

**BAROOGA SPORTS CLUB LIMITED**  
96 001 757 491



**FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2015**

**BAROOGA SPORTS CLUB LIMITED**  
**96 001 757 491**

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**SPORTIES**  
BAROOGA SPORTS CLUB LTD  
ABN 96 001 757 491  
Incorporated in NSW  
Licensed under NSW Liquor Act

**NOTICE OF THE THIRTY-FIFTH ANNUAL GENERAL MEETING OF MEMBERS  
TO BE HELD AT THE BAROOGA SPORTS CLUB  
ON WEDNESDAY 21<sup>st</sup> OCTOBER, 2015 at 7.30pm.**

Business

- Item 1. To confirm Minutes of the Annual General Meeting held on Wednesday 15th October 2014.
- Item 2. To receive and consider the report of the Board of Directors.
- Item 3. To receive and consider the Financial Statements of the Company and the Report of the Auditor for the year ended 30<sup>th</sup> June 2015.  
*(It would be appreciated if all questions relating to Financial Reporting be submitted in writing to the Chief Executive Officer 7 days prior to the Annual General Meeting)*  
The Barooga Sports Club Annual Report is available on the Sporties website:  
[www.sporties.com.au](http://www.sporties.com.au)
- Item 4. Declaration of the Ballot for the election of two Directors.
- Item 5. To deal with any other business of which proper notice has been given – Ordinary Resolutions 1 and 2
- Item 6. To deal with any other business that the meeting may approve, of which due notice has not been given.

G.J. Ryan  
Chief Executive Officer  
BAROOGA SPORTS CLUB LIMITED

**A.G.M INFORMATION FOR 2015**  
**RESOLUTION**

**1. FIRST ORDINARY RESOLUTION**

That pursuant to the Registered Club Act;

- (a) The members hereby approve expenditure by the club in a sum not exceeding \$33,000 (exclusive of GST) over the following 12 months for the following activities of Directors in their service as members of the Club's Board of Directors.
- (i) The reasonable cost of a meal and beverage for each Director before or immediately after a Board or Committee Meeting on the day of that meeting.
  - (ii) Reasonable expenses incurred by Directors for travel to and from Directors meetings or other duly constituted meetings as approved by the Board from time to time on production of invoices, receipts or other proper documentation as evidence of such expenditure.
  - (iii) Reasonable expenses incurred by Directors in relation to other events including entertainment of special guests of the Club and promotional activities in relation to the club for which expenses are approved by the Board before payment is made, on production of invoices, receipts or other proper documentary evidence of such expenditure.
- (b) The provision and marking out of car parking spaces for the exclusive use of Directors, and such other persons as the Directors shall from time to time approve.
- (c) The professional development and education of directors over the following twelve months including:
- (i) The reasonable cost of directors and their partners attending at the Registered Clubs Association Annual General Meeting.
  - (ii) The reasonable cost of directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time.
  - (iii) The reasonable costs of directors attending other Clubs throughout the State or relevant overseas venues for the purpose of observing their facilities and methods of operation
- (d) The members acknowledge that the benefits in paragraphs (a), (b) and (c) above are not available to members generally but only for those who are Directors of the club.

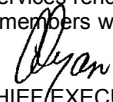
**2. SECOND ORDINARY RESOLUTION**

"That pursuant to the Registered Clubs Act 1976, as amended,

The members hereby authorise for the period preceding the next Annual General Meeting, payment of a total sum, as honoraria, for the positions named and for the net sums referred to below (exclusive of any statutory deductions) in respect of services rendered to the Club. The members further acknowledge that the honoraria are not available to members generally but only those members who are elected to the Board of Directors of the Club:

President: \$10,000 Director: \$5,000

Dated: 7 September 2015

  
Signed G Ryan, CHIEF EXECUTIVE OFFICER  
By Resolution and Direction of the Board

**NOTICE TO MEMBERS**

Explanation notes to be read in conjunction with the proposed resolutions.

1. Ordinary Resolution No. 1 (a) and (c) is to have the members in General Meeting approve an amount no greater than \$33,000 of expenditure by the Clubs Directors in relation of duties performed by the Clubs Directors and to attend seminars, lectures, trade display and other similar events including Registered Clubs Association of New South Wales Annual General Meeting and to visit other Clubs or related venues to enable the Clubs governing body to be kept abreast of current trends and developments which have a significant bearing on the nature and way in which our Club conducts its business.
- Ordinary Resolution No. 1 (b) is to have members in General Meeting approve the provision of exclusive car parking spaces for the Directors of the Club and such other members of the Club as the Directors from time to time approve.
- The objective of Ordinary Resolution No. 1 by members will confirm and set an upper limit on the amount to be expended and other additional benefits directly related to activities of the Club and meet disclosure requirements of the Corporations Act 2001 and the Registered Clubs Act 1976 as amended.
2. Ordinary Resolution No. 2 is to have the members in the general meeting approve the amount (specified next to each position) as honoraria for the positions named, in respect of services rendered to the Club.
- The adoption of Ordinary Resolution No 2 by members will confirm the amount to be paid to each of the directors as honorarium and meet the disclosure requirements of the Corporations Act 2001 and the Registered Clubs Act 1976 as amended.
3. Each Ordinary Resolution must be passed as a whole and cannot be amended by motions from the floor of the meeting or divided into two or more separate resolutions.
4. To be passed, each Ordinary Resolution must receive votes in its favor from not less than a simple majority of those members, who, being entitled to do so, vote in person at the meeting.

**FINANCIAL REPORTS**

As a result of changes to the Corporations Act 2011 the Club is only required to send the financial report, the directors' report and the auditor's report, to those members who indicate in writing that they want to receive them either in hard copy or electronic copy. Members are advised that:

- (i) They may elect to receive, free of charge, a copy of the financial report, the directors' report and the auditor's report for the current financial year by contacting the Club and requesting that copies be sent to them either by post or by email; or
- (ii) They may view the reports on the Club's website at [www.sporties.com.au](http://www.sporties.com.au)

Members are advised that the section 41J core and Non-core property report for the Club is in the Clubs financial reports and also on the Club's website.

If any member has any question in relation to these changes to the Corporations Act, please do not hesitate to contact the Club.

G Ryan  
Chief Executive Officer

## NOTICE TO MEMBERS

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 30 June, 2015:

- (a) the following properties are Core property of the Club:
- (i) Barooga Sports Club clubhouse and carpark
  - (ii) Sporties Health and Fitness centre and carpark
  - (iii) Barooga Sports Bowls Club clubhouse and greens
  - (iv) Berrigan Sports Club clubhouse, bowling greens and golf course
  - (v) Cobram Barooga Golf Club clubhouse/accommodation and Golf Course and carpark
- (b) the following properties are Non-Core property of the Club:
- (i) Unit 16, 48-50 Bank Street, Port Fairy
  - (ii) Property: 37 Apricot Circuit, Cobram
  - (iii) Property: Lot 171, Snell Road, Barooga
  - (iv) Land: Lot 1, Snell Road, Barooga
  - (v) Land: Lot 2,3,4 / 13 Burkinshaw Street, Barooga
  - (vi) Land: Lot156, Stubberfield's paddock 4.1758ha
  - (vii) Land: Part Lots 172,175,176,242 Bowling Green Site 1.37ha
  - (viii) Property: Lot 16, Mavis Steward Drive, Barooga

## NOTES TO MEMBERS

- 1, Section 41J(2) of the Registered Clubs Act requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.
  - 2, Core property is any real property owned or occupied by the Club that comprises:
    - (a) the defined premises of the Club; or
    - (b) any facility provided by the Club for use of its members and their guests; or
    - (c) any other property declared by a resolution passed by a majority of the members present at a general meeting of Ordinary members of the Club to be core property of the Club.
  - 3, Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.
  - 4, The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
    - (a) the property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and
    - (b) the disposal has been approved at a general meeting of the ordinary members of the Club at which the majority of the votes cast support the approval; and
    - (c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.
  - 5, These disposal provisions and what constitutes a disposal for the purposes of section 41J are to some extent modified by regulations made under the Registered Clubs Act and by Section 41J itself. For example, the requirements in paragraph 4 above do not apply to;
    - Core property that is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation by a registered valuer;
    - Core property that is leased or licensed to a telecommunications provider for the purposes of a telecommunication tower.
  - 6, The requirement to specify core property and non core property in the Annual Report of the Club came into effect on 21 December, 2007 which is why this information has not previously appeared in the Annual Report.
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**BAROOGA SPORTS CLUB LIMITED  
MINUTES OF THE 35th ANNUAL GENERAL MEETING  
HELD AT THE BAROOGA SPORTS CLUB ON  
WEDNESDAY 15 OCTOBER 2014 AT 7.30PM**

President Mr. Rob Jones declared the Meeting open and welcomed the 55 members present.

Special welcome and mention to the Club's Life Members present: Bill Yates, Ray Nye, Stephen Brooks, Vin Toohey, Jill Toohey and Rob Jones

**Apologies:** Read out by Rob Jones

G. Mentha, G. Gaylard, L. Cusack, P. Nolan

Moved: G. Brooks                      Seconded: A. Ellis  
that the apologies be accepted. *Carried*

The President then asked for Members to stand and observe a minutes silence for the Members of the Club who passed away in the intervening twelve months out of respect for those people and their families.

**Minutes:**

Moved N. O'Brien that the minutes of the Annual General Meeting held on Wednesday 16 October, 2013 as published be received and accepted.                      Seconded: G. Garrow  
*Carried*

**The Report of the Board of Directors:**

Moved T. Sagers that the Directors Report as published in the Annual Report be received and accepted.  
Seconded: G. Brown *Carried*

**Financial Report:**

Moved V. Toohey that the Financial Report for the year ending 30<sup>th</sup> June 2014 be received and accepted.  
Seconded: A. Ellis *Carried*

Correspondence received from member A. Ellis, Club Accountant Peter Mogg then addressed the floor to answer questions submitted regarding poker machine entitlements, current assets showing constructions in progress, increase in commission and borrowing costs

**Ballot.**

Declaration of Ballot for the election of three Directors. Returning Officer Patrick Quinane advised that there were four nominations for Director, a ballot was required and declared the following Directors were elected for 2014/15 as follows:

Jon O'Dwyer  
Glen Brooks  
Darren Nolan

President R. Jones congratulated Jon O'Dwyer, Glen Brooks and Darren Nolan on their re-election  
He gave commiserations to Graham Garrow and thanked him for showing interest in standing for the Board.  
The President also thanked Patrick Quinane and his assistants Valerie Quinane, Elaine Smith, Bianca Quinane and Tracey Watt for conducting the count.

**Ordinary Resolution One & Two**

The President asked members to vote on the recommendation from the Board:

Resolution 1:

That an amount no greater than \$33,000 of expenditure by the Clubs Directors in relation of duties performed by the Clubs Directors and to attend seminars, lectures, trade display and other similar events and also to approve the provision of exclusive car parking spaces for the Directors for the Club be approved.

Moved: A. Leighton-Daly that the recommendations of the Directors expenditure not exceed \$33,000.

Seconded: G. Brown *Carried*

Resolution 2:

That the total honorarium for directors be \$50,000 and to be distributed \$10,000 for President and \$5,000 for each Director.

Moved: N. O'Brien that the recommendation of the Board for Director Honorariums be approved.

Seconded: B. McMaster *Carried*

**Special Resolutions**

The President asked members to vote on the three resolutions set out which all proposed as Special Resolutions and all of which seek to amend the Constitution of the Club as follows:

**FIRST SPECIAL RESOLUTION**

That the Constitution of Barooga Sports Club Limited be amended by:

- (a) **inserting** the following new Rule 25.5:  
"25.5 In accordance with section 73(1) (m) of the Registered Clubs Act, any person who is elected or appointed to the Board must, unless exempted, complete such mandatory training requirements for directors within the period prescribed by the Registered Clubs Act."
- (b) **inserting** the following new Rule 32.1(i).  
"(i) if the director fails to complete the mandatory training requirements for directors referred to in Rule 25.5 within the prescribed period (unless exempted)."

**SECOND SPECIAL RESOLUTION**

That with effect from and for the purposes of the Annual General Meeting held in 2014, that the Constitution of Barooga Sports Club Limited be amended by:

- (a) **deleting** Rule 24.1 which provides as follows:  
"The Board shall consist of nine (9) directors who shall comprise a President, a Senior Vice President, a Junior Vice President, an Honorary Treasurer and five (5) Ordinary directors."  
and in lieu thereof **inserting** the following new rule 24.1  
"The Board shall consist of nine (9) directors who shall comprise a President, two (2) Vice Presidents and six (6) Ordinary directors".
- (b) **deleting** the words, "a Senior Vice President, a Junior Vice President and an Honorary Treasurer" from Rule 25.3 and **inserting** instead the words, "two (2) Vice Presidents".
- (c) **deleting** Rule 27.3 (which relates to the chairing of Board meetings) and **inserting** instead the following new rule 27.3:  
"27.3 The President shall be entitled to take the chair at every meeting of the Board. If the President is not present or is unwilling or unable to act then one of the Vice Presidents shall take the chair of the meeting. If neither of the Vice Presidents are present or willing or able to act then the

directors present shall elect one of their number to take the chair for that meeting.”

### THIRD SPECIAL RESOLUTION

If the Second Special Resolution contained in this Notice is passed, the Constitution of Barooga Sports Club Limited be amended by

**deleting** Rules 24.1 to 24.4 and in lieu thereof **inserting** the following new Rules 24.1 to 24.6:

“24.1 Subject at all times to Rule 32.2 and this Rule 24 as and from the Annual General Meeting held in 2014 the Board shall consist of nine (9) directors comprising a President, two (2) Vice Presidents and six (6) Ordinary directors.

24.2 Subject to Rule 32.2 with effect from and for the purposes of the first Annual General Meeting held after the first casual vacancy on the Board since the adoption of this Rule 24.2 (“the first casual vacancy AGM”) the number of directors on the Board will be reduced from nine (9) to eight (8) (with members electing 2 directors to office instead of 3 so the numbers in that group for the purposes of the Triennial Rule reduces from 3 to 2) and the Board shall comprise of a President, two (2) Vice Presidents and five (5) Ordinary directors.

24.3 Subject to Rule 32.2 with effect from and for the purposes of the first Annual General Meeting after the second casual vacancy on the Board arising since the adoption of Rule 24.2 (“the second casual vacancy AGM”) the number of the directors on the Board will be reduced from eight (8) to seven (7) (with members electing 2 directors to office instead of 3 so the numbers in that group for the purposes of the Triennial Rule reduces from 3 to 2) and the Board shall comprise of a President, two (2) Vice Presidents and four (4) Ordinary directors.

24.4 The purpose and effect of Rules 24.2 and 24.3 is to reduce the size of the Board from nine (9) to seven (7) when and if casual vacancies occur.

24.5 Subject to Rule 24.6, the following members, provided they have been financial members of the Club for a consecutive period of at least twelve months, shall be entitled to stand for and be elected or appointed to the Board:  
Life members;  
Club members;  
Berrigan Golf and Bowling members;  
Golf members;  
Bowling members;  
Country members; and  
Cobram-Barooga Golf Club members.

24.6 A member who is:  
(a) an employee; or  
who is currently under suspension pursuant to Rules 20 or 21;  
is not a Financial member  
shall not be eligible to stand for or be elected or appointed to the Board.”

(a) As and from the date the number of Directors reduces to seven (7) pursuant to Rule 24.3 the number “five (5)” to constitute a quorum for board meetings as set out in Rule 27.4 shall be replaced by, “four (4)” so that Rule 27.4 will appear as follows:

“The quorum for meetings of the Board shall be four (4) directors personally present or such greater number as shall be fixed by the Board from time to time.”

(b) Adding the following onto the end of Rule 32.2  
“Notwithstanding this rule 32.2 the Board shall not fill the first 2 vacancies referred to in rules

24.2 and 24.3 which occur after the adoption of Rules 24.2 and 24.3.”

If the Second Special Resolution contained in this Notice is not passed, the Constitution of Barooga Sports Club Limited be amended by

(c) **deleting** Rules 24.1 to 24.4 and in lieu thereof **inserting** the following new Rules 24.1 to 24.6:

“24.1 Subject at all times to Rule 32.2 and this Rule 24 as and from the Annual General Meeting held in 2014 the Board shall consist of nine (9) directors comprising a President, a Senior Vice President, a Junior Vice President, an Honorary Treasurer and five (5) Ordinary directors.

24.2 Subject to Rule 32.2 with effect from and for the purposes of the first Annual General Meeting held after the first casual vacancy on the Board since the adoption of this Rule 24.2 (“the first casual vacancy AGM”) the number of directors on the Board will be reduced from nine (9) to eight (8) (with members electing 2 directors to office instead of 3 so the numbers in that group for the purposes of the Triennial Rule reduces from 3 to 2) and the Board shall comprise of a President, a Senior Vice President, a Junior Vice President, an Honorary Treasurer and four (4) Ordinary directors.

24.3 Subject to Rule 32.2 with effect from and for the purposes of the first Annual General Meeting after the second casual vacancy on the Board arising since the adoption of Rule 24.2 (“the second casual vacancy AGM”) the number of the directors on the Board will be reduced from eight (8) to seven (7) (with members electing 2 directors to office instead of 3 so the numbers in that group for the purposes of the Triennial Rule reduces from 3 to 2) and the Board shall comprise of a President, a Senior Vice President, a Junior Vice President, an Honorary Treasurer and three (3) Ordinary directors.

24.4 The purpose and effect of Rules 24.2 and 24.3 is to reduce the size of the Board from nine (9) to seven (7) when and if casual vacancies occur.

24.5 Subject to Rule 24.6, the following members, provided they have been financial members of the Club for a consecutive period of at least twelve months, shall be entitled to stand for and be elected or appointed to the Board:  
Life members;  
Club members;  
Berrigan Golf and Bowling members;  
Golf members;  
Bowling members;  
Country members; and  
Cobram-Barooga Golf Club members.

24.6 A member who is:  
(b) an employee; or  
who is currently under suspension pursuant to Rules 20 or 21;  
is not a Financial member  
shall not be eligible to stand for or be elected or appointed to the Board.”

(d) As and from the date the number of Directors reduces to seven (7) pursuant to Rule 24.3 the number “five (5)” to constitute a quorum for board meetings as set out in Rule 27.4 shall be replaced by, “four (4)” so that Rule 27.4 will appear as follows:

“The quorum for meetings of the Board shall be four (4) directors personally present or such

*greater number as shall be fixed by the Board from time to time."*

(e) Adding the following onto the end of Rule 32.2

*"Notwithstanding this rule 32.2 the Board shall not fill the first 2 vacancies referred to in rules 24.2 and 24.3 which occur after the adoption of Rules 24.2 and 24.3."*

Questions were received by member G. Garrow and G. Brown regarding not having a Director as Treasurer and member A. Ellis questioned what would happen if two directors resigned at the same time.

Moved C. Campbell that the Club's Constitution be amended as proposed

Seconded: W. Gould

*Carried*

### **General Business**

The Chairman advised the meeting that although no proper notice had been received for other business, he would accept any suggestions or recommendations, which may benefit the Club.

Barooga Football Netball Club president, Andrew Leighton-Daly thanked the Barooga Sports Club for their continued support and sponsorship

Rob Brown President of the Cobram Barooga RSL Sub Branch thanked the Barooga Sports Club's Directors and staff for their continued support of Cobram Barooga RSL members

Robin Harwood, CEO of Moira Foodshare thanked the Barooga Sports Club for their continued support of funding and service provided to their organization

Noel O'Brien of the Barooga Sports Bowls Club thanked the Barooga Sports Club for its support and the replacement of their new green.

Barooga Sports Golf Captain, Wayne Gould thanked the Club for its support and commitment to improving the Golf Club.

Cr. John Bruce, representing the Berrigan Shire and the Barooga Advancement Group thanked the Barooga Sports Club for its financial assistance with regards to the Walking Track project

Graham Garrow asked for an update on the financial performance of the Berrigan Sports Club and its future.

The President advised that its financial performance had improved over the past 12 months however the future of Berrigan operations is being reviewed at the end of June 2015.

### **CEO Report**

Greg Ryan updated the members on the current status of the operating efficiencies of the Sporties Group.

A major project for the Barooga Sports Club is Heating/Cooling, this project will reduce electricity and power costs. The project will cost up to \$1million and will see a new roof over the Club.

Barooga Golf Club Resort Clubhouse and accommodation is completed at a cost of \$7million. The Club will now review dining options

The expenditure on the golf course continues with \$150,000 irrigation upgrade completed. There is also the ongoing upgrade and replacement of machinery and equipment and two greens to be renovated in November and March.

Plans for a new gym area to be built on part of the Basketball courts at Sporties Health & Fitness, should be finalized within the next two weeks, with the project hopefully to commence early in the new year.

Greg also updated members regarding the political side of gaming. The NSW coalition government signed a MOU at the recent ClubsNSW AGM. Currently revising some of the out of date compliance matters and a tax freeze for 4 years. Federally it appears stable at the moment.

Greg spoke of the Sporties continued commitment to the community and how much funding is provided to local sporting clubs and organisations.. This year the Club donated a total of \$424,551.80, almost over three times the required amount. He told the members that unlike private venues, the profits made do not go into the owners pocket, they are funded back into the members and the community.

Lastly, Greg expressed the importance of members support for the Sporties Group to continue its success into the future.

In closing Rob Jones thanked all of the members for their support and patronage over the years.

There being no further business the meeting was declared closed at 8.06pm.



## **PRESIDENT'S REPORT**

It disappoints me to report that the Sporties Group has had its first loss since its inception. The result reflects several situations that have resulted in this position. Our cash result was \$730,899 and after depreciation our loss is \$1,588,476. Due to our taxation exemption the depreciation total of \$2,319,375 is not really relevant to our financial position.

The Golf Club is in a transition state and our accommodation is slowly improving and when our occupancy reaches its potential it will have a positive effect on the profitability of this part of our business.

The Sporties Health and Fitness Centre is also evolving with measures put in place that are achieving reductions in overheads and with increases in casual visits and increased pool income is helping to maintain the losses at a manageable level of this most important community asset.

The Sporties Bowls Club is cost negative and an excellent community asset which is perfectly maintained and presented for those who are fortunate enough to use it. They are also very good ambassadors as they continue to be very successful in all forms of competition.

Berrigan is also working exceptionally hard to achieve positive results by reducing their loss again this year which is most pleasing for the Board of Management and will help us with the bigger picture as we arrest our current disappointing position.

The Board of Management has put in place significant changes with the appointment of six new Senior Executives including a new CEO to assist us to return the Sporties Group into a professional and desirable destination again.

The reality is that we have lost 20% of our membership over the last two years and our food has not met our members and visitors expectations hence the appointment of a new Food and Beverage Manager and a new Executive Chef who will provide the excellence in food offerings that will encourage the increased patronage in this vital part of our business again.

We have the best presented and up to date premises anywhere and we are confident with the right people with the right culture and customer service excellence and work ethic we will again be a viable dynamic destination for our members and guests and this will be enhanced by a more relevant marketing presence by use of social media and a relevant and modern user friendly website that will adhere to the needs and requirements of the young families in our district.

Another significant appointment was our new Chief Financial Officer, this is a new appointment and the Board of Management now have access to financial results as and when required. Rod is from the Club industry and has an intimate knowledge of all revenue streams in the Club industry and he is already providing positive advices that will have a significant effect on our resurgence.

In my last annual report I requested our management team to improve marketing activities that were important if we were to remain relevant without success and hence our disappointing current position and accordingly we had no choice than to take the actions that we have taken in an endeavour to reduce anymore haemorrhaging of our business. The positive of all of this is that I am excited about the future with the progressive appointments that we have since put in place. Our culture under the guidance of our consultant Mick Martin by empowering the Staff to be part of our new customer service orientated approach is proving to be very successful by allowing the staff to provide the best possible product and service in a friendly, happy environment. These valued staff are responsible in providing an enjoyable and memorable experience which is vital and I thank them for their commitment in achieving great outcomes.

I would like to acknowledge Greg Ryan's contribution to the Club over the last 32 years and wish him well for the future.

Ray Nye is retiring from the Board of Management after 33 years and was integral in getting the Sporties off the ground in the early stages. Ray's contribution to this Club is unmeasurable due to the significant contribution he has made over his time on the Board of Management. There is only two areas that have been recognised for significant contributions to this Board of Management over the last 33 years and they are "Tubby's Bar" and "The Ray Nye Stand" this shows how much Ray is revered by this Board and the Community at large. Thanks Ray have a great retirement mate.

Finally a sincere thank you to the Directors who have supported the changes necessary to enable the Sporties Group to move forward in a new positive and cohesive manner. I am excited about our future endeavours.

*Cheers*

*Rob Jones*



## CEO FINANCIAL REPORT

The past financial year has seen the Sporties Group report a loss of \$1,588,476 which included \$2,319,375 of depreciation.

This year's financial outcome, whilst not a positive result is a reduction of gaming income of \$420,567, interest and borrowing costs of \$301,447 (L/Y: \$139,595) plus an increase in depreciation of \$657,087.

The writing off \$145,695 in future capital costs that were over two years old as well as the revaluation of financial assets \$150,797 all contributed to the \$1,524,796 total.

The result of each Sporties Group operation before depreciation is as follows:

Barooga Sports Club	+\$1,460,099
Sporties Cobram Barooga Golf Club	- \$400,887
Golf Club Motel	- \$ 16,137
Sporties Health & Fitness Centre	- \$164,668
Berrigan Sports Club	- \$ 21,144
Barooga Sports Bowls Club	+\$ 24,433
	<b>\$881,696</b>
Less Revaluation of financial assets	\$150,797
	<b>\$730,899</b>



During the year, \$600,000 was paid off the bank loan with the current balance of \$5,400,000 and provision for a further reduction of \$600,000 in the 2015/16 financial year.

Our investments balance is \$2,487,491 with dividends and trust revaluations of \$87,728 are less than 2013/14.

Capital expenditure for the year totalled \$1.18million with funds spent in various areas, some of these were

- Golf Cart replacements
- Gaming machine replacements
- Upgrade of hot water supply and PA equipment at SHF
- Car park upgrade at the Golf Club
- Motel landscaping
- Golf Course – irrigation and greens renovation

Community and Sporting Clubs financial support was once again provided to many organisations with expenditure in this area totally \$378,228 for the ClubGrants year.

Some of these beneficiaries are:

Cobram District Health	Berrigan Amateur Dramatic Society	Barooga Advancement Group
Moirra Health Allianz	Cobram Barooga Vets Men's Health Day	Cobram Citizens Advice Bureau
Lions Club of Barooga	Cobram Barooga RSL	Ignite Life
Rotary Club of Cobram	Barooga Recreation Reserve	

The Sporties Group has also continued its traditional expenditure on members, with benefits provided to members totalling \$530,684

As I finalise my last report as Chief Executive Officer of the Sporties Group I think of the wonderful time I have had over the past 32 years (25 as CEO) as an employee of the Sporties.

We all know that change is a part of life and something that we all have to deal with at one time or another. For me, the end of my time at the Sporties will be a major change in my life.

During my time, the Sporties has seen plenty of challenges as well as fantastic growth and many achievements, this is something that I am very proud of. There have been highlights over the past 32 years and as I look back on my time, none are more priceless than the friendships and relationships I have made with the many Community and Sporties members.

When I began, I was fortunate enough to be guided and inspired by a few great men who gave me the passion and enthusiasm to make this Club great. Their leadership has been my privilege and something I am eternally thankful for.

I have had the honour and pleasure to work with many good directors and many wonderful staff members, to whom I all thank. My special thanks go to Ray Nye who is standing down from the Board. He has been involved with the Club since the beginning of my employment. His support and leadership throughout my journey is held in very high regard and has been very much appreciated.

I would like to take this opportunity to wish all associated with the Sporties Group continued success for the future.

Greg Ryan  
Chief Executive Officer

**BAROOGA SPORTS CLUB LIMITED**  
**96 001 757 491**

**DIRECTORS' REPORT**

Your directors present their report on the company for the financial year ended 30 June 2015.

**Information of Director**

The names of each person who has been a director during the year and to the date of this report are:

**Mr Rob Jones**

Position: President  
Age: 62  
Qualification: Business Proprietor  
Experience: Director since 1996  
Special Responsibilities: Major/Special Projects

**Mr Ray Nye**

Position: Director  
Age: 76  
Qualification: Retired  
Experience: Director since 1980 - 1998 reappointed 1999  
Special Responsibilities: Membership/Disciplinary & Sports/Community

**Mr Stephen Brooks**

Position: Senior Vice President  
Age: 57  
Qualification: Company Director  
Experience: Director since 1983  
Special Responsibilities: Membership/Disciplinary & Sports/Community

**Mr Brendan Ryan**

Position: Junior Vice President  
Age: 58  
Qualification: Business Proprietor  
Experience: Director since 1998  
Special Responsibilities: Audit/Compliance

**Mr Stephen Cusack**

Position: Treasurer  
Age: 61  
Qualification: Marketing  
Experience: Director since 2009  
Special Responsibilities: Major/Special Projects & Audit/Compliance

**Mr Jonathon O'Dwyer**

Position: Director  
Age: 45  
Qualification: Primary School Teacher  
Experience: Director since 2011  
Special Responsibilities: Audit/Compliance

**BAROOGA SPORTS CLUB LIMITED**  
**96 001 757 491**

**DIRECTORS' REPORT**

**Mr Darren Nolan**

Position: Director  
Age: 47  
Qualification: Business Proprietor  
Experience: Director since 2002  
Special Responsibilities: Berrigan Advisory Committee

**Mr Glen Brooks**

Position: Director  
Age: 45  
Qualification: CPA  
Experience: Director since 2008  
Special Responsibilities: Major/Special Projects & Sport/Community

**Mr Gary Hunt**

Position: Director  
Age: 56  
Qualification: RACV Resort Manager  
Experience: Director since 2012  
Special Responsibilities: Sports/Community

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. In accordance with the clubs Articles of Association, all directors retire every three years from the Board of Directors and subject to the provisions of the Articles of Association in respect to length of service in a particular office, are eligible for re-election.

**Meeting of Directors**

During the financial year, 15 meetings of Directors were held. Attendees by each director were as follows:

**Directors Meetings**

	<b>Eligible to Attend</b>	<b>Number Attended</b>
<b>Mr Rob Jones</b>	15	15
<b>Mr Ray Nye</b>	15	11
<b>Mr Stephen Brooks</b>	15	14
<b>Mr Brendan Ryan</b>	15	14
<b>Mr Stephen Cusack</b>	15	12
<b>Mr Jonathon O'Dwyer</b>	15	14
<b>Mr Darren Nolan</b>	15	13
<b>Mr Glen Brooks</b>	15	13
<b>Mr Gary Hunt</b>	15	13

**BAROOGA SPORTS CLUB LIMITED**  
**96 001 757 491**

**DIRECTORS' REPORT**

**Operating Results**

The loss of the company after providing for income tax amounted to \$1,588,476.

**Review of Operations**

A review of the operations of the company during the financial year and the results of those operations are as follows:

The operating loss of the Club for the year before providing for income tax was \$1,588,474, following an operating profit of \$146,496 in 2014. Other comprehensive income comprised of \$150,797 (2014: \$210,248). Income tax expense is nil (2014: nil).

**Significant Changes in the State of Affairs**

There have been no significant changes in the state of affairs of the Company during the financial year.

**Principal Activities**

The principal activity of the entity during the financial year was:

A registered club (NSW) providing facilities and amenities to its members:

- Encourage and support all forms of sporting activities in the Barooga district;
- Provide members and their guests, a social and sporting club with all facilities needed.

No significant change in the nature of the company's activity occurred during the financial year.

The entities short term objectives are to:

- Maintain the community facilities and Club environment
- Promote sporting and social activities for members and guests
- Provide a high level of customer service

The entities long term objectives are to:

- To proactive to the members and community needs and expectations
- Improve and enhance the Clubs facilities
- Be recognised as a leading corporate citizen with high social values

**Strategies**

To achieve these objectives, the entity has adopted the following strategies;

- Maintain the level of operational profitability
- Develop long term supporter base that benefits from the clubs success
- Regularly refine and enhance our strategic plan
- Attract and retain quality staff and other support networks

**Events After the Reporting Date**

There is a proposal to sell 22 Poker Machine Entitlements for approximately \$330,000. It is expected this transaction will occur prior to 31st December 2015.

No other 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.

**BAROOGA SPORTS CLUB LIMITED**  
**96 001 757 491**

**DIRECTORS' REPORT**

**Future Developments and Results**

Likely developments in the operations of the company 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 company.

**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 of Australia.

**Indemnification and Insurance of Officers and Auditors**

The Club has agreed to indemnify all Directors of the Club and certain Executive Officers against all liabilities to another person (other than the Club or a related body corporate) that may arise from their position as Directors or Executive Officers of the Club and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The policy agreement stipulates that the Club will meet the relevant liability. The premium paid in respect of this policy is part of a combined premium for a comprehensive suite of insurance products held by the Club.

**Auditor's Independence Declaration**

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30th June 2015 has been received and is set out on page 13.

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

**Director:**



Mr Stephen Cusack

**Dated this            day of**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF  
BAROOGA SPORTS CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 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 or review.

**Name of Firm:**

Xerri Evans  
Certified Practising Accountants

**Name of Partner:**

Anthony P Xerri

**Address:**

13a Main Street COBRAM, VIC 3644

**Dated in Barooga on 17th day of September 2015**

**BAROOGA SPORTS CLUB LIMITED**  
**96 001 757 491**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
Revenue	2	16,923,356	17,272,864
Other Income	2	101,757	96,534
Depreciation and Amortisation	3	(2,341,797)	(1,684,710)
Employee benefits Expense	3	(6,287,554)	(5,979,160)
Auditors Remuneration	3	(32,400)	(31,500)
Cost of Goods Sold	3	(2,103,044)	(2,029,382)
Members Expenses	3	(530,684)	(527,921)
Repairs and Maintenance Cost	3	(737,046)	(648,169)
Poker Machine Tax	3	(1,769,761)	(1,887,390)
Finance costs	3	(193,907)	(110,548)
Other expenses		(4,617,396)	(4,324,124)
<b>(Loss) Profit for the year</b>		<u>(1,588,476)</u>	<u>146,494</u>
<b>Other comprehensive income after tax</b>			
Net gain/(loss) on Revaluation of Financial Assets		150,797	231,897
Net gain/(loss) on Revaluation of Property, Plant & Equipment		-	(21,649)
<b>Other comprehensive income for the year net of tax</b>		<u>150,797</u>	<u>210,248</u>
<b>Total comprehensive income for the year</b>		<u><u>(1,437,679)</u></u>	<u><u>356,742</u></u>
Total comprehensive income attributable to members of the entity		(1,437,679)	356,742

The accompanying notes form part of these financial statements.



**BAROOGA SPORTS CLUB LIMITED**  
96 001 757 491

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	907,552	828,512
Trade and other receivables	5	98,585	35,655
Inventories	6	326,476	311,733
Other current assets	7	432,929	304,844
<b>TOTAL CURRENT ASSETS</b>		<u>1,765,542</u>	<u>1,480,744</u>
<b>NON-CURRENT ASSETS</b>			
Financial assets	8	2,487,491	2,766,937
Property, plant and equipment	9	33,445,160	34,489,924
Intangible assets	11	47,829	70,251
<b>TOTAL NON-CURRENT ASSETS</b>		<u>35,980,480</u>	<u>37,327,112</u>
<b>TOTAL ASSETS</b>		<u>37,746,022</u>	<u>38,807,856</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	12	763,127	869,785
Borrowings	13	600,000	600,000
Short Term Provisions	14	753,601	734,137
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,116,728</u>	<u>2,203,922</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	4,800,000	4,560,875
Long Term Provisions	14	212,493	172,583
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>5,012,493</u>	<u>4,733,458</u>
<b>TOTAL LIABILITIES</b>		<u>7,129,221</u>	<u>6,937,380</u>
<b>NET ASSETS</b>		<u>30,616,801</u>	<u>31,870,476</u>
<b>EQUITY</b>			
Retained Earnings		24,770,473	26,358,947
Asset Revaluation Reserve		5,908,774	5,735,572
Unrealised Gains Reserve		(62,446)	(224,043)
<b>TOTAL EQUITY</b>		<u>30,616,801</u>	<u>31,870,476</u>

The accompanying notes form part of these financial statements.

**BAROOGA SPORTS CLUB LIMITED**  
**96 001 757 491**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	Retained Earnings	Asset Revaluation Reserve	Unrealised Gains	Total
	\$	\$	\$	\$
<b>Balance at 1st July 2013</b>	26,212,452	3,493,077	(558,972)	29,146,557
Profit attributable to members of the entity	146,494	0	0	146,494
Total other comprehensive income for the period	-	(21,649)	231,897	210,248
<b>Total Comprehensive Income for the period</b>	<b>146,494</b>	<b>(21,649)</b>	<b>231,897</b>	<b>356,742</b>
Revaluations	0	2,264,146	103,031	2,367,177
<b>Balance at 30th June 2014</b>	<b>26,358,946</b>	<b>5,735,574</b>	<b>(224,044)</b>	<b>31,870,476</b>
<b>Balance at 1st July 2014</b>	26,358,946	5,735,574	(224,044)	31,870,476
Profit Attributable to members of the entity	-1,588,476	0	0	-1,588,476
Total other comprehensive income for the period	-	-	150,797	150,797
<b>Total Comprehensive Income for the period</b>	<b>-1,588,476</b>	<b>-</b>	<b>150,797</b>	<b>1,437,679</b>
Revaluations	0	173,202	10,800	184,002
<b>Balance at 30th June 2015</b>	<b>24,770,470</b>	<b>5,908,776</b>	<b>(62,447)</b>	<b>30,616,799</b>

The accompanying notes form part of these financial statements.

**BAROOGA SPORTS CLUB LIMITED**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	16,743,742	17,320,419
Payments to suppliers and employees	(16,138,047)	(15,219,993)
Interest received	16,936	28,365
Borrowing costs paid	(193,907)	(92,598)
Trust Distributions	82,358	88,986
<b>Net cash provided by (used in) operating activities</b>	<b>27</b>	<b>2,125,179</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	63,854	1,628
Purchase of Property, Plant & Equipment	(1,165,264)	8,397,114
Proceeds from sale of investments	500,000	(77,249)
Proceeds from sale of available-for-sale investments	(69,753)	1,838,562
<b>Net cash provided by investing activities</b>	<b>(671,163)</b>	<b>(6,634,163)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	839,125	4,017,283
Repayment of borrowings	(600,000)	(80,000)
<b>Net cash provided by (used in) financing activities</b>	<b>239,125</b>	<b>3,937,283</b>
Net decrease in cash held	79,044	(571,697)
Cash at beginning of financial year	828,509	1,400,209
<b>Cash at end of financial year</b>	<b>4</b>	<b>828,512</b>

The accompanying notes form part of these financial statements.

**BAROOGA SPORTS CLUB LIMITED**  
**96 001 757 491**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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**1 Statement of Significant Accounting Policies**

The financial statements cover Barooga Sports Club Limited as an individual entity. Barooga Sports Club Limited is a company limited by shares, incorporated and domiciled in Australia.

The address of the registered office is 10 Burkinshaw Street, BAROOGA NSW, 3644.

The club is primarily involved in the management of a licensed social club with associated sporting facilities and social activities provided for its members.

**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), Corporations Act 2001 and the Registered Clubs Act and Gaming Machines Act 2001. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 stated otherwise.

The financial statements, except for the cash flow information, 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 amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on the 17 September 2015 by the directors of the company.

**ACCOUNTING POLICIES**

**Revenue and Other Income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

**Sale of goods**

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

**BAROOGA SPORTS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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**Rental income**

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

**Interest revenue**

Interest revenue is recognised using the effective interest rate method.

**Rendering of services**

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

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

**Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

**BAROOGA SPORTS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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**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 directors conduct directors' 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.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are valued at the fair value of the asset at the date it is acquired.

**Core and Non-Core Real Property**

In accordance with section 41J(2) of the Registered Clubs Act 1976, following is a breakdown of the Clubs core and non-core property:

**Core Real Property**

Barooga Sports Club Clubhouse and car park  
Sporties Health and Fitness Centre and car park  
Barooga Sports Bowls Club Clubhouse and Greens  
Berrigan Sports Club Clubhouse, Bowling Greens and Golf Course  
Cobram Barooga Golf Club Clubhouse/Accommodation and Golf Course and car park

**Non-Core Real Property**

Unit 16, 48-50 Bank Street, PORT FAIRY  
37 Apricot Circuit, COBRAM  
Lot 171 Snell Road, BAROOGA  
Lot 1 Snell Road, BAROOGA  
Lot 2,3,4/13 Burkinshaw Street, BAROOGA

**BAROOGA SPORTS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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Lot 156 Stubberfields Paddock, BAROOGA  
Lot 172, 175, 176, 242 Bowling Green Site, Golf Course Road, BAROOGA  
Lot 16 Mavis Steward Drive, BAROOGA

**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 losses.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount 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.

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.5% - 5%
Plant and Equipment	20% - 25%
Poker Machines	50%
Irrigation Improvements	10%
Golf Course Improvements	5%

**BAROOGA SPORTS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each 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 recognised in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

### **Investment Property**

Investment property is held to generate long-term rental yields and capital growth. Investment property is carried at fair value. Changes to fair value are recorded in the statement of comprehensive income as other income or expenses.

### **Leases**

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

### **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.

#### **Classification and Subsequent Measurement**

Financial instruments are subsequently measured at 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, prices quoted in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.



**BAROOGA SPORTS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

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 amount with a consequential recognition of an income or expense item in profit or loss.

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.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as 'fair value through profit or loss' when they are 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 amount 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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(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 company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

**BAROOGA SPORTS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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(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.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit and loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

**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.

**Impairment**

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are immediately recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

**BAROOGA SPORTS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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### **Impairment of Non-Financial 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, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. 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.

Water Right has been revalued at the market value at year end and any impairment will be shown in amortisation.

### **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to 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.

Employee benefits expected to be settled more than twelve months after the end of the reporting period 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 satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

### **Cash and Cash Equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

**BAROOGA SPORTS CLUB LIMITED**  
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**Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

**Income Tax**

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997. The ATO issued a private ruling dated 23rd August 2010 confirming the entities income tax exempt status up until the year ended 30th June 2015.

A new ruling will be obtained in 2015; however there is no reason to believe that the tax exempt status will not remain.

**Intangibles**

**Other intangibles**

Poker Machine Entitlements

Entitlements to have Poker Machines have been recorded at cost. Amortisation rate of 10% has been used. Poker Machines Entitlements is tested annually for impairment and carried at cost less accumulated impairment losses.

**Trade and Other Receivables**

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

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### **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 are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting year. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of other comprehensive income.

### **Trade and Other Payables**

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

### **Water License**

An intangible asset has been acquired with the amalgamation of the Cobram Barooga Golf Club. The licence has an indefinite useful life and accordingly will be tested for impairment on an annual basis.

The water licence is measured at market value.

### **Gaming Machine License**

The directors consider that an active market does not currently exist for gaming licences in this region and the dollar value of poker machine licences to the Club in an open and unbiased market is not able to be determined. Any gaming licences received as part of a business combination are not allocated at value.

Any gaming licences separately acquired are stated at cost or deemed cost less accumulated amortisation.

### **Borrowing Costs**

All borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

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### **Comparative Amounts**

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

### **Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

#### *Key judgments - Provision for impairment of Receivables*

Included in trade and other receivables at 30 June 2015 is a provision for impairment for services performed by Barooga Sports Club Ltd during the current financial year amounting to \$4,300.

#### *Key judgments - Available-for-sale investments*

The company maintains a portfolio of securities with a carrying value of \$2,521,008 at reporting date. These investments have not materially changed in value.

### **Economic Dependence**

The Barooga Sports Club Limited is dependent on the Poker Machine Income for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the Poker Machine income will not continue to support the Club. However, with the decline in Poker Machine income, the Directors will continue to monitor all aspects of the Club's business to ensure a strong financial future.

### **Valuations**

Valuations were undertaken in June 2014. A revaluation of all Plant & Equipment has been included in the 2014 accounts.

### **Asset Capitalisation**

Asset purchases above \$2,000 are capitalised and depreciated. Assets below \$2,000 are written off as an expense.

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**New Accounting Standards for Application in Future Periods**

The Australian Accounting Standards Board has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the company on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the company elect to change its hedge accounting policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirement applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

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- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

The financial report was authorised for issue on 17 September 2015 by the board of directors.



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	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>2 Revenue and Other Income</b>		
<b>Revenue</b>		
Sales	6,376,500	6,257,809
Poker Machines	9,086,337	9,506,903
Members Subscriptions	382,399	376,889
	<u>15,845,236</u>	<u>16,141,601</u>
<b>Other Income</b>		
Rental Income	101,757	96,534
	<u>101,757</u>	<u>96,534</u>
Total revenue	<u>15,946,993</u>	<u>16,238,135</u>
<b>Interest revenue from:</b>		
Interest Received	16,937	28,365
Trust Distributions	82,358	88,986
	<u>99,295</u>	<u>117,351</u>
<b>Other revenue from:</b>		
Commissions	489,531	370,021
Insurance Recoveries	-	286,052
Other Income	493,127	322,436
Net gain/(loss) on Disposal of Property, Plant & Equipment	6,967	(26,565)
Net gain/(loss) on disposal of available-for-sale investments	(10,800)	(103,032)
Net Gain on Sale of Poker Machine Entitlements	-	165,000
Total other revenue	<u>978,825</u>	<u>1,013,912</u>
Revenue from ordinary Activities	16,992,284	17,369,398

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	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>3 Profit for the year</b>		
Profit before income tax from continuing operations includes the following specific expenses:		
<b>A. Expenses</b>		
Depreciation and Amortisation		
- Land and Buildings	(694,733)	(544,283)
- Poker Machines	(712,509)	(494,480)
- Furniture and Equipment	(912,133)	(623,525)
- Amortisation	<u>(22,422)</u>	<u>(22,422)</u>
Total Depreciation and Amortisation	<u>(2,341,797)</u>	<u>(1,684,710)</u>
Employee Benefits Expense	<u>(6,287,554)</u>	<u>(5,979,160)</u>
Auditor Remuneration		
- Audit Services	(32,400)	(31,500)
- Other Services	<u>(32,400)</u>	<u>(31,500)</u>
Total Auditors Remuneration	<u>(32,400)</u>	<u>(31,500)</u>
<b>B. Significant Revenue and Expenses</b>		
The following significant revenue and expense items are relevant in explaining the financial performance:		
<b><u>Revenue</u></b>		
Members Subscriptions	382,399	376,889
Market Movement	150,797	231,897
Managed Trust Distributions	82,358	88,986
Interest	16,937	28,365
<b><u>Expenses</u></b>		
Cost of sales	(2,103,044)	(2,029,382)
Poker Machine Tax	(1,769,761)	(1,887,390)
Members Expenses	(530,684)	(527,921)
Insurance Costs	(321,029)	(292,657)
Finance Costs	(193,907)	(110,548)
Repairs and Maintenance Expenses	(737,046)	(648,169)

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	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>4 Cash and Cash Equivalents</b>		
Cash on Hand	100	100
Cash on Hand - BSC	258,897	274,675
Cash on Hand - Golf	116,331	116,304
Cash on Hand - Berrigan	24,052	24,302
Cash on Hand - Bowls	673	673
Cash on Hand - Ladies Golf	200	0
Cash at Bank - CBA	17,061	20,640
Cash at Bank - Trading	-	195,478
TAB Account - BSC	-	40,364
TAB Account - Golf Club	5,000	5,000
ANZ - Poker Machine Jackpot	-	976
CBA - Trading Account	478,671	-
CBA - Gaming Account	4,866	-
CBA - TAB Account	1,701	-
	<u>907,552</u>	<u>678,512</u>
<b>SHORT TERM CASH DEPOSIT</b>		
Central Murray Credit Union	-	-
ANZ Premium Cash Account	-	150,000
	<u>-</u>	<u>150,000</u>
	<u>907,552</u>	<u>828,512</u>

The effective interest rate on short-term bank deposits was 2% (2014 - 2%); have an average maturity of 30 days.

**5 Trade and Other Receivables**

**Current**

Trade Debtors	103,618	57,071
Less Prov'n for Doubtful Debts	(4,145)	(2,282)
	<u>99,473</u>	<u>54,789</u>
BAS Control Account	(888)	(19,134)
	<u>98,585</u>	<u>35,655</u>

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	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<p>The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.</p> <p>A doubtful debts provision has been recognised amounting to \$4,145 which has been offset against trade receivables.</p> <p>This has been calculated on 4% of the debtor amount.</p>		
<b>6 Inventories</b>		
<b>Current</b>		
At cost:	326,476	311,733
	<u>326,476</u>	<u>311,733</u>
<b>7 Other Current Assets</b>		
<b>Current</b>		
Construction In Progress	402,746	278,302
Accrued Income	30,183	26,542
	<u>432,929</u>	<u>304,844</u>
<b>8 Financial Assets</b>		
<b>Non-Current</b>		
ANZ MortgageTrust - 5154	849,293	961,045
ANZ Balanced Trust - 5410	785,525	869,159
ANZ Optimix - 5410	852,673	936,733
	<u>2,487,491</u>	<u>2,766,937</u>

Available-for-sale financial assets comprise investments in managed investments. There are no fixed returns or fixed maturity dates attached to these investments. (Refer to page 25)

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	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>9 Property, Plant and Equipment</b>		
<b>LAND AND BUILDINGS</b>		
<b>Freehold land at:</b>		
Independent valuation	2,521,923	2,521,923
<b>Total Land</b>	<u>2,521,923</u>	<u>2,521,923</u>
<b>Buildings at:</b>		
Independent valuation	25,844,135	25,693,258
Less accumulated depreciation	(1,490,570)	(795,836)
	<u>24,353,565</u>	<u>24,897,422</u>
<b>Total Land and Buildings</b>	<u><u>26,875,488</u></u>	<u><u>27,419,345</u></u>
Water Entitlements	931,200	628,100
<b>Total Water Entitlements</b>	<u>931,200</u>	<u>628,100</u>
<b>PLANT AND EQUIPMENT</b>		
<b>Plant and Equipment:</b>		
At cost	6,121,068	6,442,479
Accumulated depreciation	(482,596)	-
<b>Total Plant and Equipment</b>	<u>5,638,472</u>	<u>6,442,479</u>
<b>Total Property, Plant and Equipment</b>	<u><u>33,445,160</u></u>	<u><u>34,489,924</u></u>

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	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	
	\$	\$	\$	\$	
<b>Movements in Carrying Amounts</b>					
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.					
	Land and Buildings	Poker Machines	Plant and Equipment	Water Rights	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2013	21,122,449	905,192	2,959,104	554,018	25,540,763
Additions	6,841,178	694,883	860,525	519	8,397,105
Disposals	-	15,725	(17,353)	-	(1,628)
Additions through acquisition of entity	-	627,881	1,541,092	73,564	2,242,537
Revaluation increments/(decrements)	-	-	-	-	-
Impairment losses	-	(26,565)	-	-	(26,565)
Depreciation expense	(544,283)	(494,480)	(623,525)	-	(1,662,288)
Capitalised finance costs and depreciation	-	-	-	-	-
Carrying amount at the end of the year	<u>27,419,344</u>	<u>1,722,636</u>	<u>4,719,843</u>	<u>628,101</u>	<u>34,489,924</u>
Balance at 1st July 2014	27,419,344	1,701,027	4,741,452	628,101	34,489,924
Additions	150,876	547,896	459,525	-	1,158,297
Disposals	-	-	63,854	-	63,854
Revaluation increments/(decrements)	-	(129,898)	-	303,100	173,202
Additions through acquisition of entity	-	-	-	-	-
Impairment losses	-	(15,086)	22,054	-	6,968
Depreciation expense	(694,733)	(712,509)	(912,133)	-	(2,319,375)
Capitalised finance costs and depreciation	-	-	-	-	-
Carrying amount at 30 June 2015	<u>26,875,487</u>	<u>1,391,430</u>	<u>4,247,044</u>	<u>931,201</u>	<u>33,445,162</u>

**10 Investment Property**

	<b>2015</b>	<b>2014</b>
	\$	\$
Land	165,373	165,373
Buildings	1,623,783	1,623,783
Accumulated Depreciation	<u>(411,648)</u>	<u>(380,507)</u>
	<u>1,377,508</u>	<u>1,408,649</u>

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	2015	2014
	\$	\$
<b>11 Intangible Assets</b>		
Poker Machine Entitlements - At Cost	224,255	224,255
Accumulated Amortisation	(176,426)	(154,004)
Net carrying amount	<u>47,829</u>	<u>70,251</u>
<b>Total</b>	<u><u>47,829</u></u>	<u><u>70,251</u></u>
<b>12 Trade and Other Payables</b>		
<b>Current</b>		
Trade Creditors	654,801	780,282
Deposits Held	71,853	63,618
Linked Poker Machine Accruals	<u>36,473</u>	<u>25,885</u>
	<u><u>763,127</u></u>	<u><u>869,785</u></u>

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	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>13 Borrowings</b>		
<b>Current</b>		
<b>Commonwealth Bank Loan - Current</b>		
Current Liability Bank Loan #10208544	-	600,000
Current Liability Market Rate Facility #10218857	600,000	-
	<u>600,000</u>	<u>600,000</u>
Total current borrowings	<u>600,000</u>	<u>600,000</u>
<b>Non-Current</b>		
<b>Loans</b>		
Commonwealth Bank Loan - 10208544	-	3,060,875
Commonwealth Bank Loan - CBA Bill 150974	-	1,500,000
Commonwealth Bank Loan - Market Rate Facility 10218857	1,800,000	-
Commonwealth Bank Loan - Market Rate Facility 10216958	3,000,000	-
	<u>4,800,000</u>	<u>4,560,875</u>
<b>Total Borrowings</b>	<b>5 <u>5,400,000</u></b>	<b>5 <u>5,160,875</u></b>

The Club has obtained a loan from the Commonwealth Bank of Australia for \$2,400,000 and must meet certain conditions. The bank has registered mortgages over titles 240/41479 and a first registered mortgage over the whole of the Club's assets

The Club has obtained a loan from the Commonwealth Bank of Australia for \$3,000,000 and must meet certain conditions. The bank has registered mortgages over titles 240/41479 and a first registered mortgage over the whole of the Club's assets.



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	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>14 Provisions</b>		
Provision for Annual Leave	493,513	501,290
Provision for Long Service Leave - Current	260,088	232,847
	<u>753,601</u>	<u>734,137</u>
Provision for Long Service Leave - Non-Current	212,493	172,583
<b>Total provisions</b>	<u>966,094</u>	<u>906,720</u>
<b>Analysis of Total Provisions</b>		
Current	753,601	734,137
Non-current	212,493	172,583
	<u>966,094</u>	<u>906,720</u>

**Provision for Long-term  
Employee Benefits**

A provision has been recognised for employee entitlements relating to annual leave and long service leave. 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 on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

A new Award was entered into and commenced on the 1st July 2009.

One of the changes is that employees are able to take their Long Service Leave Entitlement in cash after meeting a minimum number of employment years. Hence, a large portion of the liability has been considered current.

**15 Other**

The club has a Bank Guarantee with the TAB NSW of \$5,000.

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	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>

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**16 Related Party Transactions**

Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties were:

Brendan Ryan, Gary Hunt and Robert Jones

**17 Financial Risk Management**

The company'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:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>		
Managed Funds	2,549,938	2,990,981

**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 included the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations.

The company does not have any derivative instruments at 30 June 2015.

**Specific Financial Risk Exposures and Management**

**Financial Risks**

The entity is not exposed to any financial instruments, liquidity or credit risks.

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**2015**                      **2014**  
\$                                      \$

**Interest rate risk**

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows;

	<b>2015</b>	<b>2014</b>
	\$	\$
<b>Floating Rate Instruments</b>		
Cash at Bank	507,299	262,458
Trade and Other Receivables	98,584	35,655
Cash on Hand	400,253	416,054
<b>Total floating rate financial assets</b>	1,006,136	714,167

**Liquidity Risk**

The entity manages liquidity risk by monitoring forecast cash flows and utilising cash reserves.

**Fixed Interest Rate Maturing**

	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	%	%	\$	\$
<b>Financial assets - cash flows realisable</b>				
Short Term Deposits		2	-	150,000
<b>Total anticipated inflows</b>			-	150,000
<b>Net (outflow)/inflow on financial instruments</b>			-	150,000

**BAROOGA SPORTS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
Trade and sundry payables are expected to be paid as follows:		
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Trade Creditors	654,801	780,282
Accrued Expenses	71,853	63,619
Linked Poker Machine Accruals	36,472	25,884
	<u>763,126</u>	<u>869,785</u>

**Foreign exchange risk**

The entity is not exposed to fluctuations in foreign currencies.

**Credit risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognise financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

**Other Price risk**

The entity is not exposed to any material commodity price risk.

**Fair Values**

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

**BAROOGA SPORTS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
<hr/>		
	<b>2015</b>	<b>2014</b>
	Carrying Amount	Carrying Amount
	Net Fair Value	Net Fair Value
	\$	\$
<b>Financial Assets</b>		
Managed Funds	2,549,938	2,990,981
<b>Total Financial Assets</b>	<u>2,549,938</u>	<u>2,990,981</u>
	2,990,981	4,855,325
	<u>2,549,938</u>	<u>4,855,325</u>

During the year, financial assets of a total of \$500,000 were sold. This was \$10,800 less than the cost of these investments.

**18 Directors Remuneration and Expenses**

	2015	2014
	\$	\$
Directors Honorarium	50,000	50,000
Directors Expenses / Reimbursements	<u>21,048</u>	<u>14,363</u>
	<u>71,048</u>	<u>64,363</u>

**19 Commitments**

As at 30 June 2015 the total of the Clubs linked progressive Poker Machine Jackpots not paid was \$36,473.00 (2014-\$25,884).

**20 Segment Reporting**

The club operates predominantly in one business and geographical segment, being in gaming and sporting sectors, providing social facilities to members.

**BAROOGA SPORTS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**2015**                      **2014**  
**\$**                                      **\$**

**21 Capital Management**

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its mentoring programs and that returns from investments are maximised.

The entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

The strategy of the entity is to maintain a gearing ratio below 25%.

The gearing ratios for the years ended 30 June 2015 and 30 June 2014 are as follows:

	<b>2015</b>	<b>2014</b>
Total Borrowings	(5,400,000)	(5,160,875)
Less cash and cash equivalents	907,552	828,511
Net debt	4,492,448	4,332,364
Total equity (reserves + retained earnings)	30,809,145	31,870,476
<b>Total Capital</b>	<b>30,809,145</b>	<b>31,870,476</b>
Gearing Ratio	14.58%	13.59%

**22 Net Gain on Revaluation**

	<b>2015</b>	<b>2014</b>
Land	-	0
Buildings	-	0
Plant & Equipment	(129,898)	2,190,583
Water	303,100	73,564
<b>Net Gain on revaluation of Land and Buildings</b>	<b>173,202</b>	<b>2,264,147</b>

**BAROOGA SPORTS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>

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**23 Member's 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 \$10.00 each towards meeting any outstandings and obligations of the entity. At 30 June 2015 the number of members was 7,959.

**24 Contingent Liabilities**

**Public Liability Claims**

As at the date of this report, the Club has no unresolved Public Liability claims.

**25 Events After the Reporting Period**

There is a proposal to sell 22 Poker Machine Entitlements for approximately \$330,000. It is expected this transaction will occur prior to 31st December 2015.

There are no other after balance date events that would impact on the club other than those already disclosed in this report.

**26 Key Management Personnel**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Short-term employee benefits</b>		
Total Compensation	525,452	544,215
<b>Post-employment benefits</b>		
Total Compensation	218,413	204,615
<b>Total Compensation</b>	<b>743,865</b>	<b>748,830</b>

**Key Personnel**

Greg Ryan - CEO  
Michael O'Dwyer - Marketing  
Greg Ferguson - Assistant Manager (Terminated)  
Rob Cook - Catering Manager  
Tony Johnston - Course Manager  
Justin Speirani - Director of Golf

**BAROOGA SPORTS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>27 Cash Flow Information</b>		
<b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Operating Profit After Income Tax	(1,437,677)	459,774
<b>Add/Subtract Items classified as Investing/Financing Activities</b>		
Profit/Loss on Sale of Property, Plant & Equipment	6,967	26,565
Profit/Loss on Movement of Investments & revaluations	(146,964)	(210,248)
<b>Add/Subtract Non-cash Items:</b>		
Amortisation and Depreciation	2,341,797	1,684,669
<b>Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries</b>		
(Increase)/decrease in Inventories	(14,744)	(21,232)
(Increase)/decrease in Trade Debtors	(62,929)	19,083
(Increase)/decrease in Other Debtors	(128,084)	239,531
Increase/(decrease) in Trade Creditors & Accruals	(106,659)	(138,719)
Increase/(decrease) in provisions	59,374	65,755
Net Cash provided by (used in) Operating Activities	511,082	2,125,179

**28 Company Details**

The registered office of the company is:

Barooga Sports Club Limited

10 Burkinshaw Street  
BAROOGA, NSW 3644

The principal place of business is:

10 Burkinshaw Street  
BAROOGA, NSW 3644



**BAROOGA SPORTS CLUB LIMITED**  
**96 001 757 491**

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 to 46, for the year ended 30 June 2015 are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards, which, as stated in basis of preparation 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 and performance of the company.
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.

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

Director:



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Mr Stephen Cusack

Dated this            day of

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF BAROOGA SPORTS CLUB LIMITED  
96 001 757 491**

**Scope**

I have audited the accompanying financial report of Barooga Sports Club Ltd, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

**Directors' Responsibility for the Financial Report**

The directors of the company Barooga Sports Club Ltd are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgement, 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 of the financial report that gives a true and fair view 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.

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

**Independence**

In conducting my audit, I have complied with the independence requirements of the Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Barooga Sports Club Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF BAROOGA SPORTS CLUB LIMITED  
96 001 757 491**

**Basis for Qualified Opinion**

Barooga Sports Club Ltd values its Land, Buildings, Plant and Equipment at fair value. As disclosed in Note 9, the assets owned by Barooga Sports Club Ltd were valued in 2014 by Preston Rowe Paterson. The assets have been valued on a going concern basis and are carried at \$33,445,160 on the entity's Statement of Financial Position as at 30 June 2015.

The Asset Revaluation Reserve has been adjusted to reflect the sale of re-valued assets based on a straight-line basis for Poker Machines with no allowance for other asset categories.

I do not agree with the basis used in the accounts, and the asset register was not current, and determining the write back of revaluation reserve in accordance with AASB 116 was not possible.

**Qualified Opinion**

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report of Barooga Sports Club Ltd is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at the year ended 30 June 2015 and of their performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards in Australia and the Corporation Regulations 2001; and

**Name of Firm:** Xerri Evans  
Certified Practising Accountants

**Name of Principal:** \_\_\_\_\_  
Anthony P Xerri

**Address:** 13a Main Street COBRAM, VIC 3644

**Dated this** 17<sup>th</sup> **day of** September, 2015

**BAROOGA SPORTS CLUB LIMITED**  
96 001 757 491

**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>SALES</b>		
Sales	6,376,500	6,257,809
<b>LESS: COST OF GOODS SOLD</b>		
Opening Stock	311,734	290,501
Purchases	2,092,624	2,025,122
Freight	25,163	25,492
Closing Stock	(326,477)	(311,733)
	2,103,044	2,029,382
<b>SALES</b>		
Poker Machine Takings	9,086,337	9,506,903
<b>LESS: MANUFACTURING COSTS</b>		
Depreciation	597,106	460,758
Poker Machine Tax	1,769,761	1,887,390
Repairs & Maintenance-Plant	308,400	241,186
	2,675,267	2,589,334
<b>GROSS PROFIT FROM TRADING</b>	<b>10,684,526</b>	<b>11,145,996</b>
<b>OTHER INCOME</b>		
Commissions	489,531	370,021
Insurance Recoveries	-	286,052
Interest Received	16,937	28,365
Trust Distributions	82,358	88,986
Other Income	493,127	322,436
Net gain/(loss) on Disposal of Property, Plant & Equipment	6,967	(26,565)
Net gain/(loss) on disposal of available-for-sale investments	(10,800)	(103,032)
Net Gain on Sale of Poker Machine Entitlements	-	165,000
Membership Subscriptions	382,399	376,889
Gross profit on rental operations	101,757	96,534
	1,562,276	1,604,686
	<b>12,246,802</b>	<b>12,750,682</b>

The accompanying notes form part of these financial statements.

**BAROOGA SPORTS CLUB LIMITED**  
**96 001 757 491**

**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>EXPENSES</b>		
Administration Charges	12,933	21,567
Advertising	425,069	466,936
Amortisation	22,422	22,422
Awards and Trophies	62,654	84,300
Auditors Remuneration - Other	32,400	31,500
Bad Debts	1,863	(1,176)
Artists & Band Hire	305,700	282,750
Bank Charges	141,486	73,254
Borrowing Expenses	-	17,950
Cleaning	153,881	140,239
Commission - TAB Expenses	351,357	225,435
Consultancy Fees	276,060	71,417
Computer Maintenance	163,136	168,862
Depreciation	1,722,269	1,201,530
Director Expenses	71,048	64,363
Donations	260,797	292,152
Doubtful Debts	400	(300)
Electricity & Gas	533,838	662,212
Fees, Licences & Permits	72,021	52,388
Fringe Benefits Tax	6,230	24,558
Gas, Fuel & Oil	61,459	92,468
Functions Requisites	5,403	-
Garden Maintenance	17,891	19,263
Golf Course Costs - CBGC	169,762	176,258
Hire of Plant & Equipment	71,284	35,790
Insurance	321,029	292,657
Interest	193,907	92,598
Kitchen Requisites	33,821	38,149
Equipment Rental	59,989	40,514
Legal Fees	17,016	4,658
Members Expenses	530,684	527,921
Miscellaneous Expenses	15,915	23,321
Motor Vehicle Expenses	64,560	77,047
Payroll Tax	303,827	275,017
Pest Control	16,199	7,922
Pool Chemicals & Requisites	13,442	11,902
Printing, Stationery & Postage	98,305	86,231
Provision for Annual Leave	(7,777)	18,712
Provision for Long Service Leave	67,151	47,043

The accompanying notes form part of these financial statements.

**BAROOGA SPORTS CLUB LIMITED**  
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**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Purchases - Catering Berrigan	9,043	14,345
Rates & Taxes	70,510	71,878
Repairs & Maintenance: Equipment	286,486	261,684
Repairs & Maintenance: Building/Reserve	88,138	95,298
Rubbish Removal	54,022	50,001
Security	174,184	180,381
Staff Training	91,303	125,495
Subscriptions	76,092	66,673
Superannuation	524,368	480,955
Super Station Costs	44,919	43,593
Telephone/Fax & Internet	57,689	54,009
Uniforms	17,210	17,336
Wages	5,671,883	5,372,710
	13,835,278	12,604,188
<b>(Loss) Profit before income tax</b>	<b>(1,588,476)</b>	<b>146,494</b>
Net gain/(loss) on Revaluation of Financial Assets	150,797	231,897
Net gain/(loss) on Revaluation of Property, Plant & Equipment	-	(21,649)
	(150,797)	(210,248)
	<b>(1,437,679)</b>	<b>356,742</b>

The accompanying notes form part of these financial statements.