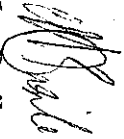


**MOOROOPNA GOLF CLUB INCORPORATED**  
**INDEPENDENT AUDIT REPORT**

To the Office of Gambling Regulation

We have audited the Community Benefit Statement of Mooroopna Golf Club Inc. for the year ended 30<sup>th</sup> June, 2008 in accordance with Australian Auditing Standards.

In our opinion, the information reported in the Community Benefit Statement is consistent with the annual statutory financial report from which it is derived and upon which we expressed an unqualified audit opinion in our report to the members dated 8<sup>th</sup> August, 2008. For a better understanding of the scope of our audit, this report should be read in conjunction with our audit report on the annual statutory financial report.



**Max Basile CPA**  
**BROWN BALDWIN**

Dated 20<sup>th</sup> August, 2008

**MOOROOPNA GOLF CLUB INCORPORATED**  
**INDEPENDENT AUDIT REPORT**  
**TO THE MEMBERS**

**Scope**

We have audited the financial statements being a special purpose financial report comprising the Trading Profit & Loss Account, Balance Sheet, notes to and forming part of the accounts and Statement of Cash Flows of Mooroopna Golf Club Inc., for the year ended 30<sup>th</sup> June, 2008. The Committee is responsible for the financial report and has determined that the accounting policies used in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the Association Incorporation Act (Victoria) and are appropriate to meet the needs of the members. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of Mooroopna Golf Club Inc. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

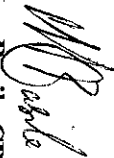
The financial statements have been prepared for the purpose of fulfilling the requirements of the Associations Incorporation Act (Victoria). We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on the test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, all material respects, the financial statements are presented fairly in accordance with the accounting policies described in Note 1 so as to present a view which is consistent with our understanding of the Association's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Australian Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in the report has been formed on the above basis.

**Audit Opinion**

In our opinion, the financial report of Mooroopna Golf Club Inc. presents a true and fair view of the financial position of Mooroopna Golf Club Inc. as at 30<sup>th</sup> June 2008 and the results of its operations and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.



**Max Basile CPA**  
**BROWN BALDWIN**

Dated 8<sup>th</sup> August, 2008

**MOOROPNA GOLF CLUB INCORPORATED**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30TH JUNE, 2008**

	2006	2007		2006	2007
	\$	\$		\$	\$
<b>BAR TRADING ACCOUNT</b>			<b>NOTES</b>		
Bar Sales	338,806.48	403,919.51		460,945.73	
<b>LESS COST OF GOODS SOLD</b>					
Operating Stock	10,469.28	9,978.06		12,897.73	
Purchases	161,243.80	187,817.39		218,701.54	
Freight	4,933.39	5,115.34		4,356.99	
	176,646.47	202,910.79		235,956.26	
Closing Stock	9,978.06	12,897.73		11,821.58	
	166,668.41	190,013.06		224,134.68	
Gross Profit From Trading	172,138.07	213,906.45		236,811.05	
<b>Bar Surplus</b>	<b>172,138.07</b>	<b>213,906.45</b>		<b>236,811.05</b>	
<b>GAMING MACHINES</b>					
<b>Income</b>					
Gaming Income	983,435.87	1,016,965.06		1,063,442.40	
<b>Expenditure</b>					
Advertising & Promotion	52,880.03	85,806.25		71,562.30	
Entertainment	19,766.88	20,936.82		21,047.30	
Electricity	36,240.91	35,835.38		44,815.71	
Licence Fees	2,503.15	3,237.65		3,382.05	
Security	9,770.13	13,790.36		12,002.18	
Sundry Expenses	4,949.64	7,133.41		37,414.62	
Wages	265,826.45	267,886.80		313,921.48	
	391,937.19	434,626.67		504,145.64	
<b>Gaming Surplus</b>	<b>591,498.68</b>	<b>582,338.39</b>		<b>559,296.76</b>	
<b>HOUSE OPERATION ACCOUNT</b>					
Fundraising Income	20,429.96	27,527.47		30,498.17	
Fundraising Expenses	12,998.66	13,478.98		12,477.48	
<b>House Operation Surplus/(Deficit)</b>	<b>7,431.30</b>	<b>14,048.49</b>		<b>18,020.69</b>	
<b>MATCH OPERATION ACCOUNT</b>					
<b>Income</b>					
Match Entries & Tournaments	49,680.31	48,468.49		48,161.84	
Sponsorship	6,718.20	11,320.03		5,251.67	
Pro-Am Entries	5,981.87	8,818.27		6,909.16	
Pro-Am Sponsorship	11,998.15	8,591.91		11,131.01	
Pro-Am Sundries	999.14	424.54		5,473.63	
Sundries	88.46	1,464.54		793.64	
	75,466.13	79,087.78		77,720.95	
<b>Expenditure</b>					
Trophies	16,572.99	19,993.57		19,086.16	
Printing & Stationery	467.80	2,953.27		4,564.18	
Pro-Am Professionals	6,600.00	11,000.00		10,090.90	
Pro-Am Advertising	0.00	363.64		0.00	
Pro-Am Trophies	613.65	1,822.73		1,295.46	
Pro-Am Other	416.16	1,309.34		388.22	
Sundry Expenses	18,384.98	22,512.43		23,625.59	
	43,045.58	59,954.98		59,050.51	
<b>Match Operation Surplus</b>	<b>32,420.55</b>	<b>19,132.80</b>		<b>18,670.44</b>	
<b>BOWL'S SUB COMMITTEE</b>					
<b>Income</b>					
Tournaments	2,346.37	1,484.55		634.55	
Sponsorship	5,820.89	1,949.99		1,770.87	
Sundry	17,543.87	17,518.93		16,774.89	
	25,711.13	20,953.47		19,180.31	
<b>Expenditure</b>					
Trophies	2,373.16	2,271.53		1,273.19	
Food	6,273.37	4,343.65		3,927.35	
Contractor	10,692.16	5,637.14		5,740.67	
Sundry Expenses	5,641.97	5,301.02		15,606.12	
	24,980.66	17,553.34		26,547.33	
<b>Bowls Surplus/(Deficit)</b>	<b>730.47</b>	<b>3,400.13</b>		<b>-7,367.02</b>	

2006 \$ 2007 \$

**GOLF LADIES SUB COMMITTEE**

NOTES \$ \$

16,622.01  
1,039.09  
17,661.10

Income  
Lady Golfers  
Catering

17,676.53  
1,983.82

19,660.35

4,275.23  
3,297.56  
3,037.93  
10,610.72  
**7,050.38**

Expenditure  
Lady Golfers  
Catering  
Trophies

6,836.65  
1,493.39  
2,300.14

**Lady Golfers Surplus**

10,630.18  
**9,030.17**

**INCOME**

811,269.45  
67,883.03  
1,100.56  
112,471.48  
34,164.95  
30,587.77  
3,687.00  
1,061,164.24

Gross Trading Profit  
Green Fees  
Interest received  
Subscription Income  
Sundry Income  
Kitchen Lease  
Profit on Sale

834,462.09  
64,998.63  
0.00  
110,448.93  
44,878.24  
35,927.32  
0.00

-1,090,745.21

**LESS EXPENSES**

31,158.14  
6,857.90  
17,294.88  
133,065.58  
10,065.37  
19,039.09  
70,213.90  
287,694.86

Course Expenditure  
Fertilisers, Sprays  
Course Power  
Leasing Charges  
Wages - Course  
Staff Amenities & Training  
Fuel  
Repairs & Maintenance - Course

39,615.68  
10,340.29  
17,166.12  
175,598.03  
10,870.43  
23,679.23  
76,359.17

353,628.95

30,751.01  
19,445.11  
4,522.43  
54,718.55

Clubhouse Expenditure  
Repairs & Maintenance  
Sundry Expenses  
Electricity & Gas

28,603.89  
17,093.94  
4,414.06

50,111.89

5,486.80  
12,685.47  
50,921.22  
13,174.04  
16,439.52  
34,532.45  
19,024.39  
28,024.17  
1,158.46  
11,644.41  
130,054.08  
11,495.05  
2,313.42  
47,077.01  
5,547.77  
313.37  
6,388.00  
20,296.32  
416,575.95

Administration Expenditure  
Accountancy & Audit  
Advertising  
Bank Charges & Interest  
Computer Training & Software  
Consultancy  
Insurance & Workcover  
Printing, Postage & Stationery  
Sundry Expenses  
Repairs & Maintenance  
Telephone  
Wages  
Rates  
Staff Amenities & Training  
Superannuation  
Provision for Long Service Leave  
Payroll Tax Expense  
Loss on Sale of Fixed Assets  
Professionals Retainer

4,900.00  
1,117.48  
25,568.27  
4,328.25  
16,553.26  
33,110.50  
20,119.33  
41,372.33  
456.82  
12,188.19  
176,198.47  
17,335.47  
7,107.47  
49,300.66  
2,448.84  
14,279.55  
1,307.00  
22,949.99

450,641.87

**TOTAL EXPENSES**

**854,382.71**

302,174.88

Operating Profit

236,332.50

Less Non-operating Expenses

94,705.00

Depreciation

110,840.00

207,469.88

Accounting Profit / (Loss)

125,492.50

1,124,887.78  
1,332,357.66

Accumulated Funds 1/7/07

1,515,662.10

Accumulated Funds 30/6/08

1,641,154.60

**MOOROPNA GOLF CLUB INCORPORATED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE, 2008**

	2006	2007			
	\$	\$			\$
	<b>1,332,357.66</b>	<b>1,515,662.10</b>			<b>1,641,154.60</b>
<b>ACCUMULATED PROFIT</b>					
<b>FIXED ASSETS</b>					
Freehold Land & Improvements at Cost	340,839.13	382,276.13	1		382,276.13
Buildings at Cost	821,544.00	901,994.00		901,994.00	
Less Depreciation	-135,192.00	-154,629.00		-175,665.00	
	<u>686,352.00</u>	<u>747,365.00</u>			<u>726,329.00</u>
Course Development at Cost	132,620.00	164,193.00		237,123.00	
Less Depreciation	-36,111.00	-40,206.00		-50,765.00	
	<u>96,509.00</u>	<u>123,987.00</u>			<u>186,358.00</u>
Watering System	442,325.00	461,415.00		461,415.00	
Less Depreciation	-160,640.00	-181,669.00		-202,625.00	
	<u>281,685.00</u>	<u>279,746.00</u>			<u>258,790.00</u>
Plant, Equipment & Fittings	781,605.00	881,570.00		939,690.00	
Less Depreciation	-515,090.00	-573,599.00		-633,195.00	
	<u>266,515.00</u>	<u>307,971.00</u>			<u>306,495.00</u>
	<u><b>1,671,900.13</b></u>	<u><b>1,841,345.13</b></u>			<u><b>1,860,248.13</b></u>
<b>INTANGIBLE ASSETS</b>					
Formation Expenses	312.00	312.00			312.00
<b>CURRENT ASSETS</b>					
Cash on Hand	51,948.90	57,636.30		53,234.90	
Cash at Bank	87,328.00	9,042.40	3	59,983.66	
Sundry Debtors	4,453.50	12,317.84		8,412.00	
Stock on Hand	9,978.06	12,897.73		11,821.58	
	<u>153,708.46</u>	<u>91,894.27</u>			<u>133,452.14</u>
<b>Total Assets</b>	<u><b>1,825,920.59</b></u>	<u><b>1,933,551.40</b></u>			<u><b>1,994,012.27</b></u>
<b>LESS LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Sundry Creditors	68,492.37	72,487.78	4	90,863.75	
Chattel Mortgage Loans	6,076.68	42,397.09		48,288.24	
Hire Purchase Loans	28,907.70	7,559.76		7,559.76	
	<u>103,476.75</u>	<u>122,444.63</u>			<u>146,711.75</u>
<b>NON CURRENT LIABILITIES</b>					
National Bank Bills	325,000.00	200,000.00	7	130,000.00	
Chattel Mortgage Loans	4,497.61	66,779.74		60,531.37	
Hire Purchase Loans	43,183.62	9,474.56		2,706.03	
Provision For Long Service Leave	17,404.95	19,190.37		12,908.52	
	<u>390,086.18</u>	<u>295,444.67</u>			<u>206,145.92</u>
<b>Total Liabilities</b>	<u><b>493,562.93</b></u>	<u><b>417,889.30</b></u>			<u><b>352,857.67</b></u>
<b>NET ASSETS</b>	<u><b>1,332,357.66</b></u>	<u><b>1,515,662.10</b></u>			<u><b>1,641,154.60</b></u>

**MOOROPNA GOLF CLUB INCORPORATED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30TH JUNE, 2008**

	2006 \$	2007 \$		\$	\$
			<b>Cash Flows from Operating activities</b>		
			<b>Receipts</b>		
372,687.13		444,311.46	Bar Sales	507,040.30	
90,637.56		120,529.78	Subscriptions	121,493.82	
74,671.33		73,985.49	Green Fees	71,498.49	
1,081,779.46		1,118,661.57	Gaming Income	1,169,786.64	
227,973.70		212,698.55	Other	249,890.81	
1,847,749.18		1,970,186.85			2,119,710.07
			<b>Payments</b>		
528,074.11		559,513.55	Wages & Salaries	654,399.40	
988,933.39		1,071,711.67	Suppliers	1,105,014.83	
41,967.18		24,962.07	Interest & Borrowing Costs	12,955.85	
1,558,974.68		1,656,187.29			1,772,370.08
288,774.50		313,999.56	<b>Net Cash used in operating activities</b>		<u>347,339.99</u>
			<b>Cash Flows from Investing Activities</b>		
-52,857.10		136,992.82	Payments for Property & Plant	131,050.00	
-34,000.00		0.00	Proceeds from Sale of Property and Plant	0.00	
18,857.10		136,992.82	<b>Net Cash used in Investing Activities</b>		131,050.00
			<b>Cash Flows from Financing Activities</b>		
156,113.88		167,983.94	Repayment of Borrowings	127,654.23	
84,745.00		81,621.00	New Borrowings	42,095.90	
240,858.88		249,604.94	<b>Net Cash used in Financing Activities</b>		169,750.13
29,058.52		-72,598.20	<b>Net Increase (Decrease) in Cash Held</b>		46,539.86
110,218.38		139,276.90	<b>Cash at the beginning of the year</b>		66,678.70
139,276.90		66,678.70	<b>Cash at the end of the year</b>		<u>113,218.56</u>
			<b>Reconciliation of cash on hand</b>		
51,948.90		57,636.30	Cash		53,234.90
87,328.00		9,042.40	Deposits at Call		59,983.66
139,276.90		66,678.70			<u>113,218.56</u>

**Bar Sales**  
Inc GST

460,945.73  
507,040.30

**Subscription**  
Inc GST

110,448.93  
121,493.82

**Green Fees**  
Inc GST

64,998.63  
71,498.49

**Gaming Fees**  
Inc GST

1,063,442.40  
1,169,736.64

**Other**

Fundraising  
Match Operation  
Bowls  
Golf Ladies  
Kitchen Lease  
Sundry

30,498.17  
77,720.95  
19,180.31  
19,660.35  
35,927.32  
37,267.64

Inc GST  
GST Refunded from A.T.O.  
Rebates Received - Workcover & Apprentice  
Interest

220,254.74  
242,280.21  
0.00  
7,610.60  
0.00  
249,890.81

**Suppliers**

Total Expenses  
HP Charges  
Wages  
Interest

1,690,292.38  
8,028.38  
665,717.98  
12,955.85

Change in Creditors  
Change in Prepayments

1,003,590.17  
-18,375.97  
0.00

Inc GST  
GST Forwarded to ATO  
Long Service Leave Provision  
Bank Charges  
Loss on Sale of Fixed Assets  
Gaming Income Not Yet Swept

985,214.20  
1,083,735.62  
70,987.00  
2,359.58  
-4,584.04  
-1,307.00  
-46,176.33  
1,105,014.83

**Borrowing Repayment**

Bank Bill  
HP 1  
Chattel Mortgage 1  
Chattel Mortgage 2  
Chattel Mortgage 3  
Chattel Mortgage 4  
Chattel Mortgage 5

70,000.00  
7,559.76  
5,570.29  
8,020.68  
14,048.52  
14,757.60  
7,697.38  
127,654.23

**ATO Payments (Less PAYG W/h)**

June  
July  
August  
September  
October  
November  
December  
January  
February  
March  
April  
May

17364 11911 5,453.00  
8840 6426 2,414.00  
17323 12468 4,855.00  
13536 9450 4,086.00  
17897 12055 5,842.00  
14435 9076 5,359.00  
15282 7688 7,594.00  
14997 7738 7,259.00  
14742 7271 7,471.00  
15878 7169 8,709.00  
15477 7804 7,673.00  
16896 7171 9,725.00  
165303 94316 70,987.00

Wages  
Payroll Clearing Account  
June 07 PAYG  
June 08 PAYG

654,399.40  
10,203.58  
10,398.00  
11,513.00  
665,717.98

**MOORoopna Golf Club Incorporated**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2008**

**NOTE 1: Statement of Significant Accounting Policies**

These financial statements are a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (Vic). The committee has determined that the association is not a reporting entity.

The financial statements have been prepared in accordance with the requirements of the Associations Incorporation Act (Vic) and other mandatory professional reporting requirements.

The financial statements are prepared on an accrual basis. They are based on historic cost and do not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period, unless otherwise stated, have been adopted in the preparation of these financial statements.

(a) Property, Plant and Equipment

Freehold Land and Improvements are included at cost.

Buildings and Course development are included at cost. Depreciation on Buildings and Course Development has been provided for from 1<sup>st</sup> July, 1999.

Plant and equipment are included at cost and are depreciated over their useful lives. Depreciation rates as set out by the Commissioner of Taxation have been used for guidance.



NOTE 2:

**Sundry Expenses**

<u>Gaming</u>	
Bar Operating Equipment	\$ 925.65
Beer Gas	3,343.23
Computer Software & Training	3,370.70
Poker	28,045.80
Gift Vouchers	<u>1,729.24</u>
	<u>\$ 37,414.62</u>

<u>Match Operation</u>	
Golf Link	\$ 1,002.50
Affiliation Fees	6,525.18
Tournaments	4,427.58
Men Golf Packages	10,326.07
Other	<u>1,344.26</u>
	<u>\$ 23,625.59</u>

<u>Bowls Sub Committee</u>	
Printing, Post & Stationery	\$ 155.00
Affiliation Fees	3,448.35
Raffle	144.00
Fuel	22.91
Irrigation Repairs	3,075.54
Plant & Equipment Repairs	1,613.47
Fertilizer, Chemical & Seed	5,510.60
Other	<u>1,636.25</u>
	<u>\$15,606.12</u>

<u>Clubhouse</u>	
Cleaning Supplies & Waste	\$ 15,709.71
Other	<u>1,384.23</u>
	<u>\$ 17,093.94</u>

<u>Administration</u>	
Honorariums	\$ 6,382.00
Permits & Licenses	3,044.18
Motor Vehicle Expenses	1,153.81
Green Fee Commission	10,182.15
Calcutta	2,941.98
Members' Benefits	2,448.43
Donations	7,218.18
Other	<u>8,001.60</u>
	<u>\$ 41,372.33</u>

**NOTE 3:            Cash at Bank**

Bank (N.A.B.) – Gaming Account	\$63,988.20
Bank (N.A.B.) – Trading Account	42,375.37
Gaming Income Not Yet Swept	(46,176.33)
Payroll Clearing Account	(10,203.58)
EFTPOS Float	<u>10,000.00</u>
	<u>\$59,983.66</u>

**NOTE 4:            Sundry Creditors**

The 'Sundry Creditors' amount of \$90,863.75 shown on the Statement of Financial Position is composed of:

Trade Creditors	\$ 62,548.36
Credit Card – N.A.B.	11,371.39
PAYG Withholding Tax Payable	11,513.00
Net GST (June 2007 quarter) Payable	<u>5,431.00</u>
	<u>\$ 90,863.75</u>

**NOTE 5:            Sundry Income**

ATM Machine	\$ 7,468.19
Advertising Signs & Syllabus	22,184.36
Workcover Rebate	6,110.60
Apprentice Rebate	1,500.00
Other	<u>7,615.09</u>
	<u>\$ 44,878.24</u>

**NOTE 6:            Leasing Charges**

The 'Leasing Charges' expense includes monthly lease payments of \$1,441.14, which commenced on 25<sup>th</sup> August 2004. The items being leased under the one lease contract include a John Deere 1445 72" Deck 4WD Mower and a John Deere 2500A Greens Mower.

Under the terms of a lease contract, the Mooroopna Golf Club Inc. does not own the leased items until the final balloon payment is made. Given these contractual terms, these items have not been included as depreciable assets or as a liability. The GST inclusive amount owing under the lease contract as at 30<sup>th</sup> June 2008 is detailed below.

Lease payments (\$1,585.36 X 1)	\$ 1,585.36
Balloon payment	<u>11,000.00</u>
	<u>\$12,585.36</u>

**NOTE 7:**

**National Bank Bills**

The non-current liability for the National Bank Bills have been externally verified by the bank to have a balance of \$130,000 as at 30<sup>th</sup> June, 2008. The bank has also confirmed the security for this finance as detailed below.

- (a) Registered Mortgage Debenture over the whole of Mooroopna Golf Club Incorporated assets including goodwill and uncalled capital and called up but unpaid capital together with relative insurance policy assigned to the National Australia Bank Limited;
- (b) Registered Mortgage over property situated at 2 Fairway Drive, Mooroopna, VIC, 3629 more particularly described in Certificate of Title Volume 10098 Folio 914 and 915, Volume 7690 Folio 042, Volume 8142 Folio 556.