



UTS HABERFIELD CLUB LTD

UTS HABERFIELD CLUB REPORT 2007

2007 started with a new manager for the UTS Haberfield Club with Jose Iglesias assuming the day to day responsibility for the Club operations. Initially this helped stabilise some detail of operational procedures and standards for the Bar operation and financial management of the poker machines. Utilising the newly implemented external Data Monitoring Service, we are now able to get accurate financial data of the poker machines turnover and returns with the additional security of being able to monitor this externally from the Club as well. This information now enables us to quickly analyse the performance of individual machines and performance trends against comparable past financial results.

The weekly Club events program this year included Tuesday Happy hours, Wednesday Poker nights, Thursday Trivia and acoustic live entertainment on Fridays. Special event days such as Valentines Day, Anzac Day, Mothers Day, Fathers Day and Melbourne Cup were also promoted in collaboration with the Rowers Retreat Restaurant with the end of year New Years Eve featuring a cocktail food function which turned out to be very popular with members and their guests. In addition to this program the regular members' badge draw, meat tray raffles and Wines of the Month were all promoted via local newspaper advertising to best attract existing and new members and guests. For 2008 we will constantly be assessing the program of events and various activities in consultation with the members to ensure we stay relevant to your needs and continue to be successful.

Saturday night functions and Sunday lunches continued to provide strong trading for the Club this year and starting in December the Rowers Retreat opened for breakfast on the weekends. While this may take some time to get busy, ideally it could become a popular spot for the many who walk/run/ride the bay run and with the rowers following early morning training. The Rowers Retreat menu still offers quality at excellent prices and we receive ongoing positive feed back from all. The implementation of daily black board specials this year has been a hit with diners.

Approval was given to the Rowers Retreat in December for the installation of two air-conditioning units to alleviate the numerous times when excessive heat has caused issues for diners. An energy audit conducted on this identified that this would also save power by eliminating the need for the numerous ceiling fans and strip heaters in winter.

UTS HABERFIELD CLUB REPORT 2007 (CONTINUED)

It will enable the Restaurant to promote themselves as being air-conditioned which in the past has lost them functions and trade in extreme weather conditions. Other improvements planned for 2008 include replacing the blinds next to the Bar windows, two new TVs at the Bar and new furniture for the balcony. Discussions are continuing with the University over the refurbishment of the Club and the Rowing facilities.

In terms of trading we have noticed a declining trend in the turnover and net return from the poker machines for the latter half of the year which is in line with numerous other small clubs in the area. This is attributed to the effect of smoking being banned in the Club and the impact of interest rate rises affecting spending patterns. The Bar operation of the Club performed well in 2007 with better sales and cost controls. Thanks to all the Club staff for their efforts and customer focus in achieving these results.

Congratulations to the members of the Rowing Club who have been selected for the Beijing Olympics and we wish them good luck in the competitions.

2008 will see the UTS Haberfield Club face new challenges in terms of addressing any continued declining poker machine returns while aiming to grow other revenue streams of the Club. Through the ongoing support of our members and guests we expect to be a comfortable Club at which to drink, dine and relax.

Geoff Brooke-Smith
Food and Beverage Manager

UTS HABERFIELD CLUB LIMITED
ACN: 000 378 558
CONCISE FINANCIAL REPORT
31 DECEMBER 2007

The financial statements and other specific disclosures is an extract of, and have been derived from UTS Haberfield Club Limited's ("the Company") full financial report for the financial year. Other information included in the concise financial report is consistent with the Company's full financial report.

The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

A copy of the Company's 2007 Annual Financial Report, including the independent audit report, is available to all members, and will be sent to members without charge upon request. The 2007 Annual Financial Report can be requested by telephone on (02) 9514 1444.

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report together with the financial report of UTS Haberfield Club Limited ("the Company") for the year ended 31 December 2007 and the auditor's report thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

Associate Professor Geoffrey Riordan

BEd, MEdAdmin, PhD
Associate Professor
Appointed 1 April 2008

Dr Judith Johnston

BA, M.Litt, M.Pub.Pol, PhD,
Associate Professor
Appointed 14 November 2003
Resigned 1 April 2008

Tom O'Sullivan

BA, LLB
Chief Executive Officer
Appointed 30 June 2004

Aman Poonia

Student
Appointed 7 October 2005
Resigned 6 October 2007

Darren Loasby

Student
Appointed 7 October 2005
Resigned 6 October 2007

Dr Gloria Blondé

BA, GradDip (Comm Mgmt), MAppFC,
DBA
Manager
Appointed 1 February 2006

David Latham

Student
Appointed 7 October 2006

Susan Kirk

BSc, GradDipOT
University Staff
Appointed 7 October 2006

Kamal Zreika

Student
Appointed 7 October 2007

James Parkhill

University Staff
Appointed 1 January 2004

Bharti Sharma

Student
Appointed 7 October 2004

Anne Lin

Student
Appointed 7 October 2005
Resigned 6 October 2007

Professor Anthony Moon

BSc Honours, PhD, FAIP
Professor Emeritus
Appointed 1 February 2006

Caitlin Emery

Student
Appointed 7 October 2006
Resigned 5 February 2008

Nigel Paschini

Student
Appointed 7 October 2006

Christopher Chase

Student
Appointed 7 October 2007

Rebecca Trewick

Student
Appointed 7 October 2007

Robert Malcolm

Student
Appointed 27 February 2008

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

Company secretary

Tom O'Sullivan was appointed to the position of Company Secretary in June 2006.

Directors' meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are:

BOARD MEETINGS		
Director	Number of meetings attended	Number of meetings held *
J. Johnston	8	11
P. Parkhill	9	11
T. O'Sullivan	11	11
B. Sharma	8	11
A. Poonia	5	9
A. Lin	8	9
D. Loasby	7	9
A. Moon	10	11
G. Blondé	7	11
C. Emery	10	11
D. Latham	10	11
N. Paschini	5	11
S. Kirk	10	11
C. Chase	2	2
R. Trewick	2	2
K. Zreika	2	2

* Number of meetings held during the time the director held office during the year.

Principal activities

The principal activities of the Company during the course of the financial year consisted of the conduct and promotion of a licensed social club for members of the Company. There were no significant changes in the nature of the activities of the Company during the year.

Membership

The Company is limited by guarantee and without a share capital. The number of members as at 31 December 2007 and the comparison with last year is as follows:

	2007 No.	2006 No.
Ordinary	1,314	1,290

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

Review and results of operations

The loss from ordinary activities before tax for the year amounted to \$8,672 compared with a loss of \$21,707 for the prior year. This resulted after charging \$18,135 for depreciation (2006: \$25,574).

The reason for the reduction in the loss incurred during the period was largely due to an increase in other revenue and decreases in poker machine expenses, repairs and maintenance expenses and other expenses.

Dividends

The Company is a company limited by guarantee and is prevented by its constitution from paying dividends.

State of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

Environmental regulation

The Company's operations are subject to various environmental regulations under both Commonwealth and State legislation.

The Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the Company to affect significantly 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 directors do not anticipate any particular development in the operations of the Company, which will affect the results in subsequent years.

Indemnification and insurance of officers

During or since the end of the financial year, UTS Union Limited, on behalf of the Company, has paid premiums to insure directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of officer of the Company.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses' insurance contract, as such disclosure is prohibited under the terms of the contract.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

Auditor's independence declaration under Section 307C of the Corporations Act 2001

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act is on page 5 of this concise report.

Dated at Sydney this 23rd day of April 2008.
This report is made with a resolution of the directors:



G. Riordan


AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To: the directors of UTS Haberfield Club Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2007 there have been:

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

KPMG



Cameron Roan
Partner
Sydney
23rd April 2008

UTS HABERFIELD CLUB LIMITED

CONCISE FINANCIAL REPORT

Income Statement

For the year ended 31 December 2007

	Note	2007 \$	2006 \$
Revenue from sales of goods		532,094	502,143
Revenue from rendering of services		859,162	912,419
Other revenue		54,989	23,167
Total revenue		<u>1,446,245</u>	<u>1,437,729</u>
Other income		-	4,000
Cost of goods sold		(785,539)	(770,473)
Employee expenses		(281,785)	(283,353)
Events and functions expenses		(31,729)	(18,935)
Insurance expenses		(29,086)	(31,227)
Management fee		(48,000)	(46,600)
Poker machine expenses		(14,518)	(23,652)
Professional services expenses		(27,411)	(14,066)
Property expenses		(93,569)	(94,187)
Rent and rates expenses		(55,214)	(48,301)
Repairs and maintenance expenses		(30,130)	(41,222)
Other expenses		(40,448)	(66,798)
Profit before depreciation and financing costs		<u>8,816</u>	<u>2,915</u>
Financing income		647	952
Financing expenses		-	-
Net financing income		<u>647</u>	<u>952</u>
Depreciation		(18,135)	(25,574)
(Loss) before tax		<u>(8,672)</u>	<u>(21,707)</u>
Income tax expense		-	-
(Loss) for the period	4	<u>(8,672)</u>	<u>(21,707)</u>

The income statement is to be read in conjunction with the discussion and analysis set out on pages 9 to 10 and the notes to the concise financial statements set out on page 11 to 12.

UTS HABERFIELD CLUB LIMITED CONCISE FINANCIAL REPORT

Statement of recognised income and expense

For the year ended 31 December 2007

	Note	2007 \$	2006 \$
Income and expense recognised directly in equity		-	-
(Loss) for the period		(8,672)	(21,707)
Total recognised income and expense for the period	4	<u>(8,672)</u>	<u>(21,707)</u>

The statement of recognised income and expense is to be read in conjunction with the discussion and analysis set out on pages 9 to 10 and the notes to the concise financial statements set out on page 11 to 12.

Balance sheet

As at 31 December 2007

	Note	2007 \$	2006 \$
Assets			
Cash and cash equivalents		193,962	344,615
Trade and other receivables		117,705	19,026
Inventories		20,056	26,820
Total current assets		<u>331,723</u>	<u>390,461</u>
Plant and equipment		43,920	43,069
Total non-current assets		<u>43,920</u>	<u>43,069</u>
Total assets		<u>375,643</u>	<u>433,530</u>
Liabilities			
Trade and other payables		88,363	148,992
Employee benefits		13,467	2,053
Total current liabilities		<u>101,830</u>	<u>151,045</u>
Total liabilities		<u>101,830</u>	<u>151,045</u>
Net assets		<u>273,813</u>	<u>282,485</u>
Members' funds			
Retained earnings	4	273,813	282,485
Total members' funds		<u>273,813</u>	<u>282,485</u>

The balance sheet is to be read in conjunction with the discussion and analysis set out on pages 9 to 10 and the notes to the concise financial statements set out on page 11 to 12.

UTS HABERFIELD CLUB LIMITED CONCISE FINANCIAL REPORT

Statement of cash flows

For the year ended 31 December 2007

	2007 \$	2006 \$
Cash flows from operating activities		
Cash receipts from customers	1,603,294	1,581,502
Cash paid to suppliers and employees	(1,513,174)	(1,611,829)
Cash generated from operations	<u>90,120</u>	<u>(30,327)</u>
Interest received	647	952
Net cash from operating activities	<u>90,767</u>	<u>(29,375)</u>
Cash flows from investing activities		
Proceeds from sale of plant and equipment	-	4,000
Acquisition of plant and equipment	<u>(18,986)</u>	<u>(27,455)</u>
Net cash from investing activities	<u>(18,986)</u>	<u>(23,455)</u>
Cash flows from financing activities		
Repayment of borrowings from related party	(111,330)	(18,416)
Loan to related party	<u>(111,104)</u>	<u>-</u>
Net cash from financing activities	<u>(222,434)</u>	<u>(18,416)</u>
Net increase / (decrease) in cash and cash equivalents	(150,653)	(71,246)
Cash and cash equivalents at 1 January	344,615	415,861
Cash and cash equivalents at 31 December	<u>193,962</u>	<u>344,615</u>

The statement of cash flows is to be read in conjunction with the discussion and analysis set out on pages 9 to 10 and the notes to the concise financial statements set out on page 11 to 12.

UTS HABERFIELD CLUB LIMITED CONCISE FINANCIAL REPORT

Discussion and analysis of the income statement

The Club's total revenue for 2007 did not change significantly when compared to the prior year. Total expenses have decreased by \$16,263 (1.1%) to \$1,437,429 resulting in a net loss before tax of \$8,672 (2006: \$21,707). Individual items that have impacted the result include:

- A decrease in poker machine revenue by \$47,016 or 5%;
- A decrease in bar sales by \$29,951 or 6%;
- A decrease in other services revenue by \$6,241 or 11%;
- An increase in other revenue by \$31,822 or 137%;
- A decrease in other income by \$4,000 or 100%;
- An increase in cost of goods sold by \$15,066 or 2%;
- An increase in management fee by \$1,400 or 3%;
- A decrease in poker machine expenses by \$9,134 or 39%;
- An increase in rent and rates expenses by \$6,913 or 14%;
- A decrease in repairs and maintenance expenses by \$11,092 or 27%; and
- A decrease in other expenses by \$26,350 or 39%;

Discussion and analysis of the statement of recognised income and expense

Total retained earnings decreased by \$8,672 during 2007 to \$273,813 (2006: \$282,485). This decrease solely represents the loss for the period as there was no income recognised directly in equity during 2007 (2006: \$Nil).

Discussion and analysis of the balance sheet

The Club's net assets have decreased by \$8,672 or 3% over the year. The Club's total assets decreased by \$57,887 or 13%, whilst total liabilities decreased by \$49,215 or 33% for the same period. Major movements during the year were as follows:

- A decrease in cash assets of \$150,653 or 44%;
- An increase in trade and other receivables of \$98,679 or 519%;
- A decrease in trade and other payables of \$60,629 or 41%; and
- An increase in the current employee benefits of \$11,414 or 556%.

UTS HABERFIELD CLUB LIMITED CONCISE FINANCIAL REPORT

Discussion and analysis of the statement of cash flows

The Club's net cash on hand at the end of the reporting period decreased by \$150,653 compared with a decrease of \$71,246 in the prior year. The major factors resulting in this increase were:

- An increase in net cash generated from operating activities of \$120,141 or 409%;
- A decrease in cash outflows from investing activities of \$3,469 or 15% representing reduced capital expenditure when compared to the prior year; and
- A decrease in net cash from financing activities by \$204,018, largely due to the repayment of amounts advanced by the controlling entity to the Company and advances made to the controlling entity by the Company during the year.

UTS HABERFIELD CLUB LIMITED NOTES TO CONCISE FINANCIAL REPORT

1. Basis of preparation of concise financial report

The concise financial report has been prepared in accordance with the Corporations Act 2001 and Accounting Standard AASB 1039 Concise Financial Reports (AASB 1039). The financial statements and specific disclosures required by AASB 1039 have been derived from the Company's full financial report for the financial year. Other information included in the concise financial report is consistent with the Company's full financial report. The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The financial report is prepared on the historical cost basis except where stated.

A full description of the accounting policies adopted by the Company may be found in the Company's full financial report.

These accounting policies have been consistently applied by the Company, and are consistent with those of the previous year.

The presentation currency is Australian dollars.

2. Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3. Segment reporting

A segment is a distinguishable component of the entity that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary format for segment reporting is based on business segments.

The Company operates predominantly in the hospitality and entertainment industry. Its operations and customers are located predominantly in Sydney, New South Wales. The Company provides food, beverage, gaming, and other entertainment facilities to members and guests.

UTS HABERFIELD CLUB LIMITED NOTES TO CONCISE FINANCIAL REPORT

4. Members' funds

Reconciliation of movement in retained earnings

	2007	2006
	\$	\$
Balance at 1 January	282,485	304,192
Total recognised income and expense	(8,672)	(21,707)
Balance at 31 December	<u>273,813</u>	<u>282,485</u>

5. Subsequent events

Subsequent to the balance sheet date, there has not arisen any item, transaction or event of a material or unusual nature likely, in the opinion of the committee members of the Company to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

6. Core and Non-Core Property

Pursuant to section 41J of the Registered Clubs Amendment Act 2006, the Company does not own any property, hence not disclosed core and non-core property. Core property includes the defined premises of the Company and any facilities provided for Company members.

Directors' declaration

In the opinion of the directors of UTS Haberfield Club Limited ("the Company"), the accompanying concise financial report of the company for the financial year ended 31 December 2007, set out on pages 6 to 13:

- (a) has been derived from or is consistent with the full financial report for the financial year; and
- (b) complies with Australian Accounting Standard AASB 1039 Concise Financial Reports.

Dated at Sydney this 23rd day of April 2008.

Signed in accordance with a resolution of the directors:



G. Riordan
Director

Independent audit report on concise financial report to the members of UTS Haberfield Club Limited

Scope

The financial report and directors' responsibility

The concise financial report comprises the income statement, statement of recognised income and expense, balance sheet, statement of cash flows, accompanying notes to the concise financial statements, accompanying discussion and analysis on the income statement, statement of recognised income and expense, balance sheet and statement of cash flows, and the directors' declaration set out on pages 6 to 13 for UTS Haberfield Club Limited ("the Company") for the year ended 31 December 2007.

The directors of the Company are responsible for the preparation of the concise financial report in accordance with Australian Accounting Standard AASB 1039 Concise Financial Reports. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the concise financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the concise financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected. We have also performed an independent audit of the full financial report of the Company for the financial year ended 31 December 2007. Our audit report on the full financial report was signed on 23rd April 2008, and was not subject to any qualification.

We performed procedures in respect of the audit of the concise financial report to assess whether, in all material respects, the concise financial report is presented fairly, in accordance with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

We formed our audit opinion on the basis of these procedures, which included:

- testing that the information in the concise financial report is consistent with the full financial report; and
- examining, on a test basis, information to provide evidence supporting the amounts, discussion and analysis, and other disclosures, which were not directly derived from the full financial report.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Audit opinion

In our opinion, the concise financial report of UTS Haberfield Club Limited for the financial year ended 31 December 2007 complies with Australian Accounting Standard AASB 1039 Concise Financial Reports.

KPMG

A handwritten signature in black ink, consisting of several overlapping loops and a trailing flourish, positioned above a horizontal line.

Cameron Roan
Partner
Sydney

23rd April 2008