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INDEPENDENT AUDITOR'S REPORT

To the board of Victorian Harness Racing Sports Club Inc.

Scope

We have audited the accompanying Community Benefit Statement ("the Statement") of Victorian Harness Racing Sports Club Inc. ('the Club'), being special purpose financial information, for the year ended 30 June 2015. The Victorian Harness Racing Sports Club is responsible for the preparation and presentation of the Community Benefit Statement and the information it contains. The Statement has been prepared by the Board of Management based on the requirements of the *Gambling Regulations Act 2003*.

Board's Responsibility for the Statement

The Club's Board is responsible for the preparation and presentation of the Statement. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the Statement, in accordance with the *Gambling Regulation Act 2003*, 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 whether the Statement prepared by the Club in all material respects, has been prepared in accordance with the requirements of Sections 3.6.9 (2)(a) and (b) and section 3.6.9(3) of the *Gambling Regulation Act 2003*.

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether, in all material respects, the Statement has been prepared in accordance with applicable Accounting Standards in Australia and sections 3.6.9 (2)(a) and (b) 3.6.9(3) of the *Gambling Regulation Act 2003*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation of the Statement 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 Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee.

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



Audit Opinion

In our opinion, the attached Statement in relation to the Club presents fairly, in accordance with applicable Accounting Standards in Australia and our understanding of section 3.6.9(2)(a) and (b) and section 3.6.9(3) of the *Gambling Regulation Act 2003* and the instructions provided by the Victorian Commission for Gambling Regulation, Victorian Harness Racing Sports Club's compliance with the relevant legislation for the year ended 30 June 2015.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to the Statement which includes instructions for its completion. The Statement is prepared to assist the Club to meet the requirements of the Victorian Commission for Gambling Regulation. As a result, the Statement may not be suitable for another purpose. Our report is intended solely for the directors of the Club, and the Victorian Commission for Gambling Regulation and should not be distributed to parties other than the Club or the Victorian Commission for Gambling Regulation.

BDO East Coast Partnership

A handwritten signature in blue ink, consisting of the letters 'AS' followed by a long horizontal line.

Alex Swansson
Partner

Melbourne, 9 October 2015

JUNCTION TABARET COMMUNITY BENEFIT STATEMENTS FOR THE YEAR ENDING 30 JUNE 2015

Gaming Revenue	
Tabaret portion	5,140,365
Government portion	- 1,220,439
Gaming Variable Costs	- 1,055,735
	<u>2,864,191</u>
minimum 8.33%	238,587

% of revenue	
Gaming Revenue	5,140,365
Other Revenue	1,166,806
Total Revenue	<u>6,307,171</u>
% of Gaming Revenue	81.5%
% of Other Revenue	18.5%

% of Food Revenue	
Food	282,487
Beverage	619,807
Total F&B Revenue	<u>902,294</u>
Food % of total	31.3%

CLASS A: Venue operators may claim up to 100 percent of revenue applied to a Class A purpose or activity.

Class A (a)		Gifts/Sponsorship/Donations	
		FY15 Expense	Claim Amount
Sponsorships - Educational	(i) any educational purpose;		-
Sponsorships	(xii) any sporting or recreational purpose		-
		<u>-</u>	<u>-</u>
		100%	
Community Benefits		<u>-</u>	<u>-</u>

Class A (c)		Commercial Service at less than commercial rates	
		FY15 Expense	Claim Amount
Members Discount		5,041	5,041
Discounts			-
		<u>5,041</u>	<u>-</u>
		100%	
Community Benefits		<u>5,041</u>	<u>5,041</u>

CLASS B: Venue operators may claim an amount equal to the proportion of the club's nongaming revenue to its total revenue for Class B.

Class B (d)		Fixed Assets - other than fixed assets used for gaming purposes	
		FY15 Expense	Claim Amount
RCD S/Safety Switches		16,806	3,109
		<u>16,806</u>	<u>-</u>
		18.50%	
Community Benefits		<u>3,109</u>	<u>3,109</u>



Class B (e)		Operating Costs	
		FY15 Expense	Claim Amount
Salaries & Wages		949,613	175,678
Superannuation		84,247	15,586
Workcover		13,931	2,577
Staff Training		4,784	885
Management Fee		258,500	47,822
Light & Power		90,796	16,797
Water & Gas		8,801	1,628
Rent		829,360	153,432
Cleaning		66,044	12,218
Repairs & Maintenance		23,420	4,333
		<u>2,329,497</u>	<u>-</u>
		18.50%	
Community Benefits		<u>430,957</u>	<u>430,957</u>

CLASS C: Venue operators may claim up to 100 percent of revenue applied to a Class C purpose or activity.

Class C (c)		CBS preparation and auditing expenses to a maximum of \$3,000.	
		FY14 Expense	Claim Amount
Audit of Community Benefits Statement		1,650	1,650
		<u>1,650</u>	<u>-</u>
		100%	
Community Benefits		<u>1,650</u>	<u>1,650</u>

Total Community Benefits	440,757
Community Benefit as a portion of Venue Gaming Revenue	15.4%
Community Benefit as a portion of Total Gaming Revenue	8.57%