

Independent Auditor's Report To The Members Of St. George Workers Club ('Club')

To the Members of St George Workers Club Inc ('Club')

We have audited the Community Benefit Statement of St. George Workers Club, which provides information about revenue contributed for community purposes by club and racing club venue operators with gaming machines.

1. THE RESPONSIBILITY OF THE DIRECTORS FOR THE FINANCIAL REPORT

The Committee is responsible for the preparation and fair presentation of the Community Benefit Statement. This form is to be completed on the basis of the new Ministerial Order of 8 February 2008 which sets out the activities and purposes that constitute community purposes, pursuant to section 3.6.9(3) of the Gambling Regulation Act 2003. CBS must be lodged by 30 September 2009. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Community Benefit Statement 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.

2. 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 Members, as well as evaluating the overall presentation of the Statement.

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

3. INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

4. AUDITOR'S OPINION

In our opinion, the Community Benefit Statement for the St George Workers Club Inc presents fairly, in accordance with applicable Accounting Standards in Australia, and, consistent with the auditor's understanding of Sections 3.6.9(2) (a) and (b) of the Gambling Regulation Act 2003, the Club's compliance with the Act for the financial year ended 30 June 2009.

WHK HORWATH MELBOURNE**Martin W Thompson**

200 Malop Street, Geelong Victoria 3220 / 80 Collins Street, Melbourne Victoria 3000

Dated this..... 23RD day of September.....2009



Objective: To ensure the CBS is free from material misstatement and completed correctly.

Method: To review the CBS in accordance new Ministerial Order of 8 February 2008 which sets out the activities and purposes that constitute community purposes, pursuant to section 3.6.9(3) of the Gambling Regulation Act 2003.

Results: See below.

Conclusion: Audit is satisfied the CBS below (draft #3) is free from material misstatement and completed correctly. Audit notes the outcome being a satisfactory CBS calculation.

	Client Version		Split as:	
Gaming Revenue for the financial year (re: Tabcorp Annual Statement of Gaming Revenue)	\$ 3,289,282 ✓ Tabcorp Statement		St. George:	3,289,282 ✓ Tabcorp Statement
			Tabcorp:	1,105,675 ✓ Audited Statements
Total of all other revenue <i>need this changed to: 979,299</i>	988,526 ✓ Audited Statements			988,526 ✓ Audited Statements
Total venue revenue	4,277,808 ✓ Audited Statements			1,105,675 ✓ Audited Statements
				2,094,201 ✓ Audited Statements
				2,084,974 ✓ Audited Statements
				9,227 <i>variance, amendment required, see left.</i>
Contributions to community purposes equivalent to at least 8.33% of the venue gaming revenue	274,107 ✓ Calculation agreed			
Other venue revenue as % of total revenue	23.11% ✓ Calculation agreed			
% of expenditure attributable to gaming revenue	76.89% ✓ Calculation agreed			

CLASS A

(a) (ii)	Donation to Cancer Council	298	
	Donation to SIDS	165	
		463	✓ Amount agreed
(a) (x)	Donation to Hamlyn Loins Club	1,080	✓ Amount agreed
(a) (xi)	Donation to Diversitat	100	✓ Amount agreed
(a) (xii)	Donation to Geelong West Bowls Club	300	✓ Amount agreed
(c)	10% Meal Discounts for 80% Clientele (550 customers/week spending \$15) (550 x 80% x \$15 x 10% x 52 weeks)	34,320	✓ Amount agreed
	Meal Vouchers average \$250/month	3,000	✓ Amount agreed
	Room Hire @ \$100 for 4 clubs/month	4,800	✓ Amount agreed
(d)	Pako Fest 4 people x 6 hours x \$20/hour	480	✓ Amount agreed
	CLASS A - TOTAL	44,543	✓ Calculation agreed

CLASS B

(b)	BB Loan 12802062/6501	\$205,788 x 66% x 23.11%	31,388	✓ Amount agreed see below
	BB Loan 12802062/CT01	\$87,864 x 66% x 23.11%	13,402	✓ Amount agreed see below
	Roberts Loan	\$21,377 x 66% x 23.11%	3,261	✓ Amount agreed see below
			48,050	✓ Amount agreed

(66% represents non-gaming area of venue)

Repayment(s) reconciliation:

	Interest	Capital	
BB Loan 12802062/6501	116,218	89,570	205,788 ✓ Calculation agreed
BB Loan 12802062/CT01	87,864	-	87,864 ✓ Calculation agreed
Roberts Loan	9,321	12,055	21,376 ✓ Calculation agreed
	<u>213,403</u>		
	✓ Audited Statements		

	O/B	C/B	Repmnt	
Capital reconciliation:				
BB Loan 12802062/6501	1,315,283	1,225,713	89,570	✓ Calculation agreed
BB Loan 12802062/CT01	1,000,000	1,000,000	-	✓ Calculation agreed
Roberts Loan	85,900	73,845	12,055	✓ Calculation agreed

(c)	Retained Earnings \$45,408 x 23.11%	10,494	✓ Amount agreed
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(e)	Electricity Costs \$54,996 x 66% x 23.11%	8,388	✓ Amount agreed
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	\$			
Wages	699,441	✓ Audited Statements	x 23.11%	161,641
Superannuation	59,628	✓ Audited Statements	x 23.11%	13,780
Workcover	12,010	✓ Audited Statements	x 23.11%	2,776
				<u>178,196</u>

Leasing/Rental of Equipment	\$43,429 x 5 x 23.11%	5,018	✓ Amount agreed
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Repairs and Maintenance	\$45,315 x .66 x 23.11%	6,912	✓ Amount agreed
	CLASS B - TOTAL	257,059	

CLASS C

(c)	Preparation of CBS	500	✓ Amount agreed
	Audit of CBS	1,000	✓ Amount agreed
	CLASS C - TOTAL	1,500	

CBS TOTAL - (CLASS A + B + C) \$ 303,102 ✓ Amount agreed

Required: 274,107

Under/Over: 28,995 Over (good)
 ✓ CBS Met