



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

**NOTICE OF THE THIRTY-SEVENTH ANNUAL GENERAL MEETING OF MEMBERS
TO BE HELD AT THE BAROOGA SPORTS CLUB
ON WEDNESDAY 26th OCTOBER, 2016 at 7.30pm.**

Business

- Item 1. To confirm Minutes of the Annual General Meeting held on Wednesday 21st October 2015.
- 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 30th June 2016.
(It would be appreciated if all questions relating to Financial Reporting be submitted in writing to the Interim 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
- Item 4. Declaration of the Ballot for the election of two Directors. As there were only two nominations received no ballot is required.
- Item 5. To deal with any other business of which proper notice has been given – Ordinary Resolutions 1 and 2
- Item 6. To consider and vote upon the Ordinary Resolution set out below to approve the transfer of Poker Machine Entitlements from the Club's Berrigan Sports Club Premises.
- Item 7. To deal with any other business that the meeting may approve, of which due notice has not been given.

A. Noble
Interim Chief Executive Officer
BAROOGA SPORTS CLUB LIMITED

**A.G.M. INFORMATION FOR 2016
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

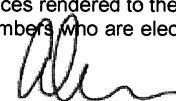
"That pursuant to the Registered Clubs Act 1976, as amended,

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: 15 September 2016



Signed A. Noble, INTERIM 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

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.

A Noble
Interim Chief Executive Officer

NOTICE TO MEMBERS

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 30 June, 2016:

- (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.

ORDINARY RESOLUTION

That, for the purposes of section 21(4) of the *Gaming Machines Act 2001 (NSW)*, the members hereby approve Barooga Sports Club Limited (“the Club”) transferring eight (8) poker machine entitlements from the Club’s Berrigan Sports Club Premises (having liquor licence number LIQC300238164) (“**Berrigan Sports Club Premises**”) to either the Club’s premises in Burkinshaw Street, Barooga or to another registered club premises by way of sale.

Notes to Members on the Ordinary Resolution

1. There are fourteen (14) gaming machine entitlements held in respect of the Berrigan Sports Club Premises.
2. The Ordinary Resolution seeks to obtain member approval for the Club to transfer eight (8) of those entitlements from the Berrigan Sports Club Premises.
3. The Ordinary Resolution is necessary because the *Gaming Machines Act* contains a provision which, in effect, prevents the Club from transferring those eight (8) entitlements without approval of members.

Reason for Proposed Transfer of Entitlements

4. As explained in further detail below, the Club is considering a possible de-amalgamation between the Club and the Berrigan Sports Club Premises.
5. It is currently proposed that the sale of the eight (8) entitlements held in respect of the Berrigan Sports Club Premises would fund the proposed de-amalgamation between the clubs.
6. However, it is possible that those eight (8) entitlements may be transferred to the Club’s premises in Burkinshaw Street, Barooga and the Club may instead fund the de-amalgamation through its cash reserves.

Reasons for Possible De-Amalgamation

7. The Club amalgamated with Berrigan Golf and Bowling Club in 2008.
8. As part of the amalgamation between the clubs, the Club took over the conduct and administration of the Berrigan Sports Club Premises and has traded from those premises since the amalgamation.
9. Despite the allocation of significant resources (time and money) to the Berrigan Sports Club, the Club has not been able to achieve what it had hoped with the amalgamation at the Berrigan Sports Club Premises.
10. The Club has considered various options for the Berrigan Sports Club Premises. Amongst those options was a possible de-amalgamation.
11. A de-amalgamation would essentially “unwind” the amalgamation between the Club and Berrigan Golf and Bowling Club with each club returned (as far as possible) to the position that they were in prior to the amalgamation.
12. The Board has discussed the possible de-amalgamation with a steering committee set up at the Berrigan Sports Club Premises and the steering committee has indicated their support for the proposed de-amalgamation.
13. If the de-amalgamation takes place:
 - (a) the Club would retain the club licence for its premises in Burkinshaw Street, Barooga and operate from those premises; and
 - (b) a new company (for example, “Berrigan Golf and Bowling Club No 2”) would be established to hold the club licence for the Berrigan Sports Club Premises and operate those premises.
14. The procedure for de-amalgamation is set out in the Registered Clubs Act and Registered Clubs Regulations and must be strictly complied with.
15. The proposed de-amalgamation is currently in its infancy and there are a number of further matters which need to be completed before the proposed de-amalgamation is finalised.
16. Amongst these matters is the need for members to vote on the proposed de-amalgamation.
17. For the avoidance of doubt, the approval given by the Ordinary Resolution is not subject to the completion of the de-amalgamation.

Procedural Matters

18. To be passed, the Ordinary Resolution must receive votes from not less than a majority of those members who being eligible to do so vote in person on the Ordinary Resolution at the meeting.
19. Notwithstanding any limitation contained in the Club’s Constitution, all members of the Club (excluding Junior members, Provisional members, Temporary members and Honorary members) are entitled to vote on the Ordinary Resolution.
20. The *Registered Clubs Act* provides that proxy voting is prohibited.

NOTICE TO MEMBERS

1. Part of the business of this year's Annual General Meeting is for members to consider and vote on an Ordinary Resolution for the transfer of 8 poker machine entitlements from its Berrigan Sports Club Premises.
2. The reason why members are being asked to vote on the resolution arises because the Club is considering a possible de-amalgamation between the Club and the Berrigan Sports Club Premises.
3. As members may be aware the Club amalgamated with Berrigan Golf and Bowling Club in 2008.
4. As part of the amalgamation between the clubs, the Club took over the conduct and administration of the Berrigan Sports Club Premises and has traded from those premises since the amalgamation.
5. Despite the allocation of significant resources (time and money) to the Berrigan Sports Club, the Club has not been able to achieve what it had hoped with the amalgamation at the Berrigan Sports Club Premises.
6. The Club has considered various options for the Berrigan Sports Club Premises. Amongst those options was a possible de-amalgamation.
7. A de-amalgamation would essentially "unwind" the amalgamation between the Club and Berrigan Golf and Bowling Club with each club returned (as far as possible) to the position that they were in prior to the amalgamation.
8. The Board has discussed the possible de-amalgamation with a steering committee set up at the Berrigan Sports Club Premises and the steering committee has indicated their support for the proposed de-amalgamation.
9. If the de-amalgamation takes place:
 - (a) the Club would retain the club licence for its premises in Burkinshaw Street, Barooga and operate from those premises; and
 - (b) a new company (for example, "Berrigan Golf and Bowling Club No 2") would be established to hold the club licence for the Berrigan Sports Club Premises and operate those premises.
10. The procedure for de-amalgamation is set out in the Registered Clubs Act and Registered Clubs Regulations and must be strictly complied with.
11. The proposed de-amalgamation is currently in its infancy and there are a number of further matters which need to be completed before the proposed de-amalgamation is finalised.
12. Amongst these matters is the need for members to vote on the proposed de-amalgamation.
13. It is currently proposed that the sale of the eight (8) entitlements held in respect of the Berrigan Sports Club Premises would fund the proposed de-amalgamation between the clubs.
14. However, it is possible that those eight (8) entitlements may be transferred to the Club's premises in Burkinshaw Street, Barooga and the Club may instead fund the de-amalgamation through its cash reserves.
15. The Board and management of the Club propose to keep members informed of the progress of the de-amalgamation process

Dated 15th September 2016

Glen Brooks
The President-Barooga Sports Club Limited
For and on behalf of the Board

**BAROOGA SPORTS CLUB LIMITED
MINUTES OF THE 36th ANNUAL GENERAL MEETING
HELD AT THE BAROOGA SPORTS CLUB ON
WEDNESDAY 21 OCTOBER 2015 AT 7.30PM**

President Mr. Rob Jones declared the Meeting open and welcomed the 69 members present.

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

Apologies: Read out by Rob Jones

R. Harwood, C. Campbell, D. Ryan, J. Toohey, J. Gould

Moved: G. Brown Seconded: D. Toohey

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.

Rob acknowledged the support of the members and recapped details in his report. He expressed his disappointment in the loss in trading for the Sporties Group. He explained how the Board of Directors has put in place significant changes and has appointed seven new senior executive positions including a new CEO.

He acknowledged Greg Ryan's efforts and contribution to the Sporties Group after 32 years at the Club.

He also recognized retiring director Ray Nye for his contribution and involvement not only at the Club but within the community. Rob stated both Ray and Greg have done a lot for the Sporties Group and our community.

Minutes:

Moved A. Ellis that the minutes of the Annual General Meeting held on Wednesday 15 October, 2014 as published be received and accepted. Seconded: V. Toohey

Carried

The Report of the Board of Directors:

Moved R. Brown that the Directors Report as published in the Annual Report be received and accepted.

Seconded: G. Garrow *Carried*

Financial Report:

Moved A. Ellis that the Financial Report for the year ending 30th June 2015 be received and accepted.

Seconded: B. Beggs *Carried*

Member A. Ellis said the report was good and presented clearly. He asked about consulting fees and director's expenses. President Rob Jones explained that the consulting fees were mainly made up of architectural fees and the total director's expenses included the honorarium. A. Ellis also enquired about the investment properties that are owned by the Sporties Group.

Ballot.

Declaration of Ballot for the election of three Directors.

Returning Officer Ken Anderson advised that there were three nominations for two Director positions, a ballot was required and declared the following Directors were elected for 2015/16 as follows:

S. Cusack

G. Hunt

President R. Jones congratulated S. Cusack and G. Hunt on their re-election.

He gave commiserations to Hugh Bonderenko and thanked him for showing interest in standing for the Board.

The President also thanked Ken Anderson and his assistants Lance Jenkins, Bruce Carlyon and Peter Russell 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: K. Anderson *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: A. Leighton-Daly that the recommendation of the Board for Director Honorariums be approved.

Seconded: K. Anderson *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.

Ken Anderson, Treasurer of the Sporties Bowls Club thanked the Barooga Sports Club for their continued support of funding and service provided to their organization.

Barooga Football Netball Club president, Andrew Leighton-Daly thanked the Barooga Sports Club for their continued support and sponsorship and in particular CEO Greg Ryan for his active support and participation and said he was an asset to the community.

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. In particular he thanked Greg Ryan for his help and assistance and efforts during the transition from Cobram to Barooga. He will be very much missed.

Rob also extended an invitation to all to the RSL Christmas party to be held on Wednesday 25th November.

Wayne Gould, Captain of the Cobram Barooga Golf Club thanked the Board for their efforts and especially Greg Ryan for his commitment and support over the years.

Dave Cooper inquired about the golfer's house levy to which the President Rob Jones advised he would investigate and further discuss.

CEO Report

Greg Ryan updated the members on the current status of the operating efficiencies of the Sporties Group and despite a down turn in gaming and catering income the Sporties had a cash profit of almost \$1.5million

The Golf Club continues to provide a challenge with a real need to increase playing numbers to offset operating costs associated with 36 holes.

Another key for financial improvement is functions and accommodation, which is currently improving.

Sporties Health & Fitness is heavily utilized and offers users a number of facilities.

Gaming revenue is in decline in many areas across Australia and is continuously under pressure from the anti-gambling lobby. Greg stated that with this pressure on gambling income, other income areas need to improve.

Smoking policies are also likely to change sometime in the next 3 to 5 years.

Lastly, Greg expressed his thanks to members, during his time at the Sporties. He expressed his amazement how the Board of Management appointed seven new executives to replace him! He stated that he is very proud of what the Sporties is today and what the Group stands for in our community, and he is pleased that much has been achieved over his time at the Club.

In closing, Greg once again thanked the members and wished the new CEO Rod Carmody good luck.

There being no further business the meeting was declared closed at 7.51pm.



PRESIDENTS REPORT

It is my privilege and pleasure to present my first Report to members of the Sporties Group on the past years activities.

The 2016 Financial Year was one of unprecedented change across the entire Group. From the very visible look and feel to the intangible, including management structure, personnel, financial and accounting systems, culture, facilities management and marketing. The poor financial result is little reward for the difficult journey that the entire staff has undertaken this past year. Every part of the business has been reviewed and reinvented and I am confident that the financial results will follow as we pursue continuous improvement in product and service that our Members and Guests deserve.

Our business is more accountable than ever with new robust real time reporting systems and a new budget that will form the cornerstone of a Strategic Master Plan to give us direction and a 5 year vision. We look forward to the challenges ahead and we are excited about future developments and initiatives.

The installation of the new roof and air-conditioning at the Sports Club has been time consuming and costly, however, when completed it is expected there will be significant savings in energy costs.

I am pleased to report we were once again able to contribute and support our local community and sporting organisations and also continue to provide our valued members with great facilities and fantastic service including member's benefits totalling \$660,516.

The Barooga Sports Club Catering was noted in the previous Annual Report as an "achilles heel" with high expectations of a new Executive Chef. Twelve months on, I would like to congratulate the Catering Team for their determination in improving the quality of meals delivered. We have asked for consistency in product and service and they have made terrific progress.

Renovations of the cafe kitchen at the Cobram Barooga Golf Club were undertaken in February 2016, providing the opportunity to open an efficient kitchen seven nights a week. The product offering is different to the Sports Club and has been successful. With a new Marketing Campaign and fresh branding about to be launched, we look forward to sustained growth.

Motel occupancy has increased consistently as we establish ourselves in the market place and the golf course has also seen continual improvement over the past twelve months with a mountain of positive feedback received. Keep up the great work.

The Sporties Bowls Club continues to operate at a steady pace with the contribution of the many volunteers. A big congratulations to the 1st Division Ladies who won the Murray Bowls Division Premiership for the first time since the Bowls Club started back in 1998.

After eight years of involvement with the Berrigan Community, the Board made the decision not to continue involvement with the Club. The offer of de-amalgamation was recently tabled and a small but hard working Committee from Berrigan are working their way towards that goal. The Sporties Berrigan Advisory Committee should be commended for their commitment and dedication and I wish them every success in the future.

Small changes are making a big difference at the Sporties Health & Fitness and the team are becoming proactive in providing an environment and product the public want to use with a new focus on listening to Members and Guests and meeting their expectations.

I would like to thank all 161 staff for their efforts and embracing the changes implemented so far. We are very fortunate to have Anton Noble recently step into an Interim CEO role. His commitment and loyalty is very much appreciated and we look forward to filling key leadership roles in Management in the near future to give us the strong platform we need to keep moving.

Finally, thanks to the Directors who give generously of their time and expertise to ensure the ongoing success of the Sporties Group.

GLEN BROOKS
President

FINANCE MANAGER'S REPORT

The financial year ended 30 June 2016 was a year that presented many challenges financially for the Sporties Group, which resulted in us reporting a loss of \$1,618,981. This included \$2,195,249 in depreciation, leaving us with a cash profit of \$576,268.

This year's financial outcome, whilst not a positive result, is due to a reduction of gaming income of \$261,709, along with paying out \$536,426 in termination payments (2015: \$71,750). The disposal of ANZ Investments also resulted in a \$101,108 loss, which contributed to the \$1,618,981 total.

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

Barooga Sports Club	\$1,186,946	(2015: \$1,460,099)
Sporties Cobram Barooga Golf Club	-\$ 478,610	(2015: -\$ 400,887)
Golf Club Motel	\$ 78,175	(2015: -\$ 16,137)
Sporties Health & Fitness	-\$ 181,891	(2015: -\$ 164,668)
Berrigan Sports Club	-\$ 55,638	(2015: -\$ 21,144)
Barooga Sports Bowls Club	\$ 27,286	(2015: \$ 24,433)
	\$ 576,268	\$ 881,696

During the year, \$300,000 was paid off the bank loan, with the current balance being \$5,100,000 and a provision for a further reduction of \$600,000 in the 2016/17 financial year.

Capital Expenditure for the year totalled \$2.45 million, with funds spent in various areas. Some of these were:

- Golf Cart Replacements
- Gaming Machine Replacements
- Upgrade to Kitchen at Barooga Sports Club
- Upgrade to Kitchen at Cobram Barooga golf Club
- Upgrade of Point of Sale system
- Phase 1 & 2 (of 3) of Roof Upgrade at Barooga Sports Club

We are very proud of the contributions made to many Community and Sporting organisations through our ClubGRANTS program, which this year totalled \$335,843.

Some of these beneficiaries were:

Berrigan Public School	Barooga Advancement Group	Cobram Barooga RSL
Cobram Primary School	Cobram Community Library	Moira Health Care Alliance
Cobram District Toy Library	Barooga Recreation Reserve	Riverina Cricket Association
Barooga Football Club	Cobram/Yarrowonga Legacy	Cobram Rotary Club
Barooga Public School	St. Columbus Primary School	Berrigan Men's Shed
Berrigan Shire Youth Development Committee		

We also expended \$6.3 million in wages, which in turn, significantly benefits our local community. The Sporties Group has also continued its traditional expenditure on members, with \$660,516 in benefits provided directly to members.

In summarising the Club's financial year, even though it was disappointing to report a significant loss for the second year in a row, it is pleasing to see the improvement in some of the Sporties Group operations. We are better equipped than ever to analyse all income and expenditure areas which allows for timely and sound decision making. Working closely with our Financial Budget to guide us forward, we plan to achieve a significantly better result for the coming financial year.

LARISSA HICKS
Finance Manager

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 2016.

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: 63
Qualification: Business Proprietor
Experience: Director since 1996 - 2015
Special Responsibilities: Major/Special Projects

Mr Ray Nye

Position: Director
Age: 77
Qualification: Retired
Experience: Director since 1980 - 1998 reappointed 1999 - 2015
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: 59
Qualification: Business Proprietor
Experience: Director since 1998
Special Responsibilities: Sports/Community & Membership Disciplinary

Mr Stephen Cusack

Position: Director
Age: 62
Qualification: Marketing
Experience: Director since 2009
Special Responsibilities: Major/Special Projects & Audit/Compliance

Mr Jonathon O'Dwyer

Position: Director
Age: 46
Qualification: Primary School Teacher
Experience: Director since 2011
Special Responsibilities: Audit Compliance & Major/Special Projects

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DIRECTORS' REPORT

Mr Darren Nolan

Position: Director
Age: 48
Qualification: Business Proprietor
Experience: Director since 2002
Special Responsibilities: Berrigan Advisory Committee

Mr Glen Brooks

Position: President
Age: 46
Qualification: CPA
Experience: Director since 2008
Major/Special Projects & Sport/Community, Audit/Compliance & Membership
Special Responsibilities: Disciplinary

Mr Gary Hunt

Position: Vice President
Age: 57
Qualification: RACV Resort Manager
Experience: Director since 2012
Special Responsibilities: Sports/Community & Membership Disciplinary & CBGC Committee

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, 14 meetings of Directors were held. Attendees by each director were as follows:

Directors Meetings

	Eligible to Attend	Number Attended
Mr Rob Jones	5	4
Mr Ray Nye	3	3
Mr Stephen Brooks	14	12
Mr Brendan Ryan	14	10
Mr Stephen Cusack	14	14
Mr Jonathon O'Dwyer	14	13
Mr Darren Nolan	14	11
Mr Glen Brooks	14	13
Mr Gary Hunt	14	12

BAROOGA SPORTS CLUB LIMITED
96 001 757 491

DIRECTORS' REPORT

Operating Results

The loss of the company after providing for income tax amounted to \$1,618,981.

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 \$1,618,981 following an operating loss of \$1,588,476 in 2015. Other comprehensive income comprised of \$NIL (2015: \$150,797). Income tax expense is nil (2015: 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

A contract has been signed for the disposal of Apricot Circuit for \$310,000. There is a proposal to de-amalgamate with Berrigan resulting in an approximate reduction of \$524,266 in assets. Berrigan incurred a loss of \$100,176 in 2016.

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DIRECTORS' REPORT

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.

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 2016 has been received and is set out on page 14.

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

Director:



Mr Stephen Cusack

Dated this 19TH day of SEPTEMBER, 2016

Independence Declaration

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

I declare that, to the best of my knowledge and belief, during the year ended 30th June 2016 there has been:

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

Xerri Evans

A.P.Xerri

Certified Practising Accountants

Partner

Dated in Barooga on 13th September, 2016

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue	2	17,441,436	16,923,356
Other Income	2	97,731	101,757
Depreciation and Amortisation	3	(2,217,671)	(2,341,797)
Employee benefits Expense	3	(7,061,341)	(6,287,554)
Auditors Remuneration	3	(32,081)	(32,400)
Cost of Goods Sold	3	(2,152,666)	(2,103,044)
Members Expenses	3	(660,516)	(530,684)
Repairs and Maintenance Cost	3	(740,773)	(737,046)
Poker Machine Tax	3	(1,703,075)	(1,769,761)
Finance costs	3	(176,338)	(193,907)
Other expenses		(4,413,687)	(4,617,396)
Loss for the year		<u>(1,618,981)</u>	<u>(1,588,476)</u>
Other comprehensive income after tax			
Net gain/(loss) on Revaluation of Financial Assets		-	150,797
Other comprehensive income for the year net of tax		<u>-</u>	<u>150,797</u>
Total comprehensive income for the year		<u><u>(1,618,981)</u></u>	<u><u>(1,437,679)</u></u>
Total comprehensive income attributable to members of the entity		(1,618,981)	(1,437,679)

The accompanying notes form part of these financial statements.

BAROOGA SPORTS CLUB LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,495,943	907,552
Trade and other receivables	5	55,392	98,585
Inventories	6	301,238	326,476
Other current assets	7	31,025	432,929
TOTAL CURRENT ASSETS		<u>1,883,598</u>	<u>1,765,542</u>
NON-CURRENT ASSETS			
Financial assets		-	2,487,491
Property, plant and equipment	8	34,358,122	33,445,160
Intangible assets	9	25,407	47,829
TOTAL NON-CURRENT ASSETS		<u>34,383,529</u>	<u>35,980,480</u>
TOTAL ASSETS		<u>36,267,127</u>	<u>37,746,022</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	10	749,947	763,127
Borrowings	11	680,627	600,000
Short Term Provisions	12	719,476	753,601
TOTAL CURRENT LIABILITIES		<u>2,150,050</u>	<u>2,116,728</u>
NON-CURRENT LIABILITIES			
Borrowings	11	4,536,456	4,800,000
Long Term Provisions	12	180,655	212,493
TOTAL NON-CURRENT LIABILITIES		<u>4,717,111</u>	<u>5,012,493</u>
TOTAL LIABILITIES		<u>6,867,161</u>	<u>7,129,221</u>
NET ASSETS		<u>29,399,966</u>	<u>30,616,801</u>
EQUITY			
Retained Earnings		23,151,493	24,770,473
Asset Revaluation Reserve		6,248,473	5,908,774
Unrealised Gains Reserve		-	(62,446)
TOTAL EQUITY		<u>29,399,966</u>	<u>30,616,801</u>

The accompanying notes form part of these financial statements.

BAROOGA SPORTS CLUB LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Retained Earnings	Asset Revaluation Reserve	Unrealised Gains	Total
	\$	\$	\$	\$
Balance at 1st July 2014	26,358,946	5,735,574	(224,044)	31,870,477
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
Total Comprehensive Income for the period	-1,588,476	-	150,797	(1,437,679)
Revaluations	0	173,202	10,800	184,002
Balance at 30th June 2015	24,770,470	5,908,776	(62,447)	30,616,800
Balance at 1st July 2015	24,770,470	5,908,776	(62,447)	30,616,800
Profit Attributable to members of the entity	(1,618,981)	0	0	(1,618,981)
Total other comprehensive income for the period	-	-	-	-
Total Comprehensive Income for the period	(1,618,981)	-	-	(1,618,981)
Revaluations	0	339,699	62,447	402,146
Balance at 30th June 2016	23,151,493	6,248,473	-	29,399,966

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 2016

	2016	2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES	2016	2015
Receipts from customers	17,293,727	16,743,742
Payments to suppliers and employees	16,445,093	(16,138,047)
Interest received	7,560	16,936
Borrowing costs paid	(176,338)	(193,907)
Trust Distributions	45,845	82,358
Net cash provided by (used in) operating activities	25	511,082
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	34,553	63,854
Purchase of Property, Plant & Equipment	(2,833,659)	(1,165,264)
Proceeds from sale of investments	330,000	500,000
Proceeds from sale of available-for-sale investments	2,514,714	(69,753)
Net cash provided by investing activities	45,608	(671,163)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	161,793	839,125
Repayment of borrowings	(344,710)	(600,000)
Net cash provided by (used in) financing activities	(182,917)	239,125
Net decrease in cash held	588,391	79,044
Cash at beginning of financial year	907,552	828,509
Cash at end of financial year	4	907,552

The accompanying notes form part of these financial statements.

BAROOGA SPORTS CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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 13 September 2016 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

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 2016

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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:

Class of Fixed Asset	Depreciation Rate
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 2016**

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 2016**

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

(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.

Financial Guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as financial liabilities at fair value on initial recognition.

The fair value of financial guarantee contracts has been assessed using a probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting during the next reporting period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

Financial guarantees are subsequently measured at the higher of the best estimate of the obligation in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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; 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.

BAROOGA SPORTS CLUB LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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 2016 is a provision for impairment for services performed by Barooga Sports Club Ltd during the current financial year amounting to \$2,137.

Key judgments - Available-for-sale investments

The company disposed of a portfolio of securities with a previous carrying value of \$2,521,008. The balance of the portfolio is nil at reporting date.

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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

- 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 13 September 2016 by the board of directors.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
<hr/>		
2 Revenue and Other Income		
Revenue		
Sales	6,840,668	6,376,500
Poker Machines	8,824,628	9,086,337
Members Subscriptions	373,028	382,399
	<u>16,038,324</u>	<u>15,845,236</u>
Other Income		
Rental Income	97,731	101,757
	<u>97,731</u>	<u>101,757</u>
Total revenue	<u>16,136,055</u>	<u>15,946,993</u>
Interest revenue from:		
Interest Received	7,560	16,937
Trust Distributions	45,845	82,358
	<u>53,405</u>	<u>99,295</u>
Other revenue from:		
Commissions	682,145	489,531
Other Income	475,527	493,127
Net gain/(loss) on Disposal of Property, Plant & Equipment	(36,857)	6,967
Net gain/(loss) on disposal of available-for-sale investments	(101,108)	(10,800)
Net Gain on Sale of Poker Machine Entitlements	330,000	-
Total other revenue	<u>1,349,707</u>	<u>978,825</u>
Revenue from ordinary Activities	<u>17,539,167</u>	<u>17,025,113</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
3 Loss for the year		
Profit before income tax from continuing operations includes the following specific expenses:		
A. Expenses		
Depreciation and Amortisation		
- Land and Buildings	(681,737)	(694,733)
- Poker Machines	(657,866)	(712,509)
- Furniture and Equipment	(855,646)	(912,133)
- Amortisation	(22,422)	(22,422)
Total Depreciation and Amortisation	(2,217,671)	(2,341,797)
Employee Benefits Expense	(7,061,341)	(6,287,554)
Auditor Remuneration		
- Audit Services	(32,081)	(32,400)
- Other Services	-	-
Total Auditors Remuneration	(32,081)	(32,400)
B. Significant Revenue and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
<u>Revenue</u>		
Members Subscriptions	373,028	382,399
Market Movement	-	(150,797)
Managed Trust Distributions	45,845	82,358
Interest	7,560	16,937
<u>Expenses</u>		
Cost of sales	(2,152,666)	(2,103,044)
Poker Machine Tax	(1,703,075)	(1,769,761)
Members Expenses	(660,516)	(530,684)
Insurance Costs	(327,045)	(321,029)
Finance Costs	(176,338)	(193,907)
Repairs and Maintenance Expenses	(740,773)	(737,046)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
4 Cash and Cash Equivalents		
Cash on Hand	100	100
Cash on Hand - BSC	255,099	258,897
Cash on Hand - Golf	147,163	116,331
Cash on Hand - Berrigan	24,505	24,052
Cash on Hand - Bowls	673	673
Cash on Hand - Ladies Golf	200	200
Cash at Bank - CBA	-	17,061
Cash at Bank - Trading	1,002,259	-
TAB Account - BSC	-	-
TAB Account - Golf Club	5,000	5,000
ANZ - Poker Machine Jackpot	-	-
CBA - Trading Account	(43,867)	478,671
CBA - Gaming Account	1,232	4,866
CBA - TAB Account	103,579	1,701
	<u>1,495,943</u>	<u>907,552</u>
5 Trade and Other Receivables		
Current		
Trade Debtors	53,440	103,618
Less Prov'n for Doubtful Debts	(2,137)	(4,145)
	<u>51,303</u>	<u>99,473</u>
BAS Control Account	4,089	(888)
	<u>55,392</u>	<u>98,585</u>

The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

A doubtful debts provision has been recognised amounting to \$2,137.60 which has been offset against trade receivables.

This has been calculated on 4% of the debtor amount.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
6 Inventories		
Current		
At cost:	301,238	326,476
	<u>301,238</u>	<u>326,476</u>
7 Other Current Assets		
Current		
Construction In Progress	-	402,746
Accrued Income	18,672	30,183
Prepayments	12,353	-
	<u>31,025</u>	<u>432,929</u>
8 Property, Plant and Equipment		
LAND AND BUILDINGS		
Freehold land and Improvements:		
Land at Independent Valuation	2,521,922	2,521,923
Buildings Under Renovation	1,407,897	-
Total Land and Improvements	<u>3,929,819</u>	<u>2,521,923</u>
Buildings at:		
Independent valuation	26,019,598	25,844,135
Less accumulated depreciation	(2,172,739)	(1,490,570)
	<u>23,846,859</u>	<u>24,353,565</u>
Total Land and Buildings	<u>27,776,678</u>	<u>26,875,488</u>
Water Entitlements	1,141,000	931,200
Total Water Entitlements	<u>1,141,000</u>	<u>931,200</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
PLANT AND EQUIPMENT		
Plant and Equipment:		
At cost	7,236,256	6,121,068
Accumulated depreciation	<u>(1,795,812)</u>	<u>(482,596)</u>
Total Plant and Equipment	<u>5,440,444</u>	<u>5,638,472</u>
Total Property, Plant and Equipment	<u><u>34,358,122</u></u>	<u><u>33,445,160</u></u>

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land and Buildings	Poker Machines	Plant and Equipment	Water Rights	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2014	27,419,344	1,701,027	4,741,452	628,100	34,489,922
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	-	(340,252)
Depreciation expense	(694,733)	(712,509)	(912,133)	-	(2,319,375)
Capitalised finance costs and depreciation	-	-	-	-	-
Carrying amount at the end of the year	<u>26,875,487</u>	<u>1,391,430</u>	<u>4,247,044</u>	<u>931,200</u>	<u>33,445,162</u>
Balance at 1st July 2015	26,875,486	1,391,430	4,247,044	931,200	33,445,162
Additions	1,582,861	652,617	582,216	-	2,817,695
Disposals	-	-	(71,230)	-	(71,230)
Revaluation increments/(decrements)	67	151,507	371	209,800	361,745
Additions through acquisition of entity	-	-	-	-	-
Impairment losses	-	-	-	-	-
Depreciation expense	(681,737)	(657,865)	(855,646)	-	(2,195,249)
Capitalised finance costs and depreciation	-	-	-	-	-
Carrying amount at 30 June 2016	<u><u>27,776,677</u></u>	<u><u>1,537,689</u></u>	<u><u>3,902,755</u></u>	<u><u>1,141,000</u></u>	<u><u>34,358,121</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
<hr/>		
9 Intangible Assets		
Poker Machine Entitlements - At Cost	224,255	224,255
Accumulated Amortisation	(198,848)	(176,426)
Net carrying amount	<u>25,407</u>	<u>47,829</u>
Total	<u><u>25,407</u></u>	<u><u>47,829</u></u>
10 Trade and Other Payables		
Current		
Trade Creditors	479,661	501,848
Accrued Expenses	163,971	152,953
Deposits Held	61,577	71,853
Linked Poker Machine Accruals	43,070	36,473
GST on Supplies	1,668	-
	<u>749,947</u>	<u>763,127</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
11 Borrowings		
Current		
Commonwealth Bank Loan - Current		
Current Liability Market Rate Facility #10218857	600,000	600,000
Bally Machine Finance	67,356	-
Toro Finance	13,271	-
Total current borrowings	<u>680,627</u>	<u>600,000</u>
Non-Current		
Toro Finance	43,131	-
Toro Finance Interest Not Yet Due	(6,675)	-
Loans		
Commonwealth Bank Loan - Market Rate Facility 10218857	1,500,000	1,800,000
Commonwealth Bank Loan - Market Rate Facility 10216958	3,000,000	3,000,000
	<u>4,500,000</u>	<u>4,800,000</u>
Total non-current borrowings	<u>4,536,456</u>	<u>4,800,000</u>
Total Borrowings	<u><u>5,217,083</u></u>	<u><u>5,400,000</u></u>

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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
<hr/>		
12 Provisions		
Provision for Annual Leave	603,352	493,513
Provision for Long Service Leave - Current	116,124	260,088
	<u>719,476</u>	<u>753,601</u>
Provision for Long Service Leave - Non-Current	180,655	212,493
Total provisions	<u><u>900,131</u></u>	<u><u>966,094</u></u>
Analysis of Total Provisions		
Current	719,476	753,601
Non-current	180,655	212,493
	<u><u>900,131</u></u>	<u><u>966,094</u></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 9th October, 2015.

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.

13 Other

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

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NOTES TO THE FINANCIAL STATEMENTS
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	2016	2015
	\$	\$

14 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

15 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:

	2016	2015
	\$	\$
Financial Assets		
Managed Funds	-	2,487,490

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 2016.

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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$

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;

	2016	2015
	\$	\$
Floating Rate Instruments		
Cash at Bank	1,068,204	507,299
Trade and Other Receivables	55,392	98,584
Cash on Hand	<u>427,740</u>	<u>400,253</u>
Total floating rate financial assets	<u>1,551,336</u>	<u>1,006,136</u>

Liquidity Risk

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

Fixed Interest Rate Maturing

	2016	2015	2016	2015
	%	%	\$	\$
Financial assets - cash flows realisable				
Total anticipated inflows			<u>-</u>	<u>-</u>
Net (outflow)/inflow on financial instruments			<u>-</u>	<u>-</u>

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	2016	2015
	\$	\$
<hr/>		
Trade and sundry payables are expected to be paid as follows:		
	2016	2015
	\$	\$
Trade Creditors	632,615	654,801
Accrued Expenses	222,889	71,853
Linked Poker Machine Accruals	43,070	36,472
	<u>898,574</u>	<u>763,126</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.

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	2016	2015
	\$	\$
<hr/>		
	2016	2015
	Carrying Amount	Carrying Amount
	Net Fair Value	Net Fair Value
	\$	\$
Financial Assets		
Managed Funds	-	2,487,490
Total Financial Assets	<u>-</u>	<u>2,487,490</u>
	<u>-</u>	<u>2,990,981</u>

During the year, all financial assets were sold. This was \$101,107 less than the cost of these investments.

16 Directors Remuneration and Expenses

	2016	2015
	\$	\$
Directors Honorarium	40,000	50,000
Directors Expenses / Reimbursements	<u>25,616</u>	<u>21,048</u>
	<u>65,616</u>	<u>71,048</u>

17 Commitments

As at 30 June 2016 the total of the Clubs linked progressive Poker Machine Jackpots not paid was \$43,070.00 (2015-\$36,473).

18 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 2016

	2016	2015
	\$	\$

19 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 2016 and 30 June 2015 are as follows:

	2016	2015
Total Borrowings	(5,217,082)	(5,400,000)
Less cash and cash equivalents	1,495,944	907,552
Net debt	3,721,138	4,492,448
Total equity (reserves + retained earnings)	<u>29,372,275</u>	<u>30,616,800</u>
Total Capital	<u><u>29,372,275</u></u>	<u><u>30,616,800</u></u>
Gearing Ratio	12.66%	14.58%

20 Net Gain on Revaluation

	2016	2015
Land	-	-
Buildings	-	-
Plant & Equipment	129,899	(129,898)
Water	209,800	303,100
Net Gain on revaluation of Land and Buildings	<u><u>339,699</u></u>	<u><u>173,202</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$

21 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 2016 the number of members was 8,264.

22 Contingent Liabilities

Public Liability Claims

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

23 Events After the Reporting Period

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.

A contract has been signed for the disposal of Apricot Circuit for \$310,000. There is a proposal to de-amalgamate with Berrigan resulting in an approximate reduction of \$524,266 in assets. Berrigan incurred a loss of \$100,176 in 2016.

24 Key Management Personnel

	2016	2015
	\$	\$
Short-term employee benefits		
Total Compensation	510,235	525,452
Post-employment benefits		
Total Compensation	128,734	218,413
Total Compensation	638,969	743,865

Key Personnel

Greg Ryan - CEO (Terminated)
 Rodney Carmody - CEO (Terminated)
 Anton Noble - Acting CEO
 Trent Davis - Executive Chef
 Michael O'Dwyer - Marketing

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NOTES TO THE FINANCIAL STATEMENTS
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	2016	2015
	\$	\$
<hr/>		
Tony Johnston - Course Manager Justin Speirani - Director of Golf		
25 Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Operating Profit After Income Tax	(1,618,981)	(1,437,677)
Add/Subtract Items classified as Investing/Financing Activities		
Profit/Loss on Sale of Property, Plant & Equipment	36,857	6,967
Profit/Loss on Movement of Investments & revaluations	(301,037)	(146,964)
Add/Subtract Non-cash Items:		
Amortisation and Depreciation	2,217,671	2,341,797
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in Inventories	25,237	(14,744)
(Increase)/decrease in Trade Debtors	43,193	(62,929)
(Increase)/decrease in Other Current Assets	401,904	(128,084)
Increase/(decrease) in Trade Creditors & Accruals	(13,180)	(106,659)
Increase/(decrease) in Provisions	(65,963)	59,374
 Net Cash provided by (used in) Operating Activities	 725,701	 511,082

26 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

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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 10 to 46, for the year ended 30 June 2016 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:



Mr Stephen Cusack

Dated this 19TH day of SEPTEMBER, 2016

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BAROOGA SPORTS CLUB LTD

Report on the Financial Report

We have audited the accompanying financial report of the Barooga Sports Club Ltd, which comprises the statement of financial position as at 30 June 2016, 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, other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the 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 of a financial report that gives a true and fair view, and is free from material misstatement, whether due to fraud or error.

In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards. The accounts have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. 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 company'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 company'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.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, 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.

Auditor's Opinion

In our opinion:

- a. 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 Barooga Sports Club Ltd's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

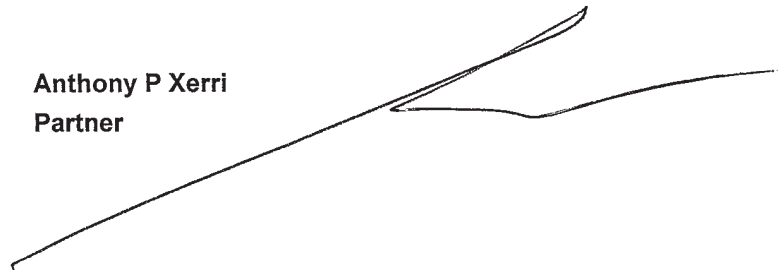
Emphasis of Matter

We draw attention to Note 1 to the financial statements which describe the basis of reporting.

Barooga Sports Club Ltd has not considered impairment of its cash generating unit – “Berrigan Golf Club”. Barooga Sports Club Ltd has resolved to de-amalgamate with Berrigan. The de- amalgamation is dependent on the Liquor & Gaming Board (NSW) approving the de-amalgamation. Should this approval be declined then Barooga Sports Club Ltd will be required to retain control. Considering the losses sustained over the years, and the decision to cease operations, it is felt that some recognition of a reduced value would be in accordance with the accounting standards.

Xerri Evans
CPA Australia

Anthony P Xerri
Partner



Signed:

Dated in COBRAM on *14th September* 2016.

BAROOGA SPORTS CLUB LIMITED
96 001 757 491

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
<hr/>		
SALES		
Sales	6,840,668	6,376,500
	<hr/>	<hr/>
LESS: COST OF GOODS SOLD		
Opening Stock	326,477	311,734
Purchases	2,101,113	2,092,624
Freight	26,315	25,163
Closing Stock	(301,239)	(326,477)
	<hr/>	<hr/>
	2,152,666	2,103,044
	<hr/>	<hr/>
SALES		
Poker Machine Takings	8,824,628	9,086,337
LESS: MANUFACTURING COSTS		
Depreciation	657,865	597,106
Poker Machine Tax	1,703,075	1,769,761
Repairs & Maintenance-Plant	295,966	308,400
	<hr/>	<hr/>
	2,656,906	2,675,267
	<hr/>	<hr/>
GROSS PROFIT FROM TRADING	10,855,724	10,684,526
	<hr/>	<hr/>
OTHER INCOME		
Commissions	682,145	489,531
Interest Received	7,560	16,937
Trust Distributions	45,845	82,358
Other Income	475,527	493,127
Net gain/(loss) on Disposal of Property, Plant & Equipment	(36,857)	6,967
Net gain/(loss) on disposal of available-for-sale investments	(101,108)	(10,800)
Net Gain on Sale of Poker Machine Entitlements	330,000	-
Membership Subscriptions	373,028	382,399
Gross profit on rental operations	97,731	101,757
	<hr/>	<hr/>
	1,873,871	1,562,276
	<hr/>	<hr/>
	12,729,595	12,246,802
	<hr/>	<hr/>

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 2016

	2016	2015
	\$	\$
EXPENSES		
Administration Charges	16,600	12,933
Advertising	442,069	425,069
Amortisation	22,422	22,422
Awards and Trophies	51,408	62,654
Auditors Remuneration - Other	32,081	32,400
Bad Debts	987	1,863
Artists & Band Hire	285,356	305,700
Bank Charges	126,462	141,486
Cleaning	167,712	153,881
Commission	554,130	351,357
Consultancy Fees	125,368	276,060
Computer Maintenance	125,450	163,136
Depreciation	1,537,384	1,722,269
Director Expenses	65,615	71,048
Donations	197,212	260,797
Doubtful Debts	(2,995)	400
Electricity & Gas	451,992	533,838
Fees, Licences & Permits	78,775	72,021
Fringe Benefits Tax	15,547	6,230
Gas, Fuel & Oil	62,536	61,459
Functions Requisites	1,839	5,403
Garden Maintenance	13,245	17,891
Golf Course Costs - CBGC	247,061	169,762
Hire of Plant & Equipment	72,111	71,284
Insurance	327,045	321,029
Interest	176,338	193,907
Kitchen Requisites	44,430	33,821
Equipment Rental	65,407	59,989
Legal Fees	18,446	17,016
Members Expenses	660,516	530,684
Miscellaneous Expenses	19,247	15,915
Motor Vehicle Expenses	45,754	64,560
Payroll Tax	337,676	303,827
Pest Control	12,274	16,199
Pool Chemicals & Requisites	17,341	13,442
Printing, Stationery & Postage	81,518	98,305
Provision for Annual Leave	109,839	(7,777)
Provision for Long Service Leave	(185,639)	67,151
Purchases - Catering Berrigan	8,641	9,043

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 2016

	2016	2015
	\$	\$
Rates & Taxes	74,500	70,510
Repairs & Maintenance: Equipment	290,372	286,486
Repairs & Maintenance: Building/Reserve	96,619	88,138
Rubbish Removal	57,816	54,022
Security	157,920	174,184
Staff Training	129,252	91,303
Subscriptions	75,224	76,092
Superannuation	557,876	524,368
Super Station Costs	42,302	44,919
Telephone/Fax & Internet	42,718	57,689
Uniforms	20,564	17,210
Wages	<u>6,374,213</u>	<u>5,671,883</u>
	<u>14,348,576</u>	<u>13,835,278</u>
Loss before income tax	<u><u>(1,618,981)</u></u>	<u><u>(1,588,476)</u></u>
Net gain/(loss) on Revaluation of Financial Assets	<u>-</u>	<u>150,797</u>
	<u><u>(1,618,981)</u></u>	<u><u>(1,437,679)</u></u>

The accompanying notes form part of these financial statements.