

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2011**

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

CONTENTS

Director's Report	1
Auditors' Independence Declaration	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Director's Declaration	20
Auditors' Report	21
Detailed Profit and Loss Statement	22

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

DIRECTOR'S REPORT

Your director presents this report on the company for the financial year ended 30 June 2011.

Director

The directors of the company at anytime during or since the end of the financial year are:

<u>Name</u>	<u>Experience</u>
Richard Hall	Director since 1991
Errol Matchoss	Director since 1982
Darren Kleeman	Director since 2007
Kym Hudson	Director since 2006
Mark Tink	Director since 2007
Don Griffen	Director since 2010
Graeme Thompson	Director since 1996

Review of Operations

The Consolidated loss of the group was \$51,600 (2010 - \$67,288 profit). The earnings before Interest, Tax and Depreciation (EBITDA) was \$298,892 (2010 - \$390,404).

Significant Changes in the State of Affairs

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

Principal Activities

The principal activities of the company during the financial year were the operation of Waikerie Hotel Motel and Property Investment.

No significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

The Waikerie Hotel experienced a major fire in September. This fire has caused significant damage to key areas of the hotel operations including Oscars and the bottle shop. It is expected that this will disrupt business for the meantime as Oscars will need to be rebuilt and the bottle shop refurbished. As of October, the saloon bar and dining area including pokies has re-opened for business.

Likely Developments and Expected Results of Operations

The board intends to rebuild Oscars and refurbish the bottle shop to enable the Hotel to provide a full range of services to the community.

Environmental Regulation

The Hotel is committed to conducting its business activities with respect for the environment while continuing to meet the expectations of members, employees, customers and suppliers..

Dividends

The directors recommend no dividend be paid.

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

DIRECTOR'S REPORT

INDEMNIFICATION AND INSURANCE OF OFFICERS

Indemnification

During the year the company entered into an agreement indemnifying all directors of the company against all liabilities to another person (other than the company or a related body corporate) that may arise from their position as directors of the company and its controlled entity, except where the liability arises out of conduct involving a lack of good faith.

The company has also agreed to indemnify the current directors of its controlled entity for all liabilities to another person (other than the company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith.

Insurance Premiums

Since the end of the previous financial year the company has paid insurance premiums in respect of Directors' and Officers' Liability insurance contracts, for current and former directors and officers. In relation to officers, the insurance contracts cover officers holding the positions of Manager, and Company Secretary. The insurance premiums relate to:

- ◆ costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- ◆ other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

Dated at Waikerie, South Australia, this _____ day of October 2011

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

Director.....

GRAEME M THOMPSON

Director.....

RICHARD F HALL

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTOR OF
WAIKERIE HOTEL MOTEL LTD**

We declare, that to the best of our knowledge and belief, during the year ended 30 June 2011 there have been:

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

Name of Firm: Noble Chartered Accountants

Name of Partner: _____
Stephen J Noble

Address: 19 White Street Waikerie

Dated at Waikerie, South Australia, this _____ day of October 2011

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
Revenue from ordinary activities	2	5,007,453	5,108,497
Finance Costs	3	(362,234)	(368,067)
Other expenses from ordinary activities	4	<u>(4,696,819)</u>	<u>(4,673,142)</u>
Profit/Loss from ordinary activities		(51,600)	67,288
Income tax expense		<u>(0.00)</u>	<u>(0.00)</u>
Profit/Loss from ordinary activities after related income tax expense		(51,600)	67,288
Retained Profits at the beginning of the year		<u>2,722,035</u>	<u>2,654,747</u>
Retained profits at the end of the financial year		<u>2,670,435</u>	<u>2,722,035</u>

The accompanying notes form part of these financial statements.

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	94,166	133,318
Trade and other receivables	6	31,541	27,253
Inventories	7	212,263	227,419
TOTAL CURRENT ASSETS		<u>337,970</u>	<u>387,990</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	10,233,063	10,149,697
Intangible assets	9	3,648	3,648
TOTAL NON-CURRENT ASSETS		<u>10,236,711</u>	<u>10,153,345</u>
TOTAL ASSETS		<u>10,574,681</u>	<u>10,541,335</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	322,397	191,835
Financial liabilities	11	57,151	83,415
Provisions	12	83,460	93,393
Tax liabilities	13	(13,672)	(29,838)
TOTAL CURRENT LIABILITIES		<u>449,336</u>	<u>338,805</u>
NON-CURRENT LIABILITIES			
Trade and other payables	10	82,896	88,853
Financial liabilities	11	2,923,094	2,942,723
TOTAL NON-CURRENT LIABILITIES		<u>3,005,990</u>	<u>3,031,576</u>
TOTAL LIABILITIES		<u>3,455,326</u>	<u>3,370,381</u>
NET ASSETS		<u>7,119,355</u>	<u>7,170,954</u>
EQUITY			
Reserves	14	4,448,919	4,448,919
Retained earnings	15	2,670,436	2,722,035
TOTAL EQUITY		<u>7,119,355</u>	<u>7,170,954</u>

The accompanying notes form part of these financial statements.

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011**

	Retained earnings \$	Asset Revaluation Reserve \$	Capital Redemption Reserve \$	Capital Profits Reserve \$	Total \$
Balance at 1 July 2009	2,654,747				2,654,747
Opening balance for the year		3,450,000	202,316	3,151	3,655,467
Other comprehensive income - Movement in reserves		793,452	-	-	793,452
Profit attributable to equity shareholders	67,288				67,288
Balance at 30 June 2010	<u>2,722,035</u>	<u>4,243,452</u>	<u>202,316</u>	<u>3,151</u>	<u>7,170,954</u>
Profit attributable to equity shareholders	(51,600)				(51,600)
Balance at 30 June 2011	<u>2,670,435</u>	<u>4,243,452</u>	<u>202,316</u>	<u>3,151</u>	<u>7,119,354</u>

The accompanying notes form part of these financial statements.

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	4,901,132	5,223,917
Payments to suppliers and employees	(4,280,262)	(4,786,723)
Interest received	5,569	4,754
Borrowing costs paid	(362,234)	(368,067)
Income tax paid	(18,229)	(29,838)
Net cash provided by operating activities	245,976	44,043
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(111,248)	(151,554)
Payments for property	(25,590)	(7,896)
Prepaid borrowing expenses paid	(3,896)	-
Net cash provided by (used in) investing activities	(140,734)	(159,450)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(70,417)	(40,432)
Net cash provided by (used in) financing activities	(70,417)	(40,432)
Net increase in cash held	34,825	(155,839)
Cash at beginning of financial year	(17,404)	138,435
Cash at end of financial year	17,421	(17,404)

The accompanying notes form part of these financial statements.

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

1 Statement of Significant Accounting Policies

The financial statements cover Waikerie Hotel Motel Ltd & River Resources Consolidated as an individual entity. Waikerie Hotel Motel Ltd & River Resources Consolidated is a company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements 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 as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue on by the director of the company.

Accounting Policies

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 the basis of weighted average costs.

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

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 accumulated depreciation for buildings.

In the periods when the freehold land and buildings are not subject to an independent valuation, the director conduct director's valuations to ensure the land and building's carrying amount is not materially different to the fair value.

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 recognised against fair value reserves directly in equity; all other decreases are recognised in profit or loss.

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 and are therefore carried at cost less accumulated depreciation and any accumulated impairment.

In the event the carrying value of plant and equipment is greater than the estimated recoverable amount, the carrying value is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Depreciation

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the company. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

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

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

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

Investment Property

Investment property includes land and/or buildings that earns rental income or appreciates in value. All tenant leases were made on an arm's length basis. Investment property is valued annually by independent valuers and carried at fair value. Changes in fair value are recorded in the statement of comprehensive income as other income.

Leases

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

Finance leases are capitalised by recognising 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 recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

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 company commits itself to either purchase or sell the asset (i.e. trade date accounting 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.

Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that Standard.

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

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

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Employee Benefits

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

Provisions

Provisions are recognised when the company 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

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. For this purpose, deferred consideration is not discounted to present values when recognising 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 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.

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Trade and Other Payables

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

Comparative Figures

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

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
2 Revenue		
Revenue		
Sale of goods	4,830,155	5,031,697
Interest received	5,506	4,735
Other revenue	171,792	72,065
Total revenue	5,007,453	5,108,497
 3 Finance Costs		
Interest		
Interest – Bank SA	362,234	368,067
Total Finance Costs	362,234	368,067
 4 Profit from Ordinary Activities		
Profit before income tax from continuing operations		
Includes the following specific expenses		
Cost of Good Sold - Purchases	2,652,090	2,696,497
- Direct Wages	1,091,339	1,144,450
Depreciation	94,258	75,049
Other Expenses	859,132	757,146
Total Other ordinary expenses	4,696,819	4,673,142

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
<hr/>		
5 Cash and Cash Equivalents		
Water Entitlements	-	49,866
Gaming Change	20,000	20,000
Bar Change and Petty Cash Imprest	23,572	23,572
Prepayments	29,201	39,804
Borrowing Costs	3,896	-
Cash at Bank - Bank SA	17,421	-
Gaming Account - Bank SA	76	76
	<u>94,166</u>	<u>133,318</u>
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 End	<u>17,421</u>	<u>(17,404)</u>
	<u>17,421</u>	<u>(17,404)</u>
6 Trade and Other Receivables		
Current		
Trade Debtors	35,541	31,253
	<u>(4,000)</u>	<u>(4,000)</u>
	<u>31,541</u>	<u>27,253</u>

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
7 Inventories		
Current		
At cost:		
Stock on Hand - Bottle Department	186,893	186,273
Stock on Hand - Kitchen	6,657	6,459
Stock on Hand - Front bar	4,266	4,107
Stock on Hand - Saloon bar	6,904	11,781
Stock on Hand - Golf Club	7,543	18,799
	212,263	227,419
8 Property, Plant and Equipment		
LAND AND BUILDINGS		
Independent Valuation of Land & Buildings	9,840,809	9,809,449
Less accumulated depreciation	(118,208)	(101,386)
Total Land and Buildings	9,722,601	9,708,063
PLANT AND EQUIPMENT		
Plant and Equipment:	1,990,964	1,829,993
At cost	(1,480,887)	(1,388,910)
Accumulated depreciation	510,077	441,083
Leased Plant and Equipment		
Capitalised leased assets	9,968	9,968
Accumulated depreciation	(9,583)	(9,417)
	385	551
Total Plant and Equipment	510,462	441,634
Total Property, Plant and Equipment	10,233,063	10,149,697

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
<hr/>		
9 Intangible Assets		
Formation Expenses	3,648	3,648
Total	<u>3,648</u>	<u>3,648</u>
10 Trade and Other Payables		
Current		
Deferred Membership Income	10,964	-
Trade Creditors	284,395	171,689
Other Creditors & Accruals	27,038	7,502
PAYG Withholding Payable	-	12,644
	<u>322,397</u>	<u>191,835</u>
Non-Current		
House Loan	<u>82,896</u>	<u>88,853</u>
11 Borrowings		
Current		
Bank Overdraft - Bank SA	-	17,404
GST Payable	57,151	66,011
Total current borrowings	<u>57,151</u>	<u>83,415</u>
Non-Current		
Loan - Toyota Financial Services	32,607	-
Loans - BankSA	2,890,487	2,942,723
Total non-current borrowings	<u>2,923,094</u>	<u>2,942,723</u>
Total borrowings	<u>2,980,245</u>	<u>3,026,138</u>

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
12 Provisions		
Provision for Long Service Leave	36,042	50,446
Provision for Annual Leave	47,418	42,947
Total provisions	<u>83,460</u>	<u>93,393</u>
Analysis of Total Provisions		
Current	<u>83,460</u>	<u>93,393</u>
	<u>83,460</u>	<u>93,393</u>
13 Tax		
Liabilities		
Current		
Provision for Income Tax	<u>(13,672)</u>	<u>(29,838)</u>
14 Reserves		
Asset Revaluation reserve	4,243,452	4,243,452
Capital Profits reserve	<u>202,316</u>	<u>202,316</u>
Total Reserves	<u>4,448,919</u>	<u>4,448,919</u>

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
15 Retained Earnings		
Retained earnings at the beginning of the financial year	2,722,036	2,654,747
(Net loss) Net profit attributable to members of the company	<u>(51,600)</u>	<u>67,288</u>
Retained earnings at the end of the financial year	<u>2,670,436</u>	<u>2,722,035</u>
16 Company Details		
Waikerie Hotel Motel Ltd & River Resources Consolidated		
17 Directors Information		
Directors Income		
The number of directors of the Company whose income From the company or related parties falls within the following bands: \$0 - \$25,000		
	6	6
Total income received, or due and receivable, by all Directors of each entity in the economic entity from the company, related bodies corporate, or controlled entities.		
	<u>60,084</u>	<u>56,000</u>
18 Auditors Remuneration		
Amount received or due for audit services By the Auditors of the company	16,890	17,454
Amounts received or due for other services by the auditor	<u>13,955</u>	<u>10,929</u>
	<u>30,845</u>	<u>28,383</u>

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

Directors Declaration

The directors of the company declares that:

1. The financial statements and notes, as set out on pages 1 to 16, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the company.
2. In the director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Dated at Waikerie, South Australia, this _____ day of October 2011

Signed in accordance with a resolution of the board of directors

Graeme Thompson
Director

Richard Hall
Director

WAIKERIE HOTEL MOTEL LTD & RIVER RESOURCES CONSOLIDATED

Report on the Financial Report

We have audited the accompanying financial report of Waikerie Hotel Motel Ltd & River Resources Consolidated which comprises the statement of financial position as at 30 June 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory information and the director's declaration.

Director's Responsibility for the Financial Report

The director of the company is responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the director determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the director also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. 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 auditors' 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 auditors consider 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 director, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the director of the company, would be in the same terms if provided to the director as at the date of this auditor's report.

**WAIKERIE HOTEL MOTEL LTD
& RIVER RESOURCES CONSOLIDATED**

Auditors' Opinion

In our opinion:

- (a) the financial report of Waikerie Hotel Motel Ltd & River Resources Consolidated is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Name of Firm: Noble Chartered Accountants

Name of Partner: _____
Stephen J Noble

Address: 19 White Street

Dated this day of _____ day of October 2011

The accompanying notes form part of these financial statements.