



Club One (SA) Ltd
ABN 51 113 107 994

Financial Report

For the Year Ended 30 June 2008

THIS IS ANNEXURE 'A' OF 16 PAGES REFERRED TO IN FORM 388

_____ **DATED**

DAVID MCLEOD – DIRECTOR

Club One (SA) Ltd
ABN 51 113 107 994

Directors Report

Your directors present their report on the company for the financial year ended 30 June 2008.

Directors

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

Robert Raphael
Cameron Taylor
David McLeod
Dwayne Jones
Andrew Clarke
Stanley Owens
John Dicker

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

Operating Results

The loss of the company for the financial year after providing for income tax amounted to \$73,626.

Review of Operations

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

Significant Changes in State of Affairs

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

Principal Activity

The principal activity of the company during the financial year was the management of gaming machine entitlements on behalf of licensed clubs in South Australia. No significant change in the nature of these activities occurred during the year.

After Balance Date Events

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

Likely Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the company's operations.

Environmental Issues

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

Dividends Paid or Recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Information on Directors

The information on directors is as follows:

Robert Raphael	- Director
Qualifications	- Work educated
Experience	- Over 30 years experience in the hospitality industry. Manager Trades Hall Club for three years.

Club One (SA) Ltd
ABN 51 113 107 994

Directors Report (continued)

Information on Directors (Continued)

- Cameron Taylor** - Director
 Qualifications - Work educated
 Experience - Manager Para Hills Community Club for 12 years / Acting manager of Renmark Hotel Inc. from November 1992 to May 1996.
- David McLeod** - Chairman
 Qualification - Bch Law, Master of Public & International Law
 Experience - 31 years experience in legal practice ranging from commercial, institutional, administrative & local govt. law to licensing, projects & issues management.
- Dwayne Jones** - Director
 Qualifications - Work educated
 Experience - Experience as a financial controller and bookkeeper.
- Andrew Clarke** - Director
 Qualifications - Bch Arts (Social Work)
 Experience - 18 years experience with Child & Youth Services, 7 years as a Director of Community Services at Uniting Care Wesley Bowden.
- Stanley Owens** - Director
 Qualifications - Associate Member of CPA Australia
 Experience - 42 years experience in accounting and management.
- John Dicker** - Director
 Qualifications - Bch Business, Police Studies Certificate
 Experience - 44 years experience in law enforcement.

Meetings of Directors

DIRECTORS	DIRECTORS' MEETINGS	
	Number eligible to attend	Number attended
Robert Raphael	12	10
Cameron Taylor	12	11
David McLeod	12	11
Dwayne Jones	12	9
Andrew Clarke	12	11
Stanley Owens	12	11
John Dicker	12	12

Club One (SA) Ltd
ABN 51 113 107 994

Directors Report (continued)

Indemnification of Officer or Auditor

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 company.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

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 4.

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

Director _____
David McLeod

Director _____
Cameron Taylor

Dated this day of September 2008

Club One (SA) Ltd
ABN 51 113 107 994
Balance Sheet

<i>As at 30 June 2008</i>	Note	2008 \$	2007 \$
Current Assets			
Cash & cash equivalents		13,696	-
Trade & other receivables	3	174,122	278,300
Total current assets		187,818	278,300
Non-current assets			
Property, plant & equipment	4	535	1,039
Intangible assets	5	6,702,574	3,701,345
Total non-current assets		6,703,108	3,702,384
Total assets		6,890,926	3,980,684
Current liabilities			
Cash deficit		-	104,833
Trade & other payables	6	127,245	269,915
Total current liabilities		127,245	374,748
Non-current liabilities			
Trade & other payables	7	3,852,243	2,711,109
Total non-current liabilities		3,852,243	2,711,109
Total liabilities		3,979,488	3,085,857
Net assets/net liabilities		2,911,438	894,926
Equity			
Reserves	9	3,040,499	1,194,299
Accumulated losses	10	(129,061)	(299,472)
Total equity	8	2,911,438	894,826

Club One (SA) Ltd
ABN 51 113 107 994
Income Statement

<i>For the year ended 30 June 2008</i>	Note	2008 \$	2007 \$
Other revenues from ordinary activities		1,115,323	318,670
Administrative expenses		(297,257)	(52,332)
Professional Fees		(76,909)	(27,541)
Marketing Expenses		(17,104)	(628)
Occupancy Expenses		(12,000)	(9,900)
Other expenses from ordinary activities		(244,946)	(196,600)
		(648,216)	(287,001)
Borrowing costs expense	2	(296,696)	(105,295)
Profit (loss) from ordinary activities before income tax expense (income tax revenue)		170,411	(73,626)
Income tax revenue (income tax expense) relating to ordinary activities		-	-
Profit from ordinary activities after related income tax expense (income tax revenue)	2	170,411	(73,626)
Profit (loss) from extraordinary items after related income tax expense (income tax revenue)		-	-
Net profit		170,411	(73,626)
Increase (decrease) in asset revaluation reserve	9	1,846,200	181,799
Total changes in equity other than those resulting from transactions with owners as owners	8	2,016,611	108,172

Club One (SA) Ltd
ABN 51 113 107 994
Cash Flow Statement

	Note	2008 \$	2007 \$
<i>For the year ended 30 June 2008</i>			
Cash flow from operating activities			
Receipts from customers		1,038,763	255,218
Payments to suppliers and directors		(1,919,771)	(2,475,717)
Interest received		4,675	4,675
Borrowing costs		-	-
Net cash provided by/(used in) operating activities	11(b)	(876,332)	(2,215,824)
Cash flow from investing activities			
Payment for property, plant and equipment		-	-
Net cash used in investing activities		-	-
Cash flow from financing activities			
Net Proceeds from borrowings		994,861	2,046,146
Net cash provided by financing activities		994,861	2,046,146
Net increase in cash held		118,528	(169,678)
Cash at beginning of financial year		(104,834)	64,844
Cash at end of financial year	11(a)	13,694	(104,834)

Club One (SA) Ltd

ABN 51 113 107 994

Notes to the Financial Statements

For the year ended 30 June 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the Corporations Act 2001. The directors have determined that the company is not a reporting entity.

The financial report is for the entity Club One (SA) Ltd as an individual entity. Club One (SA) Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report has been prepared in accordance with the requirements of the Corporations Act 2001, and the following applicable Accounting Standards:

No other applicable Accounting Standards, Urgent Issues Group Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The report is also prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Property, Plant and Equipment

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

Property

Freehold land and buildings are measured on the fair value basis being the amount which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

All assets, excluding freehold land and buildings, are depreciated on a straight line basis over their useful lives to the company.

(b) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

(c) Going Concern

Notwithstanding the deficiency of net assets, the financial report has been prepared on a going concern basis as the directors have received a guarantee of continued financial support and the directors believe that such financial support will continue to be made available.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian 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 expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Club One (SA) Ltd
ABN 51 113 107 994
Notes to the Financial Statements

For the year ended 30 June 2008

	2008	2007
	\$	\$

NOTE 2: PROFIT FROM ORDINARY ACTIVITIES

Profit (losses) from ordinary activities before income tax expenses (income tax revenue) has been determined after:

	2008	2007
(a) Expenses		
Borrowing Costs	296,696	105,295
Depreciation of property, plant and equipment	504	504
Remuneration of the auditors for - audit or review services	2,050	1,625

NOTE 3: TRADE AND OTHER RECEIVABLES

CURRENT

Trade receivables	147,955	233,556
Other Debtors & Accrued Income	24,167	33,721
Prepayments	-	11,024
	172,122	278,301

NOTE 4: PROPERTY, PLANT & EQUIPMENT

PLANT & EQUIPMENT

(a) Computer Equipment		
At Cost	2,005	2,005
Less accumulated depreciation	(1,470)	(966)
	535	1,039
Total plant & equipment	535	1,039
Total Property, plant & equipment	535	1,039

(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

NOTE 5: INTANGIBLE ASSETS

Gaming Machine Entitlements	6,702,574	3,699,345
Borrowing & Business Development Costs	2,000	2,000
	6,704,574	3,701,345

NOTE 6: TRADE AND OTHER PAYABLES

CURRENT

Unsecured Liabilities		
Trade Creditors	48,112	213,236
Amounts payable to:		
- directors	35,551	20,000
Sundry creditors and accruals	43,583	36,679
	127,245	269,915

NOTE 7: INTEREST BEARING LIABILITIES

NON-CURRENT

Unsecured Liabilities		
Unsecured Loan - CMS	2,826,136	1,671,438
Unsecured Loan - Other	1,026,108	1,039,671
	3,852,243	2,711,109

Club One (SA) Ltd
ABN 51 113 107 994
Notes to the Financial Statements

	2008	2007
	\$	\$

For the year ended 30 June 2008

NOTE 8: EQUITY

Total equity at the beginning of the financial year	894,826	786,654
Total changes in equity recognised in the income statement	<u>2,016,611</u>	<u>108,172</u>
Total equity at the reporting date	<u>2,911,437</u>	<u>894,826</u>

NOTE 9: RESERVES

Asset revaluation reserve	<u>3,040,499</u>	<u>1,194,299</u>
---------------------------	------------------	------------------

(a) Asset Revaluation Reserve

Movements during the financial year:

Opening Balance	1,194,299	1,012,500
	<u>1,846,200</u>	<u>181,799</u>
Closing Balance	<u>3,040,499</u>	<u>1,194,299</u>

NOTE 10: RETAINED EARNINGS

Retained earnings/(accumulated lossess) at the beginning of the financial year	(299,472)	(225,846)
Net Profit/(loss) attributable to members of the entity	<u>170,411</u>	<u>(73,626)</u>
Accumulated lossess at the end of the financial year	<u>(129,061)</u>	<u>(299,472)</u>

NOTE 11: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of Cash

Flows is reconciled to the related items in the statement of financial position as follows:

Cash at bank	<u>13,696</u>	<u>(104,833)</u>
--------------	---------------	------------------

(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax

Loss from ordinary activities after income tax	170,411	(73,626)
Non-cash flows in profit from ordinary activities		
Depreciation	504	504
Interest expense	27,817	103,808

Changes in assets and liabilities

(Increase)/decrease in receivables	85,601	(70,194)
(Increase)/decrease in other assets	734,668	(2,267,004)
Increase/(decrease) in payables	(147,218)	86,824
Increase/(decrease) in provisions	<u>4,549</u>	<u>3,864</u>

Cash Flows from operations	<u>876,332</u>	<u>(2,215,824)</u>
----------------------------	----------------	--------------------

NOTE 12: MEMBERS GUARANTEE

The company is limited by guarantee. If the company is wound up, the articles of association state that each member is required to contribute a maximum of \$200 each toward meeting any outside obligations of the company. At Friday 30 June 2008 the number of members was 2 (2007:2)

Club One (SA) Ltd
ABN 51 113 107 994

Directors Declaration

The directors have determined that the company is not a reporting entity. The directors have determined that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 11 are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001;and
 - (b) give a true and fair view of the financial position as at 30 June 2008 and of the performance for the financial year ended on that date of the company in accordance with the accounting policies described in Note 1 to the financial statements.
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 with the continuing support of creditors.

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

Director _____
David McLeod

Director _____
Cameron Taylor

Dated this day of September 2008