

BAROOGA SPORTS CLUB LIMITED

A.C.N. 001 757 491

Incorporated in N.S.W

Licensed under N.S.W Liquor Act.

**NOTICE OF THE THIRTY-FOURTH
ANNUAL GENERAL MEETING
OF MEMBERS WILL BE HELD AT THE CLUB
ON WEDNESDAY 16th OCTOBER, 2013
at 7.30pm.**

Business

- Item 1. To confirm Minutes of the Annual General Meeting held on Wednesday 17th October 2012.
- 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 2013.
(It would be appreciated if all questions relating to Financial Reporting be submitted in writing to the Chief Executive Officer 7 days prior to the Annual General Meeting)
The Barooga Sports Club Annual Report is available on the Sporties website:
www.sporties.com.au
- Item 4. Declaration of the Ballot for the election of three Directors. As there were only three 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 deal with any other business that the meeting may approve, of which due notice has not been given.



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

Barooga Sports Club Limited ABN 96 001 757 491
A.G.M INFORMATION FOR 2013

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 \$30,000 (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.

Barooga Sports Club Limited ABN 96 001 757 491

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 : 6th September 2013

Signed G Ryan, CHIEF EXECUTIVE OFFICER

By Resolution and Direction of the Board

Barooga Sports Club Limited ABN 96 001 757 491

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 \$30,000 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

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

G Ryan


Chief Executive Officer

Barooga Sports Club Limited ABN 96 001 757 491

NOTICE TO MEMBERS

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 30 June, 2013:

- (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 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: Lot 156, Stubberfield's paddock 4.1758ha
 - (vii) Land: Part Lots 172,175,176,242 Bowling Green Site 1.37ha
 - (viii) Property: Lot 16, Mavis Steward Drive, Barooga

NOTES TO MEMBERS

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

Barooga Sports Club Limited ABN 96 001 757 491

MINUTES OF THE 33rd ANNUAL GENERAL

MEETING

HELD AT 7.30PM

WEDNESDAY 17 OCTOBER 2012

President Mr. Rob Jones declared the Meeting open and welcomed the 43 members present.

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

Apologies: Read out by Rob Jones

Susette Kreutzer, Laurie Kreutzer, Joan Byham, Peter Byham, , Joan Watt, Paul Watt, Tracey Watt, Glenys Brooks, Rose O'Brien, Dianne Nye, Jan Brown

Moved: N. O'Brien Seconded: R. Nye

that the apologies be accepted.

Carried.

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

Minutes:

Moved K. Bruce that the minutes of the Annual General Meeting held on Wednesday 19 October, 2012 as published be received and accepted. Seconded: M. Steward

Carried.

The Report of the Board of Directors:

Moved K. Anderson that the Directors Report as published in the Annual Report be received and accepted.

Seconded: R. Brown

Carried.

Financial Report:

.Moved S. Cusack that the Financial Report for the year ending 30th June 2012 be received and accepted.

Seconded: A. Ellis

Carried

Life Membership

Moved R. Nye that a Life Membership be awarded to Mrs. Jill Toohey for services to the Barooga Sports Club.
Seconded: G. Brown

Carried

Prior to the announcement of the Ballot, Rob made special mention to retiring Director Vin Toohey for his service and commitment over the past 30 years and thanked him on behalf of all Directors. Management, Staff and members, for his passionate support of the Sports Club.

Ballot.

Returning Officer Patrick Quinane advised that there were four nominations for Director, a ballot was required and declared the following Directors were elected for 2012/13 as follows:

R. Nye

S. Cusack

G. Hunt

President R. Jones congratulated Ray Nye and Steve Cusack on their re-election and Gary Hunt on his election.

He gave commiserations to Karen Bruce and thanked her for showing interest in standing for the Board.

Rob also thanked Patrick Quinane and his Laurie Vinecombe, Barry Quinane and Tracey Watt for conducting the count.

Ordinary Resolution One & Two

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

Resolution 1:

That an amount no greater than \$30,000 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: N. O'Brien that the recommendations of the Directors expenditure not exceed \$30,000.

Seconded: K. Anderson

Carried

Barooga Sports Club Limited ABN 96 001 757 491

Resolution 2:

That the total honorarium for directors be \$30,000 and to be distributed \$10,000 for President and \$5,000 for each Director.

Moved: G. Brown that the recommendation of the Board for Director Honorariums be approved.

Seconded: V. Toohey

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.

Archie Ellis asked about the viability of all premises. CEO Greg Ryan explained there was an ongoing review

Phyllis Novotny asked if the Indoor Bowls report could go into the Annual Report.

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

Graham Garron suggested, as a new member, when the Directors are in the Club they could wear name badges, so they can be easily identified in the Club.

George Brown, President of the Barooga Sports Bowls Club thanked the Club for its help and support. He also thanked the Bowls committee for their enthusiasm and commitment.

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

Newly elected Director, Gary Hunt commented on the Golf Club and praised the fantastic support provided by the Sporties.

Director, Glen Brooks congratulated newly appointed Life Member Jill Toohey and commended her work and support throughout the year.

CEO Report

Greg Ryan also discussed the ongoing campaign of the Mandatory Pre Commitment, explaining that the Clubs have never been against voluntary pre-commitment provided it is fully investigated and costed.

He also explained to members the major concern of energy costs, with the introduction of the carbon tax. The Club is investigating ways to reduce costs and become more energy efficient.

Greg also discussed the current renovations underway and asked members to be understanding due to some disruptions and assure them the results would be something special. Plans are on display after the meeting.

In closing Rob Jones thanked all of the members for their support and patronage over the years. He also thanked the Chief Executive Officer, Management and Staff for their efforts and congratulated the Board of Directors for their dedication to the position of Director.

There being no further business the meeting was declared closed at 8.10pm.

PRESIDENT'S REPORT

Dear Members

I am pleased to advise that the Barooga Sporties Group has had another successful year in 2012-2013.

Financially, we continue to be profitable which is extremely pleasing when you consider all of our operations and the economic benefit we provide the Cobram-Barooga communities as a direct result of our business.

March 2013 saw the completion of the refurbishment of the Sporties and with the assistance of ABEO Architects has seen our Club go to the next level of presentation, to which we are very proud of. It is exciting to hear such positive feedback from our members.

The new foyer, food court and family dining areas have all been enhanced considerably, plus the new destination, fondly named 'Tubby's Lounge' has been another successful addition to our Club by providing a quality room for private functions and parties, which is being very well utilised.

We continue to invest in our assets to enable our Club to remain relevant well into the future. Our next project has commenced at the Golf Club with a complete renovation of the Club House in conjunction with the construction of 18 accommodation units. This project will assist in making the Golf Club a viable asset and will also enable us to create additional employment in marketing, management and housekeeping.

We continue to do works to the Golf Courses with upgrades to watering systems and course renovations plus upgrading of equipment to assist the Staff to continue to provide the best possible conditions in which to play golf.

Sporties Health & Fitness has seen the best financial result in a long time and is extremely pleasing for the Board and Dionne. All Fitness Centre staff are congratulated for their commitment and contribution to the Centre.

The Sporties Bowls Club continues to be very successful with Premierships and finals appearances. They have many volunteers which play a large part in the success of the Bowls Club.

Sporties Berrigan continues to be a challenge for the Board in a difficult financial environment; however I must commend the Berrigan Advisory Committee for their commitment and dedication in their recent work and activities. Community support is vital for this Club's survival.

Earlier this year we had a freak event in a mini tornado that devastated parts of Cobram/Barooga and surrounding districts. This caused significant damage to the northern end of the Golf Club building and massive damage to the Golf Course. As a direct result, the community support by town members and surrounding Clubs together with our Staff was vital in assisting with the cleanup which enabled the course to be reopened much earlier than expected. This fantastic support and assistance is gratefully acknowledged and makes me very proud to be part of this terrific area and the Club industry.

The Barooga Sporties financial contribution to the Community are one of the most rewarding roles of The Board and we are pleased to provide \$100,000.00 to the Irvin House redevelopment ensuring our aged care facilities provided are modern and appropriate for the Residents to live in.

The Board is proud to provide the best possible facilities for our Members to utilize at their leisure, which we could not provide without the support of our valued Members.

Another significant occasion this year was the thirty years of service celebrated for our CEO Greg Ryan. Greg is to be congratulated on his service over this period, he has achieved both personally and professionally for the betterment of the Sporties Group. His passion is acknowledged and is paramount in the success of our wonderful Club, I look forward to working with Greg into the future in the best interests of this Community.

Our valued Staff and Management team are thanked for the friendly atmosphere they provide for our Members and visitors.

Finally a sincere thank you to the Directors of the Club who continue to give their time and expertise in a visionary approach which enables our Club to present relevant modern facilities ensuring our future success

Rob Jones



Rob Jones
President

TREASURERS REPORT

The financial year ended 30 June 2013 was a year that presented many challenges financially for the Sporties Group, however I am pleased to advise members that your Club recorded a trading profit of \$654,992.

As you review the financial report you will notice that the Club's operating profit was \$69,225 which is a significant difference to the trading profit. This is due to impairment of \$585,766.

Three areas of impairment that reduced the trading profit were: the revaluation of financial assets \$276,331. The revaluation of Property, Plant and Equipment (\$657,060) and the disposal of Property, Plant and Equipment (\$205,037). The cashflow provided from operating activities was \$2,372,189 which is down 11%.

The Club experienced a decline in income in many areas across the group with a number of factors attributed to this decline – economy and the four months of renovations were two major issues.

As I reported last year the three venues that the main club subsidises, the Golf Club, Sporties Health & Fitness and Berrigan Sporties needed to improve their financial performance and not become a burden. It is pleasing to report that the Golf Club (\$392,398) and Sporties Health & Fitness (\$236,922) have improved their financial loss considerably; however Berrigan has seen an increase in their loss to (\$108,131).

We as a Board are very proud of the contributions made to many sporting and community organisations through our ClubGRANTS program, which this year totalled \$328,790.03

CLUBGRANTS EXPENDITURE 2012/13

Cobram District Health-Irvine House Project
Barooga Advancement Group
Peaches'n' Cream Bowls
Cobram Citizens Advice Bureau
Fight Cancer Foundation-Hilltop Albury
United Hospital Auxiliaries-Tocumwal
Barooga Rural Fire Brigade
Murray Valley Cricket Association
Barooga Recreation Reserve
Murray Bowls Division
Cobram Harness Racing Club
Cobram Lawn Tennis Club
Cobram Victory FC
Picola & District Football League
Cobram Barooga Swimming Club
Cobram Junior Badminton

Rotary Club of Cobram
Relay for Life-Cobram
Moira Healthcare Allianz-Foodshare
Beyond Blue
Tocumwal Search & Rescue Squad
Berrigan Lions Club
Barooga Public School
Berrigan & District Race Club
Cobram Football Club
Cobram Barooga RSL Sub Branch
Cobram Barooga APEX
Cobram Soccer Club
Goulburn Murray Coaches Association
Benalla Race Club
Riverina Cricket Zone
Barooga Football Netball Club

We also expended \$5.3million in wages which in turn, significantly benefits our local community. Members were again not forgotten with \$578,906 in benefits provided directly to members.

In summarising the Club's financial year, it was pleasing to see the improvement in some of the Sporties Group operations however ongoing analysis in our main income and all expenditure areas is continuing, with changes to be made where necessary.

Finally, I would like to thank the Board of Directors and Management of the Sporties Group for their continued commitment and contribution to ensuring the Club's financial success continues. Also a big thank you to our members – it's YOUR club, enjoy it!

Stephen Cusack



Stephen Cusack
Treasurer

Barooga Sports Club Limited ABN 96 001 757 491

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2013

BAROOGA SPORTS CLUB LIMITED ABN: 96 001 757 491

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2013.

Directors

The names of the directors in office at any time during, or since the end of the year, are:

Mr Rob Jones – President	Mr Ray Nye
Mr Stephen Brooks	Mr Brendan Ryan
Mr Vincent Toohey (resigned October 2012)	Mr Stephen Cusack
Mr Jonathon O'Dwyer	Mr Darren Nolan
Mr Glen Brooks	Mr Gary Hunt (appointed October 2012)

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.

Principal Activities

The principal activity of the consolidated group 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 changes in the nature of these activities occurred during the financial year.

The consolidated groups 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 consolidated groups 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

Review of Operations

The operating profit of the Club for the year before providing for income tax was \$69,225 (2012: \$472,580). The profit for 2013 includes impairment of \$585,766 (2012: \$239,647). Income tax expense is nil (2012: nil).

Strategies

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

- Maintain the level of operational profitability
- Develop a 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

Information on Directors

Mr Rob Jones	– President	Mr Ray Nye	– Director
Age	– 60	Age	– 74
Qualifications	– Business Proprietor	Qualifications	– Retired
Experience	– Director since 1996	Experience	– Director 1980-1998 Reappointed 1999
Special Responsibilities	– Major/Special projects	Special Responsibilities	– Membership/Disciplinary & Sports/Community

Barooga Sports Club Limited ABN 96 001 757 491

Mr Stephen Brooks	– Snr Vice President	Mr Brendan Ryan	– Jnr Vice President
Age	– 55	Age	– 56
Qualifications	– Company Director	Qualifications	– Business Proprietor
Experience	– Director since 1983	Experience	– Director since 1998
Special Responsibilities	– Membership/Disciplinary & Sports/Community	Special Responsibilities	– Audit/Compliance

Mr Vincent Toohey	– Director	Mr Stephen Cusack	– Treasurer
Age	– 78	Age	– 59
Qualifications	– Retired	Qualifications	– Marketing
Experience	– Director since 1980	Experience	– Director since 2009
Special Responsibilities	–	Special Responsibilities	– Major/Special Projects & Audit/Compliance

Mr Jonathon O'Dwyer	– Director	Mr Darren Nolan	– Director
Age	– 43	Age	– 45
Qualifications	– Primary School Teacher	Qualifications	– Business Proprietor
Experience	– Director since 2011	Experience	– Director since 2002
Special Responsibilities	– Audit/Compliance	Special Responsibilities	–

Mr Glen Brooks	– Director	Mr Gary Hunt	– Director
Age	– 43	Age	– 54
Qualifications	– CPA	Qualifications	– RACV Resort Manager
Experience	– Director since 2008	Experience	– Elected Director in 2012
Special Responsibilities	– Major/Special Projects & Sports/Community	Special Responsibilities	– Sports/Community

Meeting of Directors

During the financial year, 19 meetings of Directors were held. Attendees by each director were as follows:

	Directors Meetings	
	No. eligible to attend	Number attended
Mr Rob Jones – President	19	18
Mr Ray Nye	19	13
Mr Stephen Brooks	19	14
Mr Vincent Toohey	5	3
Mr Glen Brooks	19	14
Mr Stephen Cusack	19	17
Mr Darren Nolan	19	10
Mr Brendan Ryan	19	17
Mr Jonathon O'Dwyer	19	18
Mr Gary Hunt	14	13

Barooga Sports Club Limited ABN 96 001 757 491**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
Revenue from ordinary activities	2	17,683,084	18,576,951
Other Income	2	102,421	87,572
Depreciation and amortisation	3a	(1,601,627)	(1,980,136)
Employee benefits expense	3a	(5,866,577)	(6,235,369)
Auditor's Remuneration	3a	(31,100)	(27,500)
Cost of Goods Sold	3b	(2,144,942)	(2,254,560)
Members Expenses	3b	(578,907)	(627,849)
Repairs and maintenance expense	3b	(688,493)	(722,455)
Poker Machine Tax	3b	(1,898,720)	(2,075,527)
Finance Costs	3b	(28,578)	(20,186)
Other expenses		(4,291,569)	(4,008,714)
Profit before income tax		654,992	712,227
Income tax expense	1i	0	0
Profit for the year		654,992	712,227
Other comprehensive income:			
Net gain/(loss) on revaluation of financial assets		276,331	(234,441)
Net gain/(loss) on revaluation of Property, Plant And Equipment		(657,060)	-
Net Gain/(loss) on Disposal of Property Plant And Equipment		(205,037)	(5,206)
Other comprehensive income for the year		-585,767	(239,647)
Profit attributable to members of the entity		654,992	712,227
Total comprehensive income attributable to members of the entity		69,225	472,580

Barooga Sports Club Limited ABN 96 001 757 491
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,400,212	2,790,122
Trade and other receivables	5	54,739	58,592
Inventories	6	290,501	298,612
Other current assets	7	557,265	28,243
TOTAL CURRENT ASSETS		<u>2,302,717</u>	<u>3,175,570</u>
NON-CURRENT ASSETS			
Financial assets	8	4,296,354	3,924,732
Property, plant and equipment	9	25,540,763	19,918,382
Intangible assets	10	92,673	115,095
TOTAL NON-CURRENT ASSETS		<u>29,929,790</u>	<u>23,948,920</u>
TOTAL ASSETS		<u>32,232,506</u>	<u>27,124,490</u>
CURRENT LIABILITIES			
Trade and other payables	11	1,021,392	914,118
Borrowings	12	80,000	11,405
Short term provisions	13	690,434	747,051
TOTAL CURRENT LIABILITIES		<u>1,791,826</u>	<u>1,672,574</u>
NON-CURRENT LIABILITIES			
Borrowings	12	1,143,592	0
Long term provisions	13	150,531	89,013
TOTAL NON-CURRENT LIABILITIES		<u>1,294,123</u>	<u>89,013</u>
TOTAL LIABILITIES		<u>3,085,948</u>	<u>1,761,587</u>
NET ASSETS		<u>29,146,558</u>	<u>25,362,903</u>
EQUITY			
Retained Earnings		24,927,197	24,454,617
TOTAL EQUITY		<u>29,146,558</u>	<u>25,362,902</u>

Barooga Sports Club Limited ABN 96 001 757 491

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2011	24,454,616	435,705	24,890,321
Profit attributable to members of the entity	712,227	0	712,227
Total other comprehensive income for the period	-239,647	0	-239,647
Balance at 30 June 2012	24,927,196	435,705	25,362,901
Profit attributable to members of the entity	654,992	3,714,432	4,369,424
Total other comprehensive income for the year	-585,767	0	-585,767
Balance at 30 June 2013	24,996,421	4,150,137	29,146,558

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013	2012
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		17,382,253	18,395,053
Payments to suppliers and employees		-15,172,851	-16,010,915
Interest received		65,176	120,581
Trust Distributions		126,189	191,841
Borrowing Costs		-28,578	-20,186
Net cash generated from operating activities	16(b)	2,372,189	2,676,374
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment			-963
Proceeds from sale of available-for-sale investments		49,260	
Payment for property, plant and equipment		-4,407,803	-1,707,116
Payments for Investments		-615,744	-250,171
Payment for Intangibles			
Net cash used in investing activities		-4,974,287	-1,958,250
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds Borrowings		1,500,000	
Repayments on Borrowings		-287,813	-593,243
Increase in Hire Purchase commitments			
Net cash generated from (used in) financing activities		1,212,187	-593,243
Net (decrease) increase in cash held		-1,389,910	126,704
Cash at the beginning of the financial year		2,790,122	2,663,418
Cash at the end of the financial year	16(a)	1,400,212	2,790,122

Barooga Sports Club Limited ABN 96 001 757 491

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is for the Barooga Sports Club Ltd (the "Club"). The club is a public company limited by guarantee 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 report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board, the *Corporations Act 2001*, the Registered Clubs Act and Gaming Machine Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting Policies

a. Revenue

Revenue from the sale of goods or services is recognised upon the delivery of goods to customers.

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the balance sheet.

Interest revenue and distribution income from investments is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

b. Inventories

Inventories are measured at cost, adjusted when applicable for any loss of service potential.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair values less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. An independent valuation was undertaken on the 16th March 2013 by Preston, Rowe & Paterson of ALBURY NSW 2740 and has been reported in the 2013 accounts.

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 buildings 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 classes of assets are charged against fair value reserves directly in equity; all other decreases are charged to the statement of profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the assets original cost is transferred from the revaluation reserve to retained earnings.

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.

Barooga Sports Club Limited ABN 96 001 757 491

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Core and Non-Core Real Property

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

Core Real Property

Barooga Sports Club Clubhouse and car park
Club Barooga 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 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
Lot 156 Stubberfield's Paddock, BAROOGA – 1.37 Ha.
Lot 2 Golf Course Road, BAROOGA – 1.372 Ha.
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.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Plant and equipment 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.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated over their useful lives to the economic entity commencing 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 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%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Leases

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

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

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

d. **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 is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Finance 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, quoted prices in an active market are used to determine fair value.

Financial assets at fair value through profit or loss

Financial assets are classified at '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 value being included in profit or loss.

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.

Held-to-maturity investments

These investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the entity are stated at amortised cost.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to profit and loss.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Profit and Loss Statement immediately.

e. **Impairment of Assets**

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised immediately and expensed to the Profit and Loss Statement.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

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

f. **Employee Benefits**

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to Balance Sheet date. Employee benefits that are expected to be settled, together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on costs. Other employee benefits payable later than one year have been measured at the net present value.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

g. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

h. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and Payables in the Balance Sheet are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the Cash flow Statement on a net basis, including for the GST component of investing and financing activities, which are disclosed as operating cash flows.

i. **Income Tax**

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

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

j. **Intangibles**

Poker Machines 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.

k. **Provisions**

Provisions are recognised when the entity 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.

Barooga Sports Club Limited ABN 96 001 757 491

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

l. Trade and Other Payables

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

m. Water Licence

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 cost less any accumulated impairment losses.

n. Gaming Machine Licences

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.

o. Comparative Figures

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

p. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report 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 group.

Key estimates — Impairment

The freehold land and buildings were independently valued at 16 March 2013 by Preston, Rowe & Paterson of ALBURY NSW 2640. The valuation was based on the fair value which is the amount for which the asset could be exchanged between knowledgeable, willing parties in an arms-length transaction. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of \$3,714,430 being recognised for the year ended 30 June 2013.

Key judgments — Provision for impairment of Receivables

Included in trade and other receivables at 30 June 2013 is a provision for impairment for services performed by Barooga Sports Club Ltd during the current financial year amounting to \$3,458.

Available-for-sale investments

The company maintains a portfolio of securities with a carrying value of \$4,296,354 at reporting date. Certain individual investments have increased in value recently by up to 2% since reporting date.

q. 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.

r. Valuations

Valuations were undertaken in March 2013. A revaluation of all Assets and Land has been included in the 2013 accounts.

s. Asset Capitalisation

Asset purchases above \$1,500 are capitalised and depreciated. Assets below \$1,500 are written off as an expense.

Barooga Sports Club Limited ABN 96 001 757 491

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

t. New Accounting Standards for Application in Future Periods

The AASB 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 (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

These standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012-6: 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures' (issued in September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. In light of this change to the mandatory effective date, the company is expected to adopt AASB 9 and AASB 2010-7 for the annual reporting period ending 31 December 2015. Although, the directors anticipate that the adoption of AASB 9 and AASB 2010-7 may have a significant impact on the company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Barooga Sports Club Limited ABN 96 001 757 491

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

Since the company is a not-for-profit private sector entity, it qualifies for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the company will take advantage of Tier 2 reporting at a later date.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127 (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The company has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either “joint operations” (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or “joint ventures” (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a “structured entity”, replacing the “special purpose entity” concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the company’s financial statements.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the company.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the company.

- AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The company does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 (September 2011) also includes changes to:

- (a) require only those benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as either other long-term employee benefits, post-employment benefits or termination benefits, as appropriate; and
- (b) the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:
 - (i) where for an offer that may be withdrawn – when the employee accepts;
 - (ii) where for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
 - (iii) where the termination is associated with a restructuring of activities under AASB 137 and if earlier than the first two conditions – when the related restructuring costs are recognised.

Barooga Sports Club Limited ABN 96 001 757 491

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The association has not yet been able to reasonably estimate the impact of these changes to AASB 119.

- AASB 2012-2: *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 2012-2 principally amends AASB 7: *Financial Instruments: Disclosures* to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This standard is not expected to significantly impact the Company's financial statements.

- AASB 2012-3: *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard adds application guidance to AASB 132: *Financial Instruments: Presentation* to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132. Including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

- AASB 2012-5: *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle* (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard amends a number of Australian Accounting Standards as a consequence of the issuance of *Annual Improvements to IFRSs 2009-2011 Cycle* by the International Accounting Standards Board, including:

- AASB 1: *First-time Adoption of Australian Accounting Standards* to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;
- AASB 101: *Presentation of Financial Statements* and AASB 134: *Interim Financial Reporting* to clarify the requirements for presenting comparative information;
- *Property, Plant and Equipment* to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;
- AASB 132 and *Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments* to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments; and
- AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

This Standard is not expected to significantly impact the Company's financial statements.

Barooga Sports Club Limited ABN 96 001 757 491

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
NOTE 2: REVENUE		
Revenue from Ordinary Activities		
Sales	6,477,305	6,803,360
Poker Machines	9,722,535	10,423,398
Members Subscriptions	383,851	342,342
Other	908,028	695,429
	<hr/>	<hr/>
	17,491,718	18,264,528
Other Revenue		
Interest received	65,176	120,581
Trust Distribution	126,189	191,841
	<hr/>	<hr/>
	191,365	312,422
Total Revenue	<hr/>	<hr/>
	17,683,084	18,576,951
Other Income		
Rental income	102,421	87,572
Total other income	102,421	87,572
	<hr/>	<hr/>
Total Revenue	17,785,505	18,664,523

NOTE 3: PROFIT FOR THE YEAR

a. **Expenses**

Depreciation and Amortisation		
- land and buildings	(455,972)	(649,532)
- Poker machines	(518,423)	(650,516)
- furniture and equipment	(604,810)	(610,271)
- Amortisation	(22,422)	(22,422)
Total Depreciation and Amortisation	<hr/>	<hr/>
	(1,601,627)	(1,932,741)
Employee Benefits Expense	<hr/>	<hr/>
	5,866,577	6,235,369
Auditor Remuneration		
- audit services	(31,100)	(27,500)
-other services	-	-
Total Auditor's Remuneration	<hr/>	<hr/>
	(31,100)	(27,500)

b. **Significant Revenue and Expenses**

Revenue		
Membership Subscriptions	383,851	342,342
Market Movement	276,331	-234,441
Managed Trust Distributions	126,189	191,841
Interest	65,176	120,581
Expenses		
Cost of Sales	(2,144,942)	(2,254,560)
Poker Machine Tax	(1,898,720)	(2,075,527)
Members Expenses	(578,907)	(627,849)
Insurance Costs	(279,196)	(367,224)
Finance Costs	(28,578)	(20,186)
Repairs and maintenance expenses	(688,493)	(722,455)

Barooga Sports Club Limited ABN 96 001 757 491

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 4: CASH AND CASH EQUIVALENTS

CURRENT

	2013	2012
	\$	\$
Cash on Hand - BSC	263,762	250,464
Cash on Hand - Golf	98,853	103,691
Cash on Hand - Berrigan	28,231	30,108
Cash on Hand	100	100
Cash at Bank - CBA	6,464	6,174
Cash at Bank - Trading	559,814	905,029
Cash on Hand – Bowls	673	673
TAB Account - BSC	35,707	36,728
TAB Account- Golf Club	5,000	5,000
ANZ – Poker Machine Jackpot	1,608	2,156
	<u>1,000,212</u>	<u>1,340,122</u>

SHORT TERM CASH DEPOSITS

ANZ Term Deposits	0	250,000
Central Murray Credit Union	400,000	1,200,000
	<u>400,000</u>	<u>1,450,000</u>
	<u>1,400,212</u>	<u>2,790,122</u>

The effective interest rate on short-term bank deposits was 4% (2012 – 5%); these deposits have an average maturity of 30 days.

NOTE 5: TRADE AND OTHER RECEIVABLES

CURRENT

GST Due	-26,880	-17,734
Trade receivables	85,077	85,290
	<u>58,197</u>	<u>67,556</u>
Less Provision for Doubtful Debts	-3,458	-8,964
	<u>54,739</u>	<u>58,592</u>

A doubtful debts provision has been recognised amounting to \$3,458 which has been offset against trade receivables.

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

Credit Risk — Trade and Other Receivables

The company does not have any material credit risk exposure to any single receivable or group of receivables. There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

NOTE 6: INVENTORIES

CURRENT

At cost	<u>290,501</u>	<u>298,612</u>
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Barooga Sports Club Limited ABN 96 001 757 491

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 7: OTHER ASSETS

CURRENT

Construction in Progress	19	520,452	0
Accrued income		36,812	28,243
		<u>557,265</u>	<u>28,243</u>

NOTE 8: FINANCIAL ASSETS

NON CURRENT

ANZ Mortgage Trust		1,312,288	1,250,609
ANZ Managed Funds		1,061,729	987,648
ANZ Balanced Trust		942,090	850,398
ANZ Optimax		980,246	836,077
		<u>4,296,354</u>	<u>3,924,732</u>
Available -for -sale financial assets through profit or loss		4,296,354	3,924,732

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

Movement in the value of Investments based on market prices have been reported through the profit and Loss.

	2013	2012
	\$	\$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT		
LAND AND BUILDINGS		
Freehold land		
Independent Valuation in 2013	2,521,923	3,122,842
Total land	<u>2,521,923</u>	<u>3,122,842</u>
Buildings		
Independent Valuation in 2013	18,852,080	20,443,655
Less accumulated depreciation	<u>-251,554</u>	<u>-8,016,732</u>
Total buildings	<u>18,600,525</u>	<u>12,426,923</u>
Total Land and Buildings	<u>21,122,449</u>	<u>15,549,765</u>
Water Entitlement	554,018	554,018
Total Water Entitlement	<u>554,018</u>	<u>554,018</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	16,087,066	14,985,012
Less accumulated depreciation	<u>-12,222,770</u>	<u>-11,170,932</u>
Total plant and equipment	<u>3,864,297</u>	<u>3,814,080</u>
Total property, plant and equipment	<u>25,540,763</u>	<u>19,917,863</u>

Barooga Sports Club Limited ABN 96 001 757 491

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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
	\$	\$	\$	\$	\$
2012					
Balance at the beginning of the year	15,559,368	968,402	3,044,041	601,495	20,173,306
Additions at cost	640,448	671,595	396,035	0	1,708,078
Additions at fair value					
Disposals	0	-5,206	0		-5,206
Revaluation					
Depreciation expense	-649,532	-650,516	-610,271	-47,477	-1,957,796
Carrying amount at end of year	<u>15,550,284</u>	<u>984,275</u>	<u>2,829,805</u>	<u>554,018</u>	<u>19,918,382</u>
2013					
Balance at the beginning of the year	15,550,284	984,275	2,829,805	554,018	19,918,382
Additions at cost	3,200,856	439,340	758,317	0	4,398,513
Additions at fair value					
Disposals	-230,089	0	-24,208	0	-254,297
Revaluation	3,057,370	0	0	0	3,057,370
Depreciation expense	-455,972	-518,423	-604,810	0	-1,579,205
Carrying amount at end of year	<u>21,122,449</u>	<u>905,192</u>	<u>2,959,104</u>	<u>554,018</u>	<u>25,540,763</u>

The entity's land and buildings were revalued on 16th March 2013 by Preston, Rowe, and Paterson of ALBURY NSW 2640. Valuations were made on the basis of fair value. This resulted in a Revaluation increment increase to Land & Buildings of \$3,714,430.

Not In Use Assets

The value of Not In Use assets that are included in the above amounts total

	2013	2012
	\$	\$
Rental Properties		
Land	165,373	179,830
Buildings	1,616,468	1,398,516
Accumulated Depreciation	<u>-349,796</u>	<u>-316,042</u>
	<u>1,432,045</u>	<u>1,262,304</u>

At 30 June 2013 the directors reviewed the key assumptions made by the valuers at 16th March 2013. They have concluded that these assumptions remain materially unchanged, and are satisfied that carrying value does not exceed the recoverable amount of land and buildings at 30 June 2013.

NOTE 10: INTANGIBLE ASSETS

Poker Machines Entitlements

Cost	224,255	224,255
Accumulated amortisation	-131,582	-109,160
Accumulated Impairment	<u>0</u>	<u>0</u>
Net carrying value	<u>92,673</u>	<u>115,095</u>

Barooga Sports Club Limited ABN 96 001 757 491

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 11: TRADE AND OTHER PAYABLES	2013	2012
CURRENT	\$	\$
Trade Payables	914,111	781,327
Amounts held on behalf of Strings	12,889	13,792
Prepayments	65,172	82,100
Linked Poker Machine Accruals	29,220	36,899
	<u>1,021,392</u>	<u>914,118</u>
NOTE 12: BORROWINGS		
CURRENT		
Hire Purchase	0	11,405
Commonwealth Bank Loan	80,000	0
	<u>80,000</u>	<u>11,405</u>
NON-CURRENT		
Commonwealth Bank Loan	1,143,592	0
	<u>1,143,592</u>	<u>0</u>
Total Borrowings	<u>1,223,592</u>	<u>11,405</u>

The Club has obtained a loan from the Commonwealth Bank of Australia of \$1,500,000 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.

Borrowings of the club will increase over the next year to \$6.0 Million. As at the date of this report, the terms of this facility were in negotiation with the lender.

NOTE 13: PROVISIONS

	Long Term	Long Term
	Employee Benefits	Employee Benefits
	2013	2012
	\$	\$
Opening balance at 1 July 2012	89,013	77,410
Additional provisions raised during year	17,803	15,482
Amounts used	43,715	-3,879
Balance at 30 June 2013	<u>150,531</u>	<u>89,013</u>
Analysis of Total Provisions		
Current	690,434	747,051
Non-Current	<u>150,531</u>	<u>89,013</u>
	<u>840,965</u>	<u>836,064</u>

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

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

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

NOTE 14: OTHER

The club has a Bank Guarantee with the TAB NSW of \$5,000 and Murray River Council of \$1,500.

Barooga Sports Club Limited ABN 96 001 757 491

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 15: RELATED PARTY TRANSACTIONS

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

Related parties to which transactions occurred on normal commercial terms and conditions during the year were Brendan Ryan, Darren Nolan and Robert Jones.

NOTE 16: CASH FLOW INFORMATION

a. Reconciliation of Cash

Cash in hand and at bank	1,000,212	1,340,122
Other cash	400,000	1,450,000
	<u>1,400,212</u>	<u>2,790,122</u>

b. Reconciliation of Cash flow from Operations with Profit after

Income Tax

Profit after income tax	69,225	472,580
Non cash flows		
Depreciation and amortisation	1,601,627	1,980,136
(Profit)/Loss on sale of equipment	205,037	5,206
Write-down/(up) to recoverable Amount	380,729	234,441

Changes in assets and liabilities

(Increase)/Decrease in receivable and other assets	-4,716	60,460
(Increase)/Decrease in Inventories	8,111	-6,860
Increase/(Decrease) in Payables	107,274	-61,307
Increase/(Decrease) in Provisions	4,901	-8,282

Cash flows provided by operating activities	<u>2,372,189</u>	<u>2,676,374</u>
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NOTE 17: FINANCIAL INSTRUMENTS

a. Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, local money market instruments, and short-term investments, accounts receivable and payable.

The entity does not have any derivative instruments at 30 June 2013.

Financial Risks

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

Foreign currency risk

The entity is not exposed to fluctuations in foreign currencies.

Liquidity risk

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

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised 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.

Price risk

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

Barooga Sports Club Limited ABN 96 001 757 491

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

b. 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:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate		Non-interest bearing		Total	
	2013	2012	2013	2012	Maturing		2013	2012	2013	2012
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets										
Cash at bank	0.50	0.50	608,593	955,087					608,593	955,087
Cash on hand	0.00	0.00	391,619	385,036					391,619	385,036
Trade and other receivables	0.00	0.00	54,739	58,592					54,739	58,592
Short term deposit	4.00	5.90			400,000	1,450,000			400,000	1,450,000
Total financial assets			1,054,951	1,398,715	400,000	1,450,000	0	0	1,454,951	2,848,715
Financial Liabilities										
Trade and Sundry Creditors	0.00	0.00					990,513	914,118	990,513	914,118
Total financial liabilities			0	0	0	0	990,513	914,118	990,513	914,118

c. Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date:

	2013		2012	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Financial assets				
Available-for-sale financial assets at fair value	0	0	0	0
Managed Funds	4,788,526	4,296,354	4,736,650	3,924,732
	4,788,526	4,296,354	4,736,650	3,924,732

Fair values are in line with carrying values. Fair values have been determined by the unit price for the funds as listed in the market place at the time.

Barooga Sports Club Limited ABN 96 001 757 491

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 18: DIRECTORS REMUNERATION AND EXPENSES

	2013	2012
	\$	\$
Directors Honorarium	50,000	45,000
Directors Expenses/Reimbursements	28,244	19,498
	<u>78,244</u>	<u>64,498</u>

NOTE 19: COMMITMENTS

As at 30 June 2013 the total of the Club's linked progressive Poker Machine Jackpots not paid was \$29,220.00 (2012-\$36,899).

As at the date of this report the Club is currently in the process of building 18 units at the Cobram Barooga Golf Club site at an estimated cost of \$6.0 million. This is expected to be funded primarily from cash reserves and a bank loan of \$6 million.

As at 30 June 2013 the Club had committed to a \$100,000 donation to the Cobram & District Hospital.

NOTE 20: SEGMENT REPORTING

The club operates predominately in one business and geographical segment, being in the gaming and sporting sector providing social facilities to members.

NOTE 21: CAPITAL MANAGEMENT

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

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

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

The strategy of the entity is to maintain a gearing ratio below 10%.

The gearing ratios for the years ended 30 June 2013 and 30 June 2012 are as follows:

	2013	2012
	\$	\$
Total borrowings	-1,223,592	-11,405
Less cash and cash equivalents	1,400,212	2,790,122
Net debt	<u>-176,621</u>	<u>-2,778,717</u>
Total equity (reserves + retained earnings)	<u>29,144,656</u>	<u>25,362,902</u>
Total capital	<u>29,144,656</u>	<u>25,362,902</u>
Gearing ratio	-0.61	-10.96

NOTE 22: NET LOSS ON REVALUATION

	2013	2012
	\$	\$
Net loss on revaluation of Land & Buildings		
Land	-462,673	
Buildings	-194,387	
Net loss on revaluation of Land & Buildings	-657,060	

Barooga Sports Club Limited ABN 96 001 757 491

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 23: MEMBERS' 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 2013 the number of members was 8,730.

NOTE 24: CONTINGENT LIABILITIES

As at the date of this report, the Club has two unresolved Public Liability claims. The cost of these claims is expected to be paid by the Insurer; thus there is no potential financial effect of contingent liabilities that may become payable.

NOTE 25: EVENTS AFTER THE BALANCE DATE

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

NOTE 26: KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the entity, key personnel within the entity include the directors, chief executive officer and any executive who reports to the CEO.

	Short Term Benefits	Post- employment Benefits	Total
	\$	\$	\$
2013			
Total Compensation	544,215	92,555	636,770
2012			
Total Compensation	442,064	135,395	577,459

Greg Ryan – CEO
Michael O'Dwyer – Marketing
Greg Ferguson – Assistant Manager
Rob Cook – Catering Manager
Tony Johnston – Course Manager

NOTE 27: ENTITY DETAILS

The registered office of the entity is:
Barooga Sports Club Ltd
10 Burkinshaw Street
BAROOGA NSW 3644

The principal place of business is:
Barooga Sports Club Ltd
10 Burkinshaw Street
BAROOGA NSW 3644

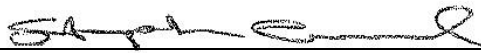
Barooga Sports Club Limited ABN 96 001 757 491

DIRECTORS' DECLARATION

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 12 to 32, are in accordance with the *Corporations Act 2001*:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the entity 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.



Stephen Cusack (Director)

Dated this 11th day of September 2013

Barooga Sports Club Limited ABN 96 001 757 491

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
BAROOGA SPORTS CLUB LTD**

Report on the Financial Report

We have audited the accompanying financial report of Barooga Sports Club Ltd (the company), which comprises the balance sheet as at 30 June 2013 and the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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*, provided to the directors of Barooga Sports Club Ltd on 11 SEPTEMBER 2013, would be in the same terms if provided to the directors as at the date 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 company's financial position as at 30 June 2013 and of their performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Application of Internal Controls and Data matching.

Without qualification to the opinion expressed above, attention is drawn to the following matters:

- i) Assets acquired on amalgamation with the Cobram Barooga Golf Club Ltd had not been integrated with the clubs asset register. Depreciation has been applied on a basis of gross provision applied over a group of asset categories.
- ii) Employee entitlements comprise a number of awards that have changed over the years, plus employee entitlements on amalgamation with the Cobram Barooga Golf Club Ltd have not been merged with the payroll system.
- iii) It is our opinion that the club's reporting of GST may be understated and as a consequence distort the reported figures. Inconsistencies discovered during the audit have been rectified, and the amount in our opinion is not material.

Name of firm: Xerri Evans

Name of partner: Anthony P Xerri

Address: 13a Main Street, COBRAM VIC 3644

Dated this 11 day of September 2013

Barooga Sports Club Limited ABN 96 001 757 491**TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	\$	\$
CONSOLIDATED REPORT		
Takings	6,477,305	6,803,360
LESS: COST OF GOODS SOLD		
Opening Stock	298,612	291,752
Purchases	2,110,553	2,235,647
Freight Inwards	26,278	25,774
Closing Stock	290,502	298,612
	<u>2,144,942</u>	<u>2,254,560</u>
GROSS PROFIT FROM TRADING	4,332,363	4,548,799
POKER MACHINES		
Poker Machine Takings – Net of Prizes	9,722,535	10,423,398
LESS: Poker Machine Costs		
Depreciation	477,267	572,349
Poker Machine Tax	1,898,720	2,075,527
Repairs & Maintenance	317,515	305,448
Central Monitoring & Statewide Link fees	0	0
	<u>2,693,503</u>	<u>2,953,323</u>
GROSS PROFIT FROM TRADING	7,029,032	7,470,075
OTHER INCOME		
Raffles	64,618	60,724
Rent Received	102,421	87,572
Membership Subscriptions	383,851	342,342
Casual Visits	100,182	94,154
Pool & Court Hire	116,551	91,176
Bingo	24,493	19,238
Hire of Facilities	13,631	9,152
Sundry Income	225,224	235,501
Interest Received/ Trust Distributions	191,365	312,422
Commission	158,294	180,278
Profit on sale of Assets	0	0
Excess –Business Amalgamation	0	0
TOTAL OTHER INCOME	1,380,628	1,432,560
TOTAL INCOME	12,742,023	13,451,434

	2013	2012
	\$	\$
EXPENDITURE		
Accommodation Costs	14,604	14,767
Advertising	509,040	549,113
Amortisation	22,422	69,899
Awards & Trophies	101,379	83,603
Audit Fees	71,757	42,668
Bad Debt Expense	2,134	4,021
Band Hire	282,318	212,531
Bank Charges	38,187	43,957

Barooga Sports Club Limited ABN 96 001 757 491**TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	\$	\$
Cleaning Costs	140,849	177,231
Consultancy	103,026	321,489
Computer Maintenance	159,818	158,817
Depreciation	1,101,938	1,337,888
Directors Expenses	78,244	64,498
Donations/Sporting Club Support	291,451	285,604
Doubtful Debts	300	1,000
Electricity	691,740	607,669
Equipment Rental	11,896	0
Fees, Licences & Permits	57,927	60,453
Fringe Benefits Tax	20,844	18,255
Garden Maintenance	19,320	25,227
Gas, Fuel & Oil	99,437	83,298
Golf Course Costs	164,343	161,884
Hire of Plant & Equipment	27,217	24,326
Insurance	279,196	367,224
Interest Paid	28,578	20,186
Kitchen Requisites	33,434	36,908
Legal Fees	7,725	10,084
Members Expenses	578,907	627,849
Miscellaneous Expenses	10,678	15,695
Motor Vehicle Expenses	74,649	83,632
Payroll Tax	270,982	292,980
Pest Control	16,505	17,848
Pool Chemicals/Requisites	10,169	10,438
Printing & Stationery	76,680	81,611
Provision for Annual Leave/Sick Leave	-38,184	-31,224
Provision for Long Service Leave	43,085	22,942
Purchases Catering Berrigan	7,885	8,242
Rates & Taxes	64,753	58,709
Repairs & Maintenance to Equipment	287,659	287,793
Repairs & Maintenance to Buildings	35,521	87,580
Rubbish Removal	47,797	41,635
Security Costs	179,366	147,605
Staff Training	102,129	258,164
Subscriptions	60,268	43,856
Superannuation	460,614	464,035
Super Station Costs	43,617	43,073
Telephone	68,237	54,781
Uniforms	22,757	14,551
Wages	5,303,834	5,324,813
TOTAL EXPENSES	12,087,031	12,739,207
NET PROFIT	654,992	712,227
Net gain/(loss) on revaluation of financial assets	276,331	-234,441
Net Gain/(Loss) on revaluation of Property, Plant And Equipment	-657,060	0
Net Gain/(loss) on Disposal of Property Plant And Equipment	-205,037	-5,206
Total comprehensive income attributable to members of the entity	69,225	472,580