateral for the benefit of bank debt are as follows:

	Note	2009 $	2008 $
Cash and cash equivalents	7	248,211	318,624
Trade receivables	8	62,753	29,783
Listed investments		-	-
Total financial assets pledged		310,964	348,407

The collateral over cash and cash equivalents represents a floating charge. Listed investments cannot be disposed without the consent of banks.

Note 14 Provisions

	2009 $	2008 $
CURRENT		
Short-term Employee Benefits		
Opening balance at beginning of year	121,047	128,799
Additional provisions raised during year	-	-
Amounts used	(26,389)	(7,752)
Balance at end of the year	94,658	121,047
NON-CURRENT		
Long-term Employee Benefits		
Opening balance at beginning of year	57,497	52,299
Additional provisions raised during year	-	5,198
Amounts used	(9,201)	-
Balance at end of the year	48,296	57,497

Analysis of Total Provisions	2009 $	2008 $
Current	94,658	121,047
Non-current	48,296	57,497
	142,954	178,544

Provision for Long-term Employee Benefits

A provision has been recognised for employee benefits relating to long service leave for employees. 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 upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1(g).

Note 15 Member Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $2 each towards meeting any outstandings and obligations of the entity. At 30 June 2009 the number of members was 3,973.

(a) Capital Management

Management controls the capital of the club in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and to ensure that the club can fund its operations and continue as a going concern.

The club's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the club's capital by assessing the club's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the company since the prior year.

	Note	2009 $	2008 $
Total borrowings	13	4,367,855	3,829,470
Trade and other payables	12	372,897	538,917
Less cash and cash equivalents	7	(248,211)	(318,624)
Net debt		4,492,541	4,049,763
Total equity		3,088,716	3,626,263
Total capital		7,581,257	7,676,026
Gearing ratio		59%	53%

Note 16 Contingent Liabilities and Contingent Assets

No contingent liabilities were noted at the time of signing the accounts

Note 17 Segment Reporting

The club operates predominately in one business and geographical segment being the provision of social & sporting facilities within Forbes NSW.

Note 18 Cash Flow Information

	2009 $	2008 $
(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	(752,772)	(385,307)
Non-cash flows in profit		
Depreciation	571,676	428,248
Net (gain)/loss on disposal of property, plant and equipment	41,225	(17,844)
Loan Break fee	274,813	-
Share of joint venture company net profit after income tax and dividends		
Changes in assets and liabilities		
(Increase)/decrease in trade and term debtors	(32,970)	(20,198)
(Increase)/decrease in other assets	873	(8,918)
(Increase)/decrease in inventories	(8,772)	(20,519)
Increase/(decrease) in payables	(166,020)	92,267
Increase/(decrease) in provisions	(35,590)	(2,554)
	(107,537)	65,175

Note 19 Events After the Balance Sheet Date

No events were noted at date of the signing of the report which would materially impact on the financial statements.

Note 20 Related Party Transactions

	2009 $	2008 $
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
Transactions with related parties:		
(a) The Club engaged P J & J E Reedy during the year to provide plumbing services of which Pat Reedy is a director.	91	-
(b) The Club engaged Complete Plumbing during the year to provide plumbing services of which Ralph Baker is a director.	6,599	8,129

Note 21 Financial Risk Management

The club's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills and leases.

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	7	248,211	318,624
Loans and receivables	8(e)	62,753	29,783
Available-for-sale financial assets			
— Equity investments		-	-
		310,964	348,407
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	12(a)	372,897	538,917
— Borrowings	13	4,367,855	3,829,470
		4,740,752	4,368,387

Financial Risk Management Policies

The directors' 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 Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for club operations. The club does not have any derivative instruments at 30 June 2009.

The finance committee, consisting of senior executives of the club meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The finance committee's overall risk management strategy seeks to assist the club in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The finance committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

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

(a) Interest rate risk

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

The net effective variable interest rate borrowings (ie. unhedged debt) exposes the club to interest rate risk which will impact future cash flows and interest charges and is indicated by the following floating interest rate financial liabilities:

Floating rate instruments	Note	2009 $	2008 $
Bank overdrafts	13	-	527,430
		-	527,430

The club has an approved overdarft facility of $50,000 with the ANZ bank.

(b) Liquidity risk

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

- preparing forward looking cash flow analyses in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing 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. Bank overdrafts have been deducted in the analysis as management does not consider that there is any material risk that the bank will terminate such facilities. Financial guarantee liabilities are treated as payable on demand since the club has no control over the timing of any potential settlement of the liability.

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 reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will roll forward.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Financial liabilities due for payment	$	$	$	$	$	$	$	$
Bank overdrafts and loans	111,220	729,065	953,856	3,100,403	3,302,779	-	4,367,855	3,829,468
Bills of exchange and promissory notes							-	-
Trade and other payables (excluding est. annual leave)	367,728	538,917					367,728	538,917
Lease liabilities							-	-
Financial guarantees							-	-
Total contractual outflows	478,948	1,267,982	953,856	3,100,403	3,302,779	-	4,735,583	4,368,385
less bank overdrafts							-	-
Total expected outflows	478,948	1,267,982	953,856	3,100,403	3,302,779	-	4,735,583	4,368,385
Financial Assets - cash flows realisable								
Cash and cash equivalents	248,211	318,624					248,211	318,624
Trade, term and loan receivables	62,753	29,783					62,753	29,783
Other investments							-	-
Total anticipated inflows	310,964	348,407	-	-	-	-	310,964	348,407
Net (outflow) / inflow on financial instruments	(167,984)	(919,575)	(953,856)	(3,100,403)	(3,302,779)	-	(4,424,619)	(4,019,978)

Financial assets pledged as collateral

Certain financial assets have been pledged as security for debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts. Refer to Note 13 for further details.

(c) Foreign exchange risk

The club is not exposed to fluctuations in foreign currencies.

(d) Credit risk

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

Credit risk is managed on a group basis and reviewed regularly by the finance committee. Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the finance committee has otherwise cleared as being financially sound. Where the club is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, then risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet.
Credit risk also arises through the provision of financial guarantees, as approved at Board level, given to third parties in relation to obligations under its bank bill facility (refer Note 13 for details).

The club has no significant concentration of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note

The club does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the club. The trade receivables balances at 30 June 2009 and 30 June 2008 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

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

Note 22 Club Details

The registered office of the club is:
Forbes Services Memorial Club Limited
41-43 Templar Street, Forbes NSW 2871

The principal place of business is:
Forbes Services Memorial Club Limited
41-43 Templar Street, Forbes NSW 2871

FORBES SERVICES MEMORIAL CLUB LIMITED ABN: 49 000 980 058
DIRECTORS' DECLARATION

The directors of the club declare that:

1. The financial statements and notes, as set out on pages XX to XXX, 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 2009 and of the performance for the year ended on that date of the club.
2. In the directors' opinion there are reasonable grounds to believe that the club will be able to pay its debts as and when they become due and payable.

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

Director ______________________________

Dennis Butler

Dated this day of 2009

FORBES SERVICES MEMORIAL CLUB LIMITED 49 000 980 058
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FORBES SERVICES MEMORIAL CLUB LIMITED

We have audited the accompanying financial report of Forbes Services Memorial Club Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration

The Responsibility of the Directors for the Financial Report

The directors of the club are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. The directors' responsibility also 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. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the *Corporations Act 2001* . We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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, provided to the directors Forbes Services Memorial Club Limited on 30 June 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

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

a. giving a true and fair view of the club's financial position as at 30 June 2009 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and

b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001* .

Name of Firm:

Name of Partner: Brett Slack-Smith

Address: 36 Templar Street Forbes NSW 2871

Dated this day of 2009