

Annual Report

Year ended June 30 2018



LIFE MEMBERS

1981	Mr R.R. Brooks*
1991	Mr R.C. Nye
1991	Mr T.S. O'Dwyer*
1991	Mr V. Toohey
1991	Mr W.J. Yates
1993	Mr L.P. Brinkkotter*
1993	Mr C.I. McCartney*
1994	Mr S.P. Brooks
1996	Mr B.J. Quinane
1999	Mr N.A. Watt*
2007	Mr R.T. Jones
2012	Mrs J. Toohey
2018	Mr G. O'Dwyer

*denotes deceased life member

BOARD OF DIRECTORS



Glen Brooks
President



Stephen Brooks
Vice President



Gary Hunt
Vice President



Steve Cusack



Amanda Mayoh



Darren Nolan



Jon O'Dwyer



Brendan Ryan



Merran Socha



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

**NOTICE OF THE THIRTY-NINTH ANNUAL GENERAL MEETING OF MEMBERS
TO BE HELD AT THE BAROOGA SPORTS CLUB
ON WEDNESDAY 31st OCTOBER, 2018 at 7.30pm.**

Business

- Item 1. To confirm Minutes of the Annual General Meeting held on Wednesday 25th October 2017.
- 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 2018.
(It would be appreciated if all questions relating to Financial Reporting be submitted in writing to the Chief Operating 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 four Directors. As there were only four 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.

A. Noble
Company Secretary
BAROOGA SPORTS CLUB LIMITED

A.G.M INFORMATION FOR 2018
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: 14 September 2018



Signed A. Noble, Company Secretary
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.

GENERAL BUSINESS

A. Ellis asked where Berrigan de-amalgamation is at present. President G. Brooks responded that all paperwork has been submitted to ILGA. ILGA will make a decision on the viability of the de-amalgamation in due time. If the de-amalgamation is not approved by ILGA the facility will be closed.

J. Bruce commented on behalf of the Barooga Sports Bowls Club thanking Barooga Sports Club for their support.

Rob Brown President of the Cobram Barooga RSL thanked the Barooga Sports Club for their support.

Nick Demaio President of the Barooga Football Netball Club thanked the Barooga Sports Club for their ongoing support.

W. Gould Captain Cobram Barooga Golf Club thanked the Club on behalf of the Golfers for the continued support and improvement of the golf facilities.

G. Brooks thanked all for attending.

There being no further business the meeting was declared closed at 8.14pm.

PRESIDENT'S REPORT

It is my great honour to present my third and final report to you, the members of our Clubs, as your President. After 10 years on the Board and the last 3 as President, I have accepted an executive management position within the Sporties Group.

I would like to thank the Directors for their ongoing support to the Club and myself. Moreover, I am very grateful for the opportunity going forward to work harder than ever for our great organisation.

Financially, 2018 was very similar to the previous year with a cash profit (before depreciation) still in excess of \$1 million. Although the bottom line is below budget and well below expectation, the pleasing aspect is that every department has achieved revenue growth. The extra cost to achieve this growth is more a reflection of what stage we are at in terms of implementing significant strategic initiatives, rather than unplanned. Some of these initiatives will be very visible in the coming months and many are subtle, perhaps not so obvious but nonetheless integral to the overall experience we know you will continue to enjoy.

We are extremely fortunate to have a young dynamic Board with a diverse balance of experience, skill and gender that has attracted the praise of our Industry Association in terms of achieving a best practice model. Moving forward with the strategic support of the Board, our committed management team comprising Peter Carter (CFO), Anton Noble (COO), Tony Tranter (BDM) and myself (CEO), I believe we are equipped to navigate the challenges of our industry, continue to be relevant to our members and guests but also drive new business and initiatives. We have recently refocused the Board and Managements attention on our purpose which is in essence to support our community and foster sport. In 2018/19 we will be investing heavily into our most important asset, our people, to build on that culture and ensure that everyone understands and embraces not only the reason we exist but the wonderful story that defines the proud history of the Barooga Sports Club.

The support of you our Members remains at a high standard with Members benefits totalling \$ 729,000 over the last financial year. Along with this amount we have kept up our contributions to the Community through the Club Grants Program this year totalling \$305,184. These grants have been shared with many Community and Sporting organisations.

Gavin Dyson (Executive Chef) and his dedicated team have performed strongly across both venues. The feedback has been overwhelmingly positive. We will continue to invest strategically and financially to further build on the integrity and reputation of our offering.

Congratulations to the amazing team at Sporties Health and Fitness Centre. Through their energy and enthusiasm, this facility continues to make an enormous contribution to the health and wellbeing of many thousands in our community.

Bridges Villas patronage continues to be strong with occupancy of 70.23% (previous year 71%). We are still striving for further improvement in occupancy and average daily rates going forward.

Once again, congratulations to Tony, Matt and their team on the consistent presentation of a world class golf course. The number of rounds being played continues to grow year on year through very hard work from the Pro Shop team.

A huge thank you to the Bowling Club members who essentially run and sustainably maintain their own facility providing a valuable asset to the whole community.

Tony Tranter, only a year into a newly created position (Business Development), is working tirelessly to generate new business through conferences and events. He is partnering with our two shires and business groups to generate increased visitation to our region. This will generate long term sustainable growth for the whole business and tourism sectors in both shires.

I would like to acknowledge the loyalty of two long serving staff that recently retired in Mick O'Dwyer (22yrs) and John Nancarrow (20yrs).

Last but not least, thank you to the entire staff for their continued commitment and passion to provide a wonderful experience to our members and visitors.

Glen (Bobby) Brooks
President

CHIEF FINANCIAL OFFICER'S REPORT

The full year result for financial year ended 30 June 2018 once again reflects a solid performance with a reported EBITDA of \$ 1,124,240. This represented a decline on the previous reporting period of \$181,241. The major influence of this was increases in Employee and Energy costs.

This year's financial outcome, reflected improved performances across the Food and Beverage sector with Revenue up by \$350,000. Gaming turnover was also up by 7.0% on the previous year, generating an additional \$300,000 Net Revenue.

Overall our expenses were 3.9% higher than the previous period with energy (30% increase on previous period) and wages making up the majority of this increase.

The Bridges Motel maintained a steady Occupancy rate with the average for the year sitting at 70.3% compared to a slightly higher rate of 70.9% for the previous year. Golf Packages and Corporate Nights making up approx. 71% of all nights booked for both years. The average Rate per night dropped slightly in FY18 due to an increase in Golf Package nights to corporate nights.

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

Barooga Sports Club	\$1,445,463	(2017: \$1,554,221)
Sporties Cobram Barooga Golf Club	-\$ 241,262	(2017: -\$ 263,429)
Bridges Motel	\$ 69,280	(2017: \$ 156,451)
Sporties Health & Fitness	-\$ 142,139	(2017: -\$ 130,125)
Berrigan Sports Club	\$ 0	(2017: -\$ 47,859)
Barooga Sports Bowls Club	<u>-\$ 7,102</u>	(2017: <u>\$ 36,222</u>)
	\$ 1,124,240	\$ 1,305,481

During the year, \$600,000 was paid off the bank loan, with the current balance being \$3,904,545 with a further reduction of \$600,000 in the 2018/19 financial year. An additional repayment of \$1,000,000 will be made in September 2018.

Capital Expenditure for the year totalled \$900,000, with funds spent in various areas. Some of these were:

- Golf Cart Replacements
- Gaming Machine Replacements
- Upgrade of Golf Course equipment
- Upgrade of Aristocrat Gaming System

The board and executive, are very proud of the contributions made to many Community and Sporting organisations through our ClubGRANTS program, which this year totalled \$305,184.

Some of these beneficiaries were:

Cobram Barooga Business & Tourism	Cobram Football Netball Club	Bluearth Foundation
St. Josephs School - Cobram	Cobram Riding for the Disabled	Katamatite Primary School
Yarroweyah Football Netball Club	Barooga Recreation Reserve	Rotary Club Cobram
Barooga Football Netball Club	Cobram Roar Soccer Club	Cobram Special School
Picola & District Football League	St. Margarets Anglican Parish	

The Sporties Group also continues to provide significant benefits across the local community through its wages bill of \$7.1 million and its expenditure on members totalling \$729,000 during the FY2018 financial year.

In summarising the Club's financial year, it was a very positive performance having met all of our financial obligations to our Bank and at the same time being able to invest back into the Business. The issues relating to our Balance sheet that I reported last year have been reduced and will be completely cleaned up by the end of the FY19 Financial Year. Our efforts to grow our revenue streams have started to come to fruition with our Function / Conferencing area starting to show growth and our Golf Course patronage having an additional 3000 rounds to the previous reporting period.

Our continued commitment to plan for the future through our strategic planning process will ensure that we will build on the foundations that this Club has evolved from.

Barooga Sports Club Limited

ABN 96 001 757 491

Financial Statements

For the year ended 30 June 2018

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Barooga Sports Club Limited

Directors' Report

For the year ended 30 June 2018

Your directors present the financial statements of the Barooga Sports Club Limited (the Company) for the year ended 30 June 2018.

Directors

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

Glen Brooks - President Board Member since 2008	Gary Hunt – Vice President Board Member since 2012
Stephen Brooks – Vice President Board Member since 1983	Brendan Ryan Board Member since 1998
Stephen Cusack Board Member since 2009	Jonathan O'Dwyer Board Member since 2011
Darren Nolan Board Member since 2008	Merran Socha Board member since August 2017
Amanda Mayoh Board member since January 2018	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company secretary

The Company's secretary is Mr Anton Noble, who was appointed on 25 October 2017. Mr Noble is the company's operations manager.

Principal activities

The principal activities of the Company during the year were the management of a NSW registered club to provide facilities and amenities to its members and the promotion of bowls, golf and other sporting activities for the members of the club.

Review of operations

The operating loss of the Company for the year was \$2,111,874 (2017: loss of \$662,119).

Short term and long term objectives

The Company's short term objectives are to provide for members and guests a safe environment, and to continue to provide members and guests the best service possible through:

- Maintaining community facilities and club environment;
- Promoting sport and social activities for members and their guests;
- Providing a high level of customer service.

The Company's long term objectives are to:

- Proactively meet the needs and expectations of members and the community;
- Improve and enhance the Club's facilities;
- Be recognised as a leading corporate citizen with high social values

The company has adopted the following strategies to meet the above objectives:

- Maintain a level of operational profitability;
- Develop long term supporter base that benefits from the Company's success;
- Regularly refining and enhancing the strategic plan;
- Attract and retain quality staff and other support networks.

Barooga Sports Club Limited

Directors' Report

For the year ended 30 June 2018

Meetings of directors

The number of meetings of the Company's directors held during the year ended 30 June 2018, and the numbers of meetings attended by each director were:

	No. of Meetings Attended	No. of Meetings Held*
Stephen Brooks	13	13
Brendan Ryan	5	13
Stephen Cusack	12	13
Jonathan O'Dwyer	12	13
Darren Nolan	9	13
Glen Books	13	13
Gary Hunt	12	13
Merran Socha	10	12
Amanda Mayoh	5	6

* reflects the number of meetings held during the time the director held office during the year.

Member Liability

The Company is incorporated as a Company limited by guarantee. In accordance with the Memorandum of Association of the Company, every member of the Company undertakes to contribute an amount limited to \$10 per member in the event of winding up the Company during the time he or she is a member or within one year thereafter. As at 30 June 2018 the number of members was 8,445 (2017: 8,264).

Core and Non-core Property

In accordance with Section 41 of the *Registered Clubs Act 1976*, core property of a registered club means any real property owned or occupied by the club that comprises:

- the defined premises of the club, or
- any facility provided by the club for the use of its members and their guests, or
- any other property declared, by a resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, to be core property of the club, but does not include any property referred to in paragraphs (a) - (c) that is declared, by a resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, not to be core property of the club.

The following is a breakdown of the Company's core and non-core real property:

Core Real Property

Barooga Sports Club clubhouse and car park;
Sporties Health & Fitness Centre and car park;
Barooga Sports Bowls Club clubhouse and greens;
Cobram Barooga Golf Club clubhouse, accommodation, golf course and car park.

Non-core Real Property

Unit 16, 48-50 Bank Street, Port Fairy;
Lot 1 and Lot 171 Snell Road, Barooga; and
Lots 2,3,4 and 13 Burkinshaw Street, Barooga.

Barooga Sports Club Limited

Directors' Report

For the year ended 30 June 2018

Events subsequent to reporting date

The Company entered into an agreement with Tabcorp Gaming Solutions (TGS) on 6 July 2018. This agreement provides for TGS to purchase the Company's gaming machines and associated equipment located at Sporties Barooga, and manage the gaming operations. No other matter has arisen in the period between the end of the financial year and the date of this report that, in the opinion of the Directors of the Club, would affect significantly the operations of the Club, the results of those operations, or the state of affairs of the Club, in future financial years.

Auditor's independence

The lead auditor's independence declaration for the year ended 30 June 2018 was received and can be found on page 5 of the financial report.

This report is signed in accordance with a resolution of the directors.



Director
Stephen Brooks



Director
Gary Hunt

Barooga
26 September 2018

Barooga Sports Club Limited

Directors' Report

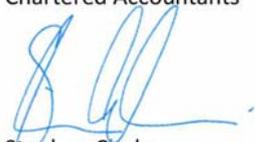
For the year ended 30 June 2018

Auditors' Independence Declaration

As lead auditor for the audit of the Barooga Sports Club Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of 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.

Johnsons MME
Chartered Accountants



Stephen Clarke
Director

Albury
26 September 2018

Barooga Sports Club Limited

Directors' Declaration

For the year ended 30 June 2018

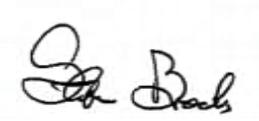
The directors declare that the financial statements and notes set out on pages 7 to 19:

- a) comply with Accounting Standards – Reduced Disclosure Requirements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- b) give a true and fair view of the Company's financial position as at 30 June 2018 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the director's opinion:

- a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- b) 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 directors.



Director
Glen Brooks



Director
Gary Hunt

Barooga
26 September 2018

Barooga Sports Club Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue	2	18,558,161	17,998,211
Cost of goods sold	3	(2,571,624)	(2,301,845)
Employee related expense	3	(7,847,144)	(7,364,560)
Depreciation and amortisation	3	(2,228,520)	(1,729,343)
Repairs and maintenance expense		(874,485)	(902,515)
Advertising and marketing		(361,752)	(453,504)
Electricity and gas		(669,528)	(518,672)
Insurances		(160,868)	(139,583)
Donations and sponsorships		(217,305)	(247,310)
Members Expenses		(981,206)	(914,123)
Poker Machine Tax		(1,792,785)	(1,703,899)
Rental costs		(196,744)	(193,637)
Information technology costs		(121,939)	(105,082)
Finance and banking costs	3	(253,940)	(215,832)
Other expenses		(1,641,522)	(1,870,425)
Loss before income tax		<u>(1,361,201)</u>	<u>(662,119)</u>
Income tax expense	1(b)	-	-
Net Loss for the year		<u>(1,361,201)</u>	<u>(662,119)</u>
Operating result from discontinued operations	21	<u>(750,673)</u>	-
Other Comprehensive Income		-	-
Total Comprehensive Result for the year		<u><u>(2,111,874)</u></u>	<u><u>(662,119)</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Barooga Sports Club Limited

Statement of Financial Position

As at 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	1,181,227	1,582,577
Trade and other receivables	5	43,922	118,302
Inventories	6	305,674	310,041
Other current assets	7	13,628	11,880
Total Current Assets		1,544,451	2,022,800
Non-Current Assets			
Property, plant and equipment	8	32,042,235	33,594,791
Intangible assets	9	1,141,000	1,143,982
Total Non-Current Assets		33,183,235	34,738,773
Total Assets		34,727,686	36,761,573
LIABILITIES			
Current Liabilities			
Trade and other payables	10	922,896	824,530
Borrowings	11	300,768	104,251
Provisions	12	726,363	735,404
Total Current Liabilities		1,950,027	1,664,185
Non-current liabilities			
Borrowings	13	4,353,479	4,555,498
Provisions	14	199,257	205,093
Total Non-Current Liabilities		4,552,736	4,760,591
Total Liabilities		6,502,763	6,424,776
Net Assets		28,224,923	30,336,797
EQUITY			
Revaluation Reserve		6,248,473	6,248,473
Retained earnings		21,976,450	24,088,324
Total Equity		28,224,923	30,336,797

The above statement of financial position should be read in conjunction with the accompanying notes.

Barooga Sports Club Limited

Statement of Changes in Equity

For the year ended 30 June 2018

	Notes	Retained Earnings	Revaluation Reserve	Total
Balance at 1 July 2017		24,750,443	6,248,473	30,998,916
Net loss for the year		(662,119)	-	(662,119)
Balance at 30 June 2018		<u>24,088,324</u>	<u>6,248,473</u>	<u>30,336,797</u>
Net loss for the year		(2,111,874)	-	(2,111,874)
Balance at 30 June 2018		<u>21,976,450</u>	<u>6,248,473</u>	<u>28,224,923</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Barooga Sports Club Limited

Statement of Cash Flows

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Cash Flows from Operating Activities			
Receipts from members & customers		18,186,516	17,656,357
Payments to suppliers and employees		(17,373,097)	(16,681,344)
		<u>813,419</u>	<u>975,013</u>
Interest paid		(253,940)	(149,388)
Interest received		12,358	15,799
Net cash inflow/(outflow) from operating activities		<u>571,837</u>	<u>841,424</u>
Cash Flows from Investing Activities			
Proceeds from the sale of property, plant and equipment		70,272	644,733
Payments for property, plant and equipment		(1,437,958)	(1,188,207)
Proceeds from sale of intangible assets		400,000	346,018
Net cash inflow/(outflow) from investing activities		<u>(967,686)</u>	<u>(197,456)</u>
Cash flows from Financing Activities			
Proceeds from borrowings		517,752	808,634
Repayment of borrowings		(523,253)	(1,365,968)
Net cash inflow/(outflow) from financing activities		<u>(5,501)</u>	<u>(557,334)</u>
Net Increase/(Decrease) in Cash Held		(401,350)	86,634
Cash at the beginning of the financial year		1,582,577	1,495,943
Cash at the End of the Financial Year	4	<u>1,181,227</u>	<u>1,582,577</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Barooga Sports Club Limited

Notes to and forming part of the financial statements

For the year ended 30 June 2018

Note 1. Summary of significant accounting policies

The Barooga Sports Club Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010–2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Basis of preparation

The principal accounting policies adopted in the presentation of the financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

Under Australian Accounting Standards, there are requirements that apply specifically to not-for-profit entities that are not consistent with International Reporting Standards (IFRS) requirements. The company has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate the Company has elected to apply options and exemptions within the accounting standards which are applicable to not-for-profit entities.

Comparative information has been reclassified where appropriate to enhance comparability.

(a) Revenue

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

(i) Sale of goods and services

Revenue from the sale of food, beverage and other goods is recognised upon delivery of goods to customers. Revenue from gaming and other services rendered is recognised upon delivery of the service to customers.

(ii) Membership revenue

Membership revenue is brought to account on a progressive basis over the period in which members are able to enjoy the use of the Company's facilities. Any subscriptions received in advance are brought to account as a liability.

(iii) Interest

Interest revenue is recognised on an accrual basis taking into account applicable interest rates.

(iv) Rental

Rental revenue is accrued on a straight-line basis over the period of the lease term.

(b) Income Tax

Barooga Sports Club Limited is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

(c) Borrowing Costs

Borrowing costs are recognised as expenses in the period in which they are incurred.

(d) Maintenance & Repairs

Maintenance, repair costs and minor renewals are charged as expenses as incurred.

Barooga Sports Club Limited

Notes to and forming part of the financial statements

For the year ended 30 June 2018

Note 1. Summary of significant accounting policies (continued)

(e) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

(f) Trade and Other Receivables

All trade receivables are carried at their nominal amount. Collectability of debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off. A provision for doubtful debts is raised when some doubt as to collection of the debt exists.

(g) Inventories

Inventory is stated at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

(h) Property, Plant & Equipment

All plant and equipment is stated at cost less depreciation and impairment losses. Cost is measured as the fair value of the assets given up, liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. The purchase method of accounting is used for all acquisitions of assets.

Land and buildings are shown at fair value, based on periodic, at least every 3 - 5 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amount arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation that decrement are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Depreciation is recognised in the statement of profit or loss and other comprehensive income on a diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives for the current and comparative periods are as follows:

	2018	2017
Buildings	2.5% - 5%	2.5% - 5%
Plant and equipment	20% - 25%	20% - 25%
Gaming machines	10% - 25%	10% - 25%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income.

(i) Borrowings

Borrowings are carried at their principal amounts, which is not materially different to the present value of future cash flows associated with servicing the debt. Any interest payable on borrowings is paid as and when due.

(j) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. These amounts are unsecured and usually paid within 30 days of recognition.

Barooga Sports Club Limited

Notes to and forming part of the financial statements

For the year ended 30 June 2018

Note 1. Summary of significant accounting policies (continued)

(k) Employee Entitlements

(i) Wages and salaries

Liabilities for wages and salaries are recognised and measured as the amount unpaid at the reporting date at current wage rates in respect of employees' service up to that date.

(ii) Annual leave

Liabilities for annual leave are recognised and are measured as the amount unpaid at the reporting date at pay rates expected to apply when the obligation is settled in respect of employees' services up to that date, including on-costs. All annual leave balances are classified as a current liability.

(iii) Long service leave

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related on-costs and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service. All long service leave which the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after reporting date is disclosed as a current liability and is measured at nominal value based on the amount expected to be paid when settled. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash outflows.

(l) Intangible Assets

Water licenses

Permanent water entitlements were recognised at the time of amalgamation with the Cobram Barooga Golf Club. The licenses have an indefinite life and reviewed annually for impairment in accordance with Note 1 (m). Permanent water entitlements are measured at market value.

Gaming Machine Licences

The directors consider that an active market does not currently exist for gaming licenses in this region. An intangible asset has therefore not been recognised in the club's statement of financial position for any licenses held pre 2 April 2002 per the Gaming Machine Act 2001. Any gaming licenses separately acquired are stated at cost less accumulated amortisation.

Amortisation

Amortisation is recognised in the statement of profit or loss and other comprehensive income on a straight line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for acquired gaming machine entitlements is 10 years.

(m) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value, less cost to sell and value in use.

(n) 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 Tax 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 statement of financial position are shown inclusive of GST.

Barooga Sports Club Limited

Notes to and forming part of the financial statements

For the year ended 30 June 2018

Note 1. Summary of significant accounting policies (continued)**(o) New Accounting Standards and interpretations**

A number of Australian Accounting Standards have been issued or amended since the last reporting date and are applicable to the entity but are not yet effective. The Board has assessed the impact of these amendments and they are immaterial to the entity. They have not been adopted in the preparation of the Financial Statements at balance date.

Note 2. Revenue

	2018	2017
	\$	\$
Revenue from operating activities		
Bar	2,286,830	2,241,040
Catering	3,124,647	2,931,849
Poker Machines	8,880,277	8,681,952
Accommodation	627,088	654,413
Golf and pro-shop	1,546,830	1,494,736
Members subscriptions	571,259	564,779
Other	653,500	634,648
	<u>17,690,431</u>	<u>17,203,417</u>
Revenue from outside the operating activities		
Rental Income	84,998	81,317
Interest and trust distributions	12,358	15,799
Sale of gaming machine entitlements	400,000	346,818
Profit/(Loss) on sale of assets	33,667	(20,932)
Other	336,707	371,792
	<u>867,730</u>	<u>794,794</u>
Total revenue	<u>18,558,161</u>	<u>17,998,211</u>

Note 3. Profit/(Loss) for the year

Profit before income tax expense includes the following expenses:

Expenses

Cost of goods sold		
- Bar	929,362	895,987
- Catering	1,336,481	1,156,844
- Other	305,781	249,014
	<u>2,571,624</u>	<u>2,301,845</u>
Depreciation and amortisation		
- Buildings	772,906	608,697
- Plant and equipment	776,025	615,351
- Gaming machines	676,608	482,870
- Amortisation	2,981	22,425
	<u>2,228,520</u>	<u>1,729,343</u>
Employee related expenses		
- Salaries and wages	6,462,436	6,048,021
- Superannuation	643,130	628,938
- Payroll tax	341,253	315,276
- Workers compensation	258,204	210,627
- Staff training and expenses	146,728	153,246
- Fringe benefits tax	(4,607)	8,452
	<u>7,847,144</u>	<u>7,364,560</u>
Finance costs		
- Bank interest and charges	253,940	215,832

Barooga Sports Club Limited

Notes to and forming part of the financial statements

For the year ended 30 June 2018

Note 4. Current assets – Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash on hand	379,102	409,012
Cash at bank	802,125	1,173,565
	<u>1,181,227</u>	<u>1,582,577</u>

Note 5. Current assets – Trade and Other Receivables

Trade debtors	44,980	136,058
Provision for doubtful debts	(1,058)	(17,756)
	<u>43,922</u>	<u>118,302</u>

Note 6. Current assets – Inventories

Bar	74,677	80,992
Catering	55,242	47,322
Pro-shop	165,093	148,642
Other	10,662	33,085
	<u>305,674</u>	<u>310,042</u>

Note 7. Current assets – Other

Accrued income	-	11,880
Prepayments	13,628	-
	<u>13,628</u>	<u>11,880</u>

Note 8. Non-current assets – Property, Plant and Equipment**Land and buildings**

Land – at valuation (i)	2,274,569	2,470,069
Buildings – at valuation (i)	33,730,715	33,341,483
Less: Accumulated depreciation	(11,683,621)	(9,607,798)
	<u>22,047,094</u>	<u>23,733,685</u>
Total Land and Buildings	<u>24,321,663</u>	<u>26,203,754</u>

Poker Machines

Poker Machines – at cost	6,353,467	5,743,842
Less: Accumulated Depreciation	(4,310,988)	(4,501,905)
	<u>2,042,479</u>	<u>1,241,937</u>

Plant & Equipment

Plant and Equipment – at cost	11,862,562	10,727,336
Less: Accumulated Depreciation	(6,463,615)	(6,668,579)
	<u>5,398,947</u>	<u>4,058,757</u>

Work in Progress	279,146	2,090,343
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Total Plant and Equipment	<u>32,042,235</u>	<u>33,594,791</u>
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Barooga Sports Club Limited

Notes to and forming part of the financial statements

For the year ended 30 June 2018

- (i) Land and buildings were subject to an independent valuation by Preston Rowe Paterson Albury Wodonga Pty Ltd (Property Valuers) on 30 June 2012. The basis of valuation for land was market value as if land is vacant and available for development at its highest and best use. Buildings and improvements have been valued at their depreciated replacement cost.

Movements in carrying amounts:

	Land	Buildings	Poker Machines	Plant & Equipment	Work in Progress	Total
WDV 1 July 2017	2,470,069	23,733,685	1,241,937	4,058,757	2,090,343	33,594,791
Additions	-	35,025	763,913	329,689	422,785	1,551,412
Disposals	(195,500)	(307,953)	(50,164)	(168,374)	-	(721,991)
Transfers	-	(640,757)	763,401	1,954,900	(2,233,982)	(156,438)
Depreciation	-	(772,906)	(676,608)	(776,025)	-	(2,225,539)
WDV 30 June 2018	<u>2,274,569</u>	<u>22,047,094</u>	<u>2,042,479</u>	<u>5,398,947</u>	<u>279,146</u>	<u>32,042,235</u>

Note 9. Non-current assets – Intangible Assets

	2018	2017
	\$	\$
Water entitlements at fair value	1,141,000	1,141,000
NSW Gaming Machine Entitlements – at cost	224,255	224,255
Less: Accumulated Amortisation	(224,255)	(221,273)
	<u>1,141,000</u>	<u>1,143,982</u>

Note 10. Current liabilities – Trade and Other Payables

Trade creditors	609,094	627,763
Accrued expenses	252,628	124,470
Linked poker machine accruals	61,174	72,298
	<u>922,896</u>	<u>824,531</u>

Note 11. Current liabilities – Borrowings

CBA Market Rate Facility (i)	-	-
Scientific Gaming Machine Finance (ii)	46,355	38,897
Toro Finance (ii)	72,384	46,930
Toyota Finance (ii)	19,777	18,424
Aristocrat and Ainsworth	162,252	-
	<u>300,768</u>	<u>104,251</u>

Security:

- (i) CBA Market Rate Facility is an interest only loan secured by:
- First registered mortgage by Barooga Sports Club over non-residential real property located at Golf Course Road, Barooga NSW 3644;
 - First registered company charge by Barooga Sports Club over all its assets and undertakings; and
 - First registered mortgage by Barooga Sports Club over non-residential real property located at 10 Burkinshaw Street, Barooga NSW 3644.
- (ii) Finance leases and equipment loans are secured against the relevant asset subject to finance.

Barooga Sports Club Limited

Notes to and forming part of the financial statements

For the year ended 30 June 2018

Note 12. Current liabilities – Provisions	2018	2017
	\$	\$
Employee Entitlements - Annual Leave	489,508	550,334
Employee Entitlements - Long Service Leave	236,855	185,070
	<u>726,363</u>	<u>735,404</u>

Note 13. Non-current liabilities – Borrowings

Toro Finance	191,732	174,558
Toyota Finance	55,717	77,177
Aristocrat and Ainsworth	201,485	-
CBA Market Rate Facility	904,545	1,303,763
CBA Market Rate Facility	3,000,000	3,000,000
	<u>4,353,479</u>	<u>4,555,498</u>

Security: Refer note 11.

Note 14. Non-current liabilities – Provisions

Employee Entitlements – Long Service Leave	<u>199,257</u>	<u>205,093</u>
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Note 15. Related party transactions**(a) Key Management Personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company either directly or indirectly. The key management personnel of the company comprise the directors and executives who are responsible for the financial and operational management of the company.

Compensation paid to key management personnel of the company was as follows:

Short-term employee benefits	310,724	219,876
Post-employment benefits	24,660	16,460
	<u>335,384</u>	<u>236,336</u>

(b) Transactions with related parties

Director Mr. J O'Dwyer is a committee member of Barooga Football Netball Club who have been sponsored by Barooga Sports Club Limited during the year. This engagement was based on normal commercial terms and conditions and the aggregate amount paid was \$100,269.

Barooga Sports Club Limited

Notes to and forming part of the financial statements

For the year ended 30 June 2018

Note 16. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, 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:

		2018	2017
		\$	\$
(i) Financial Assets			
Cash on hand	4	1,181,227	1,582,577
Trade and other receivables	5	43,922	118,302
Total Financial Assets		<u>1,225,149</u>	<u>1,700,879</u>
(ii) Financial Liabilities			
Trade and other payables	10	922,896	824,531
Borrowings	11,13	4,654,247	5,484,280
Total Financial Liabilities		<u>5,577,143</u>	<u>5,484,280</u>

Note 17. Commitments**Finance Lease Commitments**

Commitments in relation to leases are payable as follows:

	2018	2017
	\$	\$
- Not later than 1 year	319,813	272,802
- Between 1 year and 5 years	466,535	118,869
Less: finance charges	<u>(36,646)</u>	<u>(35,685)</u>
	<u>749,702</u>	<u>355,986</u>

Represented by:

Current (note 11)	300,768	104,251
Non-current (note 13)	448,934	251,735
	<u>749,702</u>	<u>355,986</u>

Operating Lease Commitments

Commitments in relation to operating leases are as follows:

- Not later than 1 year	104,992	110,950
- Between 1 year and 5 years	117,289	141,520
	<u>222,281</u>	<u>252,470</u>

Capital Commitments

Commitments in relation to capital expenditure are as follows:

- Not later than 1 year	-	362,816
- Between 1 year and 5 years	-	-
	<u>-</u>	<u>362,816</u>

Note 18. Events Occurring after Reporting Date

The Company entered into an agreement with Tabcorp Gaming Solutions (TGS) on 6 July 2018. This agreement provides for TGS to purchase the Company's gaming machines and associated equipment located at Sporties Barooga, and manage the gaming operations. No other matter has arisen in the period between the end of the financial year and the date of these financial statements that would affect significantly the operations of the Club, the results of those operations, or the state of affairs of the Club, in future financial years.

Barooga Sports Club Limited

Notes to and forming part of the financial statements

For the year ended 30 June 2018

Note 19. Contingencies**Contingent Asset**

The Company owns 200 gaming machine entitlements acquired at no cost. These gaming machine entitlements are a tradable commodity within the NSW licensed club industry. However, the value of these gaming machine entitlements have not been recognised as an intangible asset in the statement of financial position on the basis that their value cannot be reliably measured and an active market does not exist.

Contingent liability

The directors are not aware of any contingent liabilities at balance date.

Note 20. Fair Value Measurements

The Company has the following assets that are measured at fair value on a recurring basis after initial recognition. The Company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

	2018 \$	2017 \$
Assets		
Land (i)	2,274,569	2,470,069
Buildings (i)	22,047,094	23,733,685
Water entitlements (ii)	1,141,000	1,141,000
	<u>25,462,663</u>	<u>27,344,754</u>

- (i) The fair value of freehold land and buildings is based on an external independent valuation performed on 30 June 2012 adjusted for asset additions at cost and disposals in the intervening period. Given the additions are relatively recent and incurred in a regional setting their cost is assumed to approximate fair value.
- (j) The fair value of water entitlements is based on upon available market evidence of water prices for high security and general security water licenses owned by the Company.

Note 21. Discontinued operations

The Club de-amalgamated with the Berrigan operations on 1 February 2018 and has no further involvement in its activities. The combined results of the discontinued operations included in the profit for the prior year are set out below.

Financial Performance of Discontinued Operations

Revenue	130,438	-
Expenses	193,695	-
Gross Profit/(Loss) of discontinued operations	<u>(63,257)</u>	-
Less:		
Consideration received for discontinued operations	-	-
Less:		
Net carrying value of discontinued operations	(687,416)	-
Gain/(Loss) from disposal of discontinued operations	<u>(687,416)</u>	-
Net Profit/(Loss) from discontinued operations	<u>(750,673)</u>	-
Cash Flows from Discontinued Operations		
Net cash flows from operating activities	(20,272)	-
Net cash flows from investing activities – excluding sales proceeds	-	-
Net cash flows from investing activities – Sales proceeds	-	-
Net increase/(decrease) in cash generated by the operations	<u>(20,272)</u>	-

Independent auditor's report to the members of Barooga Sports Club Limited

Opinion

We have audited the financial statements, being general purpose financial statements – reduced disclosure requirements, of Barooga Sports Club Ltd, which comprise the statement of financial position at 30 June 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of accounting policies and other explanatory notes and the directors' declaration.

In our opinion, the accompanying financial statements of Barooga Sports Club Ltd are in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Information Other than the Financial Report and Auditor's Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report to the members (continued)

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Johnsons MME
Chartered Accountants



Stephen Clarke
Director

Albury
26 September 2018

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Sporties
Barooga

Sporties
Health and Fitness

Sporties
Barooga Bowls Club

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JAM BAR


**COBRAM
BAROOGA**
GOLF CLUB

BRIDGES


BAROOGA SPORTS CLUB LTD
ABN 96 001 757 491