



**INDEPENDENT AUDIT REPORT
TO THE COMMITTEE MEMBERS OF
RYE RSL CLUB**

Scope

We have audited the attached "Community Benefit Statement" of Rye RSL Club for the financial year ended 30 June 2005. The president is responsible for the Statement. We have conducted an independent audit of the Statement in order to express an opinion to the Committee of Management on its preparation and presentation. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the Committee of Management.

The Statement has been prepared in order for Rye RSL Club to comply with Section 3.6.9 of the *Gambling Regulation Act 2003*, which requires each venue operator who receives gaming revenue to forward to the Victorian Commission for Gambling Regulation a Community Benefit Statement for each financial year. We disclaim any assumption of responsibility for any reliance on this report or on the Statement to which it relates to any person other than the Committee of Management, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the Statement is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the Statement. These procedures have been undertaken to form an opinion whether, in all material respects:

- (a) the Statement presents fairly, in accordance with applicable Accounting Standards in Australia; and
- (b) the Statement is consistent with our understanding of sections 3.6.9(2)(a) and (b) of the *Gambling Regulation Act 2003*.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the attached Community Benefit Statement of Rye RSL Club for the year ended 30 June 2005 presents fairly:

- (a) in accordance with applicable Accounting Standards in Australia; and
- (b) is consistent with our understanding of sections 3.6.9(2)(a) and (b) of the *Gambling Regulation Act 2003*.

Inherent Uncertainty Regarding Voluntary Hours

Without qualification to the opinion expressed above, attention is drawn to the following matter. This Community Benefit Statement has been prepared based on the books and records of the Rye RSL Club which are subject to an annual audit with the exception of the voluntary services provided to the community. This figure has been calculated based on declarations of voluntary hours worked by members of the committee.

PITCHER PARTNERS

P A JOSE

Partner

Schedule A

Non-Gaming Assets

Refurbishments Male Toilets	2,600.00
Courtesy Bus Purchase	31,218.00
Mobile Phone Handsfree Kit - Bus	450.00
Foyer Refurbishment	8,636.76
Ice Making Machine	4,125.00
Wood Carving	2,500.00
Purchase of property for new administration area	659,532.05
Less: Portion financed through commercial bill	(605,000.00)
Deposit - table tops	236.50
Air Conditioning for Kitchen	6,545.00
Kitchen Doors	1,210.00
Rover Ranger Ride on Mower	3,624.01
Bluize System	5,109.50
Fax Machine	269.01
Computer	2,447.01
DVD Player	185.00
Hedge Trimmer	839.00
Chairs and Tables	669.49
Camera and printer	1,157.00
Salamander	709.50

Non Gaming Assets Purchased from Reserves

127,063

Proportion the non-gaming floor area represents as a percentage of the total building area

78.38%

Proportion of costs met from gaming machine revenue

83.95%

Non-gaming assets purchased from reserves for community purposes and the cost met from gaming machine revenue.

\$ 83,615.19

Significant investment by the club back in the mid 1990's and again in 2004 which included capital improvements to refurbish areas of the club such as:

- the bistro;
- the kitchen;
- the main entrance to the club;
- the gaming area; and
- the establishment of the alfresco dining area.

The venue operator used commercial bill and hire purchase finance to fund these capital improvements. Consequently, the portion of payments relating to non-gaming areas made after 1 July 2003 under these agreements have been included as community benefits.

The total amount repaid from 1 July 2004 to 30 June 2005 in relation to these borrowings was

408,882.51

Proportion the non-gaming floor area represents as a percentage of the total building area

78.38%

Proportion of costs met from gaming machine revenue

83.95%

Non-gaming assets - cost of repaying loan

\$ 269,069.96

Costs of repairing building & maintaining grounds

\$ 63,227.29