



VICTORIAN HARNESS RACING SPORTS CLUB



*Victorian Harness Racing Sports Club Inc.*  
**ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2012**

**VICTORIAN HARNESS RACING SPORTS CLUB Inc.**

**Reg No. A0009839S**

VICTORIAN HARNESS RACING SPORTS CLUB Inc.

Reg No. A0009839S

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

CONTINUING OPERATIONS	Note	2012 \$	2011 \$
<b>INCOME</b>			
Gaming		1,822,906	1,659,706
Bar Sales		590,643	596,548
Other revenue		712,566	628,520
<b>Total Income</b>	3	<b>3,126,115</b>	<b>2,884,774</b>
<b>EXPENSES</b>			
Employee benefits		(1,285,628)	(1,242,174)
Depreciation and amortisation expense		(67,919)	(59,476)
Cost of sales		(289,704)	(308,095)
Operating lease expense		(609,537)	(657,981)
Other expenses from operating activities		(905,683)	(963,689)
<b>Total Expenses</b>	4	<b>(3,158,471)</b>	<b>(3,231,415)</b>
<b>Net deficit before income tax</b>	4	<b>(32,356)</b>	<b>(346,641)</b>
Income Tax Benefit	5	(7,178)	103,267
<b>Net deficit after income tax</b>		<b>(39,534)</b>	<b>(243,374)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>(39,534)</b>	<b>(243,374)</b>

The accompanying notes form part of this financial report

VICTORIAN HARNESS RACING SPORTS CLUB Inc.

Reg No. A0009839S

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	Note	2012	2011
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	7	614,885	640,682
Trade and other receivables	8	57,884	31,631
Inventories	9	24,435	37,026
Deferred tax asset	10	164,177	165,536
Income tax receivable		1,324	7,155
Other assets	11	4,134	6,428
<b>Total Current Assets</b>		<b>866,839</b>	<b>888,458</b>
<b>Non-Current Assets</b>			
Property, plant & equipment	12	144,561	209,324
Intangible assets	13	99,703	99,703
<b>Total Non-Current Assets</b>		<b>244,264</b>	<b>309,027</b>
<b>Total Assets</b>		<b>1,111,103</b>	<b>1,197,485</b>
<b>Current Liabilities</b>			
Trade and other payables	14	363,517	401,647
Provisions	15	149,827	155,466
<b>Total Current Liabilities</b>		<b>513,344</b>	<b>557,113</b>
<b>Non-Current Liabilities</b>			
Trade and other payables	14	90,979	99,703
Provisions	15	7,768	2,123
<b>Total Non-Current Liabilities</b>		<b>98,747</b>	<b>101,826</b>
<b>Total Liabilities</b>		<b>612,091</b>	<b>658,939</b>
<b>Net Assets</b>		<b>499,012</b>	<b>538,546</b>
<b>Equity</b>			
Capital Funds	16	396,414	396,414
Accumulated surplus	17	102,598	142,132
<b>Total Equity</b>		<b>499,012</b>	<b>538,546</b>

The accompanying notes form part of this financial report

VICTORIAN HARNESS RACING SPORTS CLUB Inc.

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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012**

2012	Notes	Equity at 1-Jul-11	Changes due to		Equity at 30-Jun-12
			Total comprehensive income	Transactions with owner in its capacity as owner	
Total accumulated surplus/(deficit)	17	142,132	(39,534)	-	102,598
Total contribution by owners - contributed capital	16	396,414	-	-	396,414
<b>Total equity at the end of the financial year</b>		<b>538,546</b>	<b>(39,534)</b>	<b>-</b>	<b>499,012</b>

2011	Notes	Equity at 1-Jul-10	Changes due to		Equity at 30-Jun-11
			Total comprehensive income	Transactions with owner in its capacity as owner	
Total accumulated surplus/(deficit)	17	385,506	(243,374)	-	142,132
Total contribution by owners - contributed capital	16	396,414	-	-	396,414
<b>Total equity at the end of the financial year</b>		<b>781,920</b>	<b>(243,374)</b>	<b>-</b>	<b>538,546</b>

The accompanying notes form part of this financial report

VICTORIAN HARNESS RACING SPORTS CLUB Inc.

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**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>\$</b>	<b>\$</b>
Receipts from members and customers		2,950,102	2,724,827
Receipts from members subscriptions		143,886	123,394
Payments to suppliers and employees		(3,131,571)	(2,846,466)
Income Tax (paid to) / received from the ATO		(5,819)	299
Interest Received		20,761	26,714
<b>Net cash provided by / (used in) operating activities</b>	<b>20b</b>	<b>(22,641)</b>	<b>28,768</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant & equipment		(3,156)	(183,188)
<b>Net cash used in investing activities</b>		<b>(3,156)</b>	<b>(183,188)</b>
<b>Net decrease in cash and cash equivalents held</b>		<b>(25,797)</b>	<b>(154,422)</b>
Cash and cash equivalents at the beginning of the financial year		640,682	795,104
<b>Cash and cash equivalents at the end of the financial year</b>	<b>20a</b>	<b>614,885</b>	<b>640,682</b>

The accompanying notes form part of this financial report

**VICTORIAN HARNESS RACING SPORTS CLUB Inc.**

**Reg No. A0009839S**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012**

**NOTE 1: INTRODUCTION**

The financial report is for Victorian Harness Racing Sports Club Inc as an individual entity for the year ended 30 June 2012. Victorian Harness Racing Sports Club Inc is an association incorporated and domiciled in Victoria, Australia under the Associations Incorporation Act 1981. The financial statements are presented in Australian dollars and rounded to the nearest one dollar. The registered office and principal place of business is Victorian Harness Racing Sports Club Inc, 2 Ferris Rd, Melton South, Victoria, 3338.

The financial report was authorised for issue by the committee of Victorian Harness Racing Sports Club Inc on the date shown on the Statement by Members of the Committee attached to the financial statements.

The operations and principal activities of the entity during the year were to undertake licensed social, racing/sporting and recreational activities.

**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 and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act of Victoria.

Victorian Harness Racing Sports Club Inc is considered to be a Not for Profit entity and has prepared the financial statements in accordance with the requirements regarding Not for Profit entities as contained in Australian Accounting Standards.

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

**Adoption of New and Revised Standards**

All new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Victorian Harness Racing Sports Club's operations and effective for annual reporting periods beginning on 1 July 2011 have been adopted by the entity.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012**

**NOTE 2: SUMMARY OF ACCOUNTING POLICIES**

The principal accounting policies adopted by Victorian Harness Racing Sports Club Inc are stated in order to assist in a general understanding of the financial report.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**a. Significant Judgements and Key Assumptions**

No significant judgements have been made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements.

No key assumptions have been made concerning the future and there are no other key sources of estimation uncertainty at the balance date that the Committee consider have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**b. Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the association will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Non-member income of the association is only assessable for tax, as member income is excluded under the principle of mutuality.

**c. Inventories**

Inventories consist of food and beverage stocks used at the Junction Tabaret and are measured at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at balance date using the first in first out basis.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012**

**NOTE 2: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**d. Property, Plant and Equipment**

Each class of property, plant and equipment are carried at cost less, where applicable, any accumulated depreciation.

**Plant and Equipment**

Plant and equipment is stated at cost less accumulated depreciation.

The carrying amount of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that carrying value may not be recoverable. If any such indication exists and where the carrying amount values exceeds the estimated recoverable amount the assets are written down to the recoverable amounts.

**Depreciation**

Depreciation of plant and equipment is calculated on both the reducing balance and straight-line method at rates considered adequate to write off the plant and equipment over the period of their estimated lives.

The depreciation rates used for each class of depreciable asset are:

<i>Class of Plant and Equipment</i>	<i>Depreciation Rate</i>	
Club Plant and Equipment	7.5% - 40%	Reducing Balance
Tabaret Plant & Equipment	20% - 33.3%	Straight Line
Tabaret Furniture & Fittings	6.67% - 20%	Straight Line

**e. Capital Funds – Member’s Joining Fees**

New members may be required to pay a joining fee, which is not refundable. The movement in this account reflects fees from new members.

**f. Financial Assets**

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

**g. Employee Benefits**

Provision is made for the company’s liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

**h. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash in banks, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012**

**NOTE 2: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**i. Revenue**

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Members income and subscriptions are recognised on an accruals basis in respect of each financial year.

**j. Receivables**

Trade accounts receivable, amounts due from related parties and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and allowance for impairment.

An allowance for doubtful receivables is made when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

**k. Accounts Payable**

Accounts payable represent the principal amounts outstanding at balance date plus, where applicable, any accrued interest.

**l. 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 the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

## NOTE 2: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

## m. New and Revised Accounting Standards and Interpretations

Consideration has been given to the following standards, amendments to standards and interpretations, identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2012, but have not been applied in preparing this financial report:

Amendment	Summary	Impact	Applicable for annual reporting periods beginning on	Application date for trust
AASB 9 <i>Financial Instruments</i> , AASB 2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 and 12], and AASB 2010-7 <i>Amendments to Australian Accounting Standards Arising from AASB 9 (December 2010)</i> [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19, & 127]	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i> )	Detail of impact is still being assessed.	Beginning 1 January 2014	Year ending 30 June 2015
AASB 13 <i>Fair Value Measurement</i> , AASB 2010-4 <i>Further Amendments to Australian Accounting Standards Arising from the Annual Improvements Project</i> [AASB 1, 7, 101 & 134 and Interpretation 13]	This standard establishes a new definition of "fair value" and general requirements when measuring the fair value of assets and liabilities.	Detail of impact is still being assessed.	Beginning 1 July 2014	Year ending 30 June 2015

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

## NOTE 2: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Amendment	Summary	Impact	Applicable for annual reporting periods beginning on	Application date for trust
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i> and AASB 2010-2 <i>Amendments to Australian Accounting Standards Arising from Reduced Disclosure Requirements</i> [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, 1055 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	The impact of this standard may affect disclosures in the financial reports of certain types of entities where reduced disclosure requirements may apply. The standard does not affect the operating result or financial position.	Beginning 1 July 2014	Year ending 30 June 2015
AASB 2010-4 <i>Further Amendments to Australian Accounting Standards Arising from the Annual Improvements Project</i> [AASB 1, 7, 101 & 134 and Interpretation 13]	Amendments generally clarify the disclosure requirements of other Australian Accounting Standards	Clarification of disclosures. Minimal impact.	Beginning 1 July 2012	Year ending 30 June 2013
AASB 2010-5 <i>Amendments to Australian Accounting Standards</i> [AASB 1, 3, 4, 5, 101, 107, 112, 118, 199, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	This standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the International Accounting Standards Board.	No impact	Beginning 1 July 2012	Year ending 30 June 2013

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012**

**NOTE 2: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**n. Provisions**

Provisions are recognised when the Club has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risk of uncertainties surrounding the obligation. Where a provision is estimated using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

**o. Intangibles**

Intangible assets acquired separately are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over their useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012**

	<b>2012</b>	<b>2011</b>
<b>NOTE 3: REVENUE</b>	<b>\$</b>	<b>\$</b>
Gaming Commission	1,822,906	1,659,706
Wagering Commission	189,029	159,410
Bar Sales	590,643	596,548
Subscriptions	143,886	123,394
Bistro Food Sales	209,914	182,541
Vending Machine Income	1,486	4,242
ATM Commission	22,603	21,572
Keno Income	3,737	3,150
Study Reimbursements	76,370	-
Supplier Rewards Program	6,345	11,459
Other	38,435	96,038
	<b>3,105,354</b>	<b>2,858,060</b>
<b>Other Revenue</b>		
Interest received	20,761	26,714
	<b>20,761</b>	<b>26,714</b>
<b>Total Revenue</b>	<b>3,126,115</b>	<b>2,884,774</b>
<b>NOTE 4: NET (DEFICIT) / SURPLUS BEFORE INCOME TAX</b>		
Net (Deficit) / Surplus before income tax expense has been determined after		
<b>Employee Benefits Expense</b>		
Salary and wages plus on costs	1,187,579	1,149,310
Defined contribution superannuation plan expenses	98,049	92,864
	<b>1,285,628</b>	<b>1,242,174</b>
Depreciation of property, plant and equipment	67,919	59,476
Cost of sales	289,704	308,095
Rental expense on operating leases	609,537	657,981
	<b>967,160</b>	<b>1,025,552</b>
<b>Other Expenses</b>		
Loss on disposal of assets	-	1,931
Audit and accounting fees	26,208	20,700
Utilities and property expenses	239,871	152,367
Discounted sales	58,409	74,431
Marketing expenses	211,339	336,379
Security	109,896	118,506

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
<b>NOTE 4: NET (DEFICIT) / SURPLUS BEFORE INCOME TAX (CONTINUED)</b>		
Management service charge	60,000	60,000
Membership expenses	40,613	40,750
Foxtel and sky channel	11,892	47,731
Wagering and keno costs	20,162	19,283
Other	127,293	91,611
	<b>905,683</b>	<b>963,689</b>
<b>Total Expenses</b>	<b>3,158,471</b>	<b>3,231,415</b>

**NOTE 5: INCOME TAX EXPENSE**

**a. The components of tax expense comprise:**

Current tax	6,028	(93,720)
Deferred tax relating to temporary differences	(4,668)	(9,248)
Under/(over) Provision in respect to Prior years	5,819	(299)
	<b>7,178</b>	<b>(103,267)</b>

**b. Income Tax expense before income tax is reconciled to**

the income tax as follows:

Prima facie tax payable on surplus / deficit before income tax at 30% (2010 = 30%)	(9,707)	(103,992)
Add:		
Tax effect of:		
Net Adjustment for Mutual Income / Expense	10,757	(777)
Permanent Differences	309	1,801
Less:		
Tax effect of:		
- Previously Unbooked deferred tax asset relating to timing differences and tax losses	-	-
- Under/(over) Provision in respect to Prior Years	5,819	(299)
<b>Income tax attributable to association</b>	<b>7,178</b>	<b>(103,267)</b>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012**

	2012	2011
<b>NOTE 6: REMUNERATION OF AUDITORS</b>	<b>\$</b>	<b>\$</b>
Remuneration of the auditors for:		
- Audit of the financial report	20,848	15,800
- Other services		
- Community Benefit Statement audit	1,500	1,500
- Taxation compliances services	3,860	3,400
	<b>26,208</b>	<b>20,700</b>
<b>NOTE 7: CASH AND CASH EQUIVALENTS</b>		
Cash on hand	163,192	132,152
Cash at bank	451,693	508,530
	<b>614,885</b>	<b>640,682</b>
<b>NOTE 8: TRADE AND OTHER RECEIVABLES</b>		
Accrued income	22,857	7,841
Trade receivables	286	5,048
Allowance for doubtful debts	-	(1,708)
Sundry receivables	34,741	20,450
	<b>57,884</b>	<b>31,631</b>
<b>NOTE 9: INVENTORIES</b>		
Stock of publications	-	5,200
Bar & Bistro Stock	24,435	31,826
	<b>24,435</b>	<b>37,026</b>
<b>NOTE 10: DEFERRED TAX ASSET</b>		
Analysis of deferred tax assets:		
- Timing differences		
Leave Provisions	40,544	37,629
Audit accrual	6,898	5,145
	47,442	42,774
- Tax losses	116,734	122,762
	<b>164,177</b>	<b>165,536</b>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
<b>NOTE 11: OTHER ASSETS</b>		
Prepaid Expenses	4,134	6,428
	<b>4,134</b>	<b>6,428</b>
<b>NOTE 12: PROPERTY, PLANT &amp; EQUIPMENT</b>		
Plant & Equipment at Cost - Club	55,502	55,138
Less accumulated depreciation	(46,400)	(44,338)
	9,102	10,800
Furniture & Fittings at Cost - Tabaret	196,142	196,142
Less accumulated depreciation	(83,933)	(48,057)
	112,209	148,085
Equipment at cost - Tabaret	235,763	232,971
Less accumulated depreciation	(212,513)	(182,532)
	23,250	50,439
<b>TOTAL WRITTEN DOWN VALUE</b>	<b>144,561</b>	<b>209,324</b>

**(a) Movements in carrying amounts**

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year.

2012	Plant & Equipment Club	Furniture & Fitting Tabaret	Equipment Tabaret	Total
	\$	\$	\$	\$
Balance at Beginning of the year	10,800	148,085	50,439	209,324
Additions	364	-	2,792	3,156
Depreciation Expense	(2,062)	(35,876)	(29,981)	(67,919)
<b>Carrying amount at the end of the year</b>	<b>9,102</b>	<b>112,209</b>	<b>23,250</b>	<b>144,561</b>
2011	Plant & Equipment Club	Furniture & Fitting Tabaret	Equipment Tabaret	Total
	\$	\$	\$	\$
Balance at Beginning of the year	10,300	24,030	53,213	87,543
Additions	3,000	143,842	36,346	183,188
Less Written Down Value of Assets Disposed	-	(124)	(1,807)	(1,931)
Depreciation Expense	(2,500)	(19,663)	(37,313)	(59,476)
<b>Carrying amount at the end of the year</b>	<b>10,800</b>	<b>148,085</b>	<b>50,439</b>	<b>209,324</b>

VICTORIAN HARNESS RACING SPORTS CLUB Inc.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

NOTE 13: INTANGIBLE ASSETS

	Gaming Licence Entitlements
<b>Year ended 30 June 2012</b>	<b>\$</b>
At 1 July 2011 net of accumulated amortisation and impairment	99,703
Additions	-
Amortisation	-
At 30 June 2012 net of accumulated amortisation and impairment	99,703
<b>At 30 June 2012</b>	
Cost (gross carrying amount)	99,703
Accumulated amortisation and impairment	-
<b>Net carrying amount</b>	<b>99,703</b>
<hr/>	
<b>Year ended 30 June 2011</b>	
At 1 July 2010 net of accumulated amortisation and impairment	99,703
Additions	-
Amortisation	-
At 30 June 2011 net of accumulated amortisation and impairment	99,703
<b>At 30 June 2011 net of accumulated amortisation and impairment</b>	
Cost (gross carrying amount)	99,703
Accumulated amortisation and impairment	-
<b>Net carrying amount</b>	<b>99,703</b>

VHRSC has acquired 70 gaming machine entitlements to enable it to operate gaming machines at The Junction Tabaret for a period of 10 years following the cessation of the current arrangements in 2012. As at 30 June 2012 a 5% deposit has been paid. Refer to Note 18 for the remaining commitment.

VICTORIAN HARNESS RACING SPORTS CLUB Inc.

Reg No. A0009839S

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012**

	2012	2011
<b>NOTE 14: TRADE AND OTHER PAYABLES</b>	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Trade Payables	266,156	327,063
Accrued Expenses	59,581	50,358
PAYG Payable	2,282	2,374
GST Collected/Due	26,774	21,852
TGS Licence Grant	8,724	-
	<b>363,517</b>	<b>401,647</b>
<b>NON-CURRENT</b>		
TGS Licence Grant	90,979	99,703
	<b>90,979</b>	<b>99,703</b>
	<b>454,496</b>	<b>501,350</b>
<b>NOTE 15: PROVISIONS</b>		
<b>CURRENT</b>		
Employee Entitlements	129,655	118,442
Provisions related to Employee Entitlement on-costs	19,370	17,695
Bonus Points Liability (a)	802	19,329
	<b>149,827</b>	<b>155,466</b>
<b>NON-CURRENT</b>		
Employee Entitlements	6,758	1,847
Provisions related to Employee Entitlement on-costs	1,010	276
	<b>7,768</b>	<b>2,123</b>
	<b>157,595</b>	<b>157,589</b>
<b>(a) Movement In Provision</b>		
Opening Balance	19,329	18,313
Additional provisions recognised	17,397	20,061
Reductions arising from payments/other sacrifices of future economic benefits	(35,924)	(19,045)
Closing Balance	<b>802</b>	<b>19,329</b>

VICTORIAN HARNESS RACING SPORTS CLUB Inc.

Reg No. A0009839S

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012**

	2012	2011
<b>NOTE 16: CAPITAL FUNDS</b>	<b>\$</b>	<b>\$</b>
Schedule of Movements		
Opening Balance	396,414	396,414
	<b>396,414</b>	<b>396,414</b>
<b>NOTE 17: RETAINED PROFITS</b>		
Retained profits at the beginning of the fin year	142,132	385,506
Net profit for the year	<b>(39,534)</b>	<b>(243,374)</b>
	<b>102,598</b>	<b>142,132</b>
<b>NOTE 18: COMMITMENTS FOR EXPENDITURE</b>		
<b>(a) Junction Tabaret Operating Lease Commitments</b>		
Payable:		
- not later than one year	614,024	609,537
- later than one year but not later than 5 years	-	630,871
- later than 5 years	-	-
	<b>614,024</b>	<b>1,240,408</b>
<b>(b) Gaming Machine Operating Lease Licence Entitlements</b>		
Payable:		
- not later than one year	398,812	-
- later than one year but not later than 5 years	1,495,544	1,894,355
- later than 5 years	-	-
	<b>1,894,356</b>	<b>1,894,355</b>
<b>(c) Tabcorp Gaming Solutions Operating Lease Service Agreement</b>		
Payable:		
- not later than one year	815,364	-
- later than one year but not later than 5 years	4,008,201	4,147,397
- later than 5 years	5,877,483	7,217,206
	<b>10,701,048</b>	<b>11,364,603</b>
	<b>13,209,428</b>	<b>14,499,366</b>

(a) A lease for the ground floor at 740 Mount Alexander Road, Moonee Ponds (to 2 July 2013).

(b) In 2009/10 Victorian Harness Racing Sports Club acquired 70 gaming machine entitlements to enable it to operate gaming machines at The Junction Tabaret for a period of 10 years following the cessation of the current arrangements in August 2012.

VICTORIAN HARNESS RACING SPORTS CLUB Inc.

Reg No. A0009839S

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

NOTE 18: COMMITMENTS FOR EXPENDITURE (CONTINUED)

- (c) On commencement of the new gaming arrangements in August 2012, the infrastructure, services and functions currently supplied by Tabcorp become the responsibility of the gaming venues. The ten year agreement entered into is an all encompassing offering covering a range of services for a daily fee per machine

NOTE 19: SEGMENT REPORTING

	The Junction Tabaret		Club		Elimination		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
<b>Revenue</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Segment Revenue	2,931,485	2,662,545	194,630	239,729	-	(17,500)	3,126,115	2,884,774
<b>Result</b>								
Segment Result	28,206	(218,247)	(67,631)	(7,628)	-	(17,500)	(39,425)	(243,375)
<b>Assets</b>								
Segment Assets	864,086	896,817	566,493	620,034	(319,476)	(319,476)	1,111,103	1,197,375
<b>Liabilities</b>								
Segment Liabilities	899,719	960,657	31,847	17,757	(319,475)	(319,475)	612,091	658,939
<b>Other</b>								
Depreciation of Segment Assets	65,857	56,976	2,062	2,500	-	-	67,919	59,476

Accounting Policies

Segment revenues and expenses are those directly attributable to the segments. Segment assets include all assets used by the segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment net of allowances and accumulated depreciation and amortisation. Segment liabilities consist principally of accounts payable, accrued expenses, employee entitlements, and provisions.

Business Segments

The association has two business segments, the Junction Tabaret which operates as a gaming venue and the Club which provides services in the Harness Racing Industry to its members.

VICTORIAN HARNESS RACING SPORTS CLUB Inc.

Reg No. A0009839S

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012**

	2012	2011
<b>NOTE 20: CASH FLOW INFORMATION</b>	<b>\$</b>	<b>\$</b>
<b>(a) Reconciliation of Cash and Cash Equivalents</b>		
Cash on Hand	163,192	132,152
Cash at Bank	451,693	508,530
<b>Closing Cash and Cash Equivalents Balance</b>	<b>614,885</b>	<b>640,682</b>
<b>(b) Reconciliation of Net Cash provided by Operating Activities to results after Income Tax</b>		
<b>Net Result for the Year</b>	<b>(39,534)</b>	<b>(243,374)</b>
<b>Non-cash items</b>		
Depreciation	67,919	59,476
Loss on disposal of PPE	-	1,931
<b>Change in assets and liabilities</b>		
Decrease/(Increase) in receivables	<b>(26,253)</b>	<b>(3,240)</b>
Decrease/(Increase) in inventories	12,591	<b>(1,156)</b>
Decrease/(Increase) in prepayments and other current assets	2,294	<b>(108,790)</b>
Increase/(Decrease) in creditors and accruals	<b>(46,854)</b>	298,313
Increase/(Decrease) in provisions and current tax	6	25,608
<b>Net Cash Provided from/(used in) Operating Activities</b>	<b>(22,641)</b>	<b>28,768</b>

**NOTE 21: FINANCIAL INSTRUMENTS**

**(a) Significant accounting policies**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

VICTORIAN HARNESS RACING SPORTS CLUB

Reg No. A0009839S

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

NOTE 21: FINANCIAL INSTRUMENTS (CONTINUED)

(b) Table 21.1: Categorisation of financial instruments

			(\$)	
	Note	Category	Carrying amount	Carrying amount
			2012	2011
<b>Financial assets</b>				
Cash and cash equivalents	7	N/A	614,885	640,572
Trade Receivables <sup>(a)</sup>	8	Trade and other receivables	57,884	31,631
<b>Financial liabilities</b>				
Payables	15	Trade and Other Payables	363,517	401,647

Note:

(a) The amount of receivables disclosed here exclude statutory receivables (GST input tax credit recoverable).

(c) Credit risk

Credit risk arises from the financial assets of VHRSC, which comprise cash and cash equivalents, trade and other receivables. VHRSC's exposure to credit risk arises from the potential default of counter party on their contractual obligations resulting in financial loss to VHRSC. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with VHRSC's financial assets are considered minimal. VHRSC's main debtor at any given time is Tabcorp which is the licenced gaming operator.

Provision of impairment for financial assets is calculated based on past experience.

The carrying amount of financial assets recorded in the Financial Report, net of any allowances for losses, represents VHRSC's maximum exposure to credit risk without taking account of the value of any collateral obtained.

*Financial assets that are either past due or impaired*

Currently VHRSC does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

As at the reporting date, there is no event to indicate that any of the financial assets were impaired.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the ageing only of financial assets that are past due but not impaired:

VICTORIAN HARNESS RACING SPORTS CLUB Inc.

Reg No. A0009839S

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

NOTE 21: FINANCIAL INSTRUMENTS (CONTINUED)

Table 21.2: Interest rate exposure and ageing analysis of financial assets (a)

	Weighted average effective interest rate %	Carrying amount	Interest rate exposure			Not past due and not impaired	Past due but not impaired				Impaired financial assets
			Fixed interest rate	Variable interest rate	Non-interest bearing		31-60 Days	61-90 Days	91-120 Days	>121 Days	
<b>2012</b>											
Receivables:											
Trade Receivables	-	286	-	-	286	286	-	-	-	-	-
Accrued Income	-	22,857	-	-	22,857	22,857	-	-	-	-	-
Other Receivables	-	34,741	-	-	34,741	34,741	-	-	-	-	-
		<b>57,884</b>	-	-	<b>57,884</b>	<b>57,884</b>	-	-	-	-	-
<b>2011</b>											
Receivables:											
Trade Receivables	-	3,340	-	-	3,340	3,340	-	-	-	-	1,708
Accrued Income	-	7,841	-	-	7,841	7,841	-	-	-	-	-
Other Receivables	-	20,450	-	-	20,450	20,450	-	-	-	-	-
		<b>31,631</b>	-	-	<b>31,631</b>	<b>31,631</b>	-	-	-	-	<b>1,708</b>

Note:

(a) Ageing analysis of financial assets excludes statutory financial assets (i.e. GST input tax credit recoverable).

**(d) Liquidity risk**

Liquidity risk arises when VHRSC is unable to meet its financial obligations as they fall due. VHRSC's policy is to settle financial obligations within 30 days and in the event of a dispute, make payments within 30 days thereafter.

VHRSC's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from accumulated reserves.



VICTORIAN HARNESS RACING SPORTS CLUB Inc.

Reg No. A0009839S

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

NOTE 21: FINANCIAL INSTRUMENTS (CONTINUED)

Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

The following table discloses the contractual maturity analysis for VHRSC's financial liabilities:

Table 21.3: Interest rate exposure and maturity analysis of financial liabilities

(\$)

	Weighted average effective interest rate %	Carrying amount	Interest rate exposure			Nominal Amount	Maturity dates <sup>(a)</sup>			
			Fixed Interest Rate	Variable interest rate	Non-interest bearing		Less than 1 month	1-3 Months	3 months – 1 year	1-5 years
<b>2012</b>										
Payables:										
Trade Creditors		266,156	-	-	266,156	266,156	266,156	-	-	-
Other payables		97,361	-	-	97,361	97,361	88,637	8,724	-	-
		<b>363,517</b>	-	-	<b>363,517</b>	<b>363,517</b>	<b>354,793</b>	<b>8,724</b>	-	-
<b>2011</b>										
Payables:										
Trade Creditors		327,063	-	-	327,063	327,063	327,063	-	-	-
Other payables		74,584	-	-	74,584	74,584	-	74,584	-	-
		<b>401,647</b>	-	-	<b>401,647</b>	<b>401,647</b>	<b>327,063</b>	<b>74,584</b>	-	-

Note:

(a) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities

(e) Market risk

VHRSC's has minimal, if any, exposures to market risk in the form of interest rate risk or exposure to foreign currency and other price risks. Therefore, it has not been considered necessary to have detailed policies and processes to manage each of these risks. In the event that such risks arise in the future, management will develop the necessary policy objectives and detailed procedures to effectively manage the market risk exposure.

VHRSC considers that the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair values, because of the precise and short term nature of the financial instruments as well as the expectation that they will be paid in full.

VICTORIAN HARNESS RACING SPORTS CLUB Inc.

Reg No. A0009839S

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

NOTE 21: FINANCIAL INSTRUMENTS (CONTINUED)

*Sensitivity disclosure analysis*

Table 21.4 discloses the impact on net operating result and equity for each category of financial instrument held by VHRSC at year-end if the below movements were to occur.

\* A parallel shift of +1 per cent and -1 per cent in market interest rates (AUD) from year-end rates;

\* Proportional market movement of -5 per cent (depreciation) and +5 per cent (appreciation) of redemption price in Unlisted Managed Fund Units

Table 21.4: Market risk exposure

	(\$)								
	Carrying amount	Interest rate risk				Price Risk			
		-1% (100 basis points)		1% (100 basis points)		-5% (100 basis points)		5% (100 basis points)	
	Net Result	Equity	Net Result	Equity	Net Result	Equity	Net Result	Equity	
<b>2012</b>									
<b>Financial assets:</b>									
Cash and cash equivalents	614,885	(6,149)	(6,149)	6,149	6,149	-	-	-	-
Trade Receivables	57,884	-	-	-	-	-	-	-	-
<b>Financial liabilities:</b>									
Payables	454,496	-	-	-	-	-	-	-	-
<b>Total increase/(decrease)</b>		<b>(6,149)</b>	<b>(6,149)</b>	<b>6,149</b>	<b>6,149</b>	-	-	-	-

**VICTORIAN HARNESS RACING SPORTS CLUB**

**Reg No. A0009839S**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012**

**NOTE 22: ASSOCIATION DETAILS**

The principal place of business of the association is:

Victorian Harness Racing Sports Club Inc.

2 Ferris Road,

Melton South VIC 3338.

Victorian Harness Racing Sports Club Inc is an Association incorporated under the Associations Incorporation Act that is incorporated and domiciled in Australia.

The principal activities of the entity during the year were to undertake licensed social, racing/sporting and recreational activities.

**NOTE 23: EVENTS SUBSEQUENT TO BALANCE DATE**

There were no subsequent events post balance date to report on.

**NOTE 24: KEY MANAGEMENT PERSONNEL COMPENSATION**

**2012**  
**\$**

**2011**  
**\$**

The following table discloses the aggregate of key management compensation

Short - term employee benefits	48,170	48,170
Post employment benefits – superannuation contributions	5,169	3,855
<b>Total Remuneration</b>	<b>53,339</b>	<b>52,025</b>

**NOTE 25: RELATED PARTY TRANSACTIONS**

Directors who held office at any time during the year were:

Robert Merola (President)

John Hawke (Vice President)

Neville Walker (Treasurer)

David Brick (Committee) - Resigned 07/12/2011

Emilio Mazzetti (Committee)

Fiona Rosewarne (Committee)

Joe Ivisic (Committee)

John Doherty (Committee)

Stephen Nash (Committee)

**VICTORIAN HARNESS RACING SPORTS CLUB Inc.**

**Reg No. A0009839S**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

**NOTE 25: RELATED PARTY TRANSACTIONS (CONTINUED)**

Directors receive no remuneration or benefits from the Club. The directors pay membership fees and are involved in other transactions with the Club on the same terms and conditions as available to other club members.

During the year the Club acquired trophies and plaques from Supreme Silverware and Trophies Pty Ltd to the value of \$1,600 of which John Hawke (Committee Member) is a Director.

**VICTORIAN HARNESS RACING SPORTS CLUB Inc.**

**Reg No. A0009839S**

**STATEMENT BY MEMBERS OF THE COMMITTEE**

In the opinion of the committee the accompanying financial report :

1. Presents a true and fair view of the financial position of Victorian Harness Racing Sports Club Inc. as at 30 June 2012 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Victorian Harness Racing Sports Club Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

President:



Robert Merola

Director:



Joe Ivisic

Dated this                      26th                      day of                      October                      2012

## INDEPENDENT AUDITOR'S REPORT

To the members of Victorian Harness Racing Sports Club Inc.

### Report on the Financial Report

We have audited the accompanying financial report of Victorian Harness Racing Sports Club Inc., which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the members of the committee.

#### The Responsibility of the Members of the Committee for the Financial Report

The members of the committee are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Associations Incorporation Act (Vic) 1981 and for such internal control as the members of the committee determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgement, 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 of the financial report that gives a true and fair view 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 members of the committee, 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 followed applicable independence requirements of Australian professional ethical pronouncements.

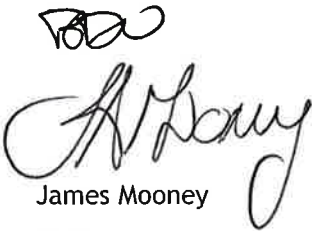


### Opinion

In our opinion the financial report of Victorian Harness Racing Sports Club Inc. is in accordance with the Association Incorporation Act (Vic) 1981 including:

- (i) giving a true and fair view of the entity's financial position financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- (ii) complying with Accounting Standards in Australia and the Associations Incorporation Act (Vic) 1981.

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'James Mooney'. Above the signature is a small, stylized logo consisting of the letters 'BDO' in a cursive, overlapping style.

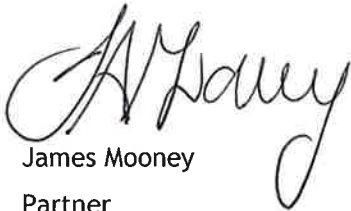
James Mooney  
Partner

Melbourne, 26 October 2012

**VICTORIAN HARNESS RACING SPORTS CLUB INC.  
DISCLAIMER  
30 JUNE 2012**

The additional financial data presented on the following pages is in accordance with the books and records of the Victorian Harness Racing Sports Club Inc. (“the Club”), which have been subjected to auditing procedures applied in our statutory audit of the Club for the year ended 30 June 2012. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or of reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility of such data including any errors or omissions therein however caused.

**BDO East Coast Partnership**



James Mooney  
Partner

Melbourne, 26 October 2012



VICTORIAN HARNESS RACING SPORTS CLUB Inc.

Reg No. A0009839S

**INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
<b>Club Activities</b>		
<b>Income</b>		
Subscriptions	143,886	123,394
Contribution from Junction Tabaret Operations	-	17,500
Interest	12,309	14,797
Sundries	38,435	84,038
	<b>194,630</b>	<b>239,729</b>
<b>Expenditure</b>		
<b>Harness Racing Meetings:</b>		
Badges – members	-	1,200
Sponsorship/Trophies/Merchandise	117,372	125,516
	<b>117,372</b>	<b>126,716</b>
<b>Membership</b>		
Members' Activities/Socials	32,217	26,740
Newsletter, Notices and Annual Report	8,396	14,010
	<b>40,613</b>	<b>40,750</b>
<b>Administration</b>		
Office Staff – Employment Cost	54,147	54,553
Bank Charges	921	1,948
Consulting Fees	-	3,790
Insurance	-	1,980
Audit and Accounting Fees	6,700	3,720
Office Supplies	1,948	1,998
Telephone	3,853	1,139
Postage	7,611	8,012
Depreciation – Office Equipment	2,062	2,500
Motor Vehicle Expenses	91	68
Provision for Holiday Pay	(240)	1,860
Provision for Long Service Leave	9,056	(1,347)
General	18,237	(329)
<b>Total Administration Expenses</b>	<b>104,386</b>	<b>79,892</b>
<b>Total Expenses</b>	<b>262,371</b>	<b>247,358</b>
<b>Profit/(Loss) for the year</b>	<b>(67,741)</b>	<b>(7,629)</b>

VICTORIAN HARNESS RACING SPORTS CLUB Inc.

Reg No. A0009839S

**INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
<b>Junction Tabaret Activities</b>		
<b>Revenue</b>		
Gaming Commission	1,822,906	1,659,706
Wagering Commission	189,029	159,410
Bar Sales	590,643	596,548
Bistro Meals	209,914	182,541
Study Reimbursements	76,370	-
Vending Machine Income	22,603	4,242
EFTPOS Commission Income	8,452	21,572
Interest Revenue	6,345	11,917
Keno/Barry Income	3,737	3,150
Supplier Rewards Program	1,487	11,459
Other Income	-	12,000
<b>TOTAL INCOME</b>	<b>2,931,486</b>	<b>2,662,545</b>
<b>COGS</b>	<b>289,704</b>	<b>308,095</b>
<b>Gross Profit</b>	<b>2,641,782</b>	<b>2,354,450</b>
Salary and Wages	1,231,481	1,187,108
Rental	701,854	657,981
HRV Management Charge	60,000	60,000
Marketing General	63,558	68,830
Security	109,896	118,506
Light & Power	81,161	82,787
Members Discount Expense	33,666	47,148
Marketing - Bonus Points	18,248	43,774
Repairs & Maintenance	24,258	27,501
Audit Fees	19,508	16,980
Depreciation	65,857	56,976
Happy Hour Expense	20,335	24,207
Contracts - General	11,353	21,872
Pubtab Sky TV	(6,889)	29,546
Foxtel Subscription	18,781	18,185
Sponsorships	4,550	80,680
Communication Costs	14,860	14,023
Water & Gas	7,026	5,857

VICTORIAN HARNESS RACING SPORTS CLUB Inc.

Reg No. A0009839S

**INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
<b>Junction Tabaret Activities (Continued)</b>		
Wagering Commission Expenses	17,762	16,157
Cleaning Supplies	23,757	9,761
Computer Expenses	8,492	10,252
Insurance	3,874	3,287
General Merchandise	4,516	3,076
Other Operating Expenditure	68,494	71,470
<b>Total Operating Expenses</b>	<b>2,606,398</b>	<b>2,675,964</b>
<b>Net Result before Income Tax</b>	<b>35,384</b>	<b>(321,514)</b>
Income Tax Expense	7,178	(103,267)
<b>Net Result after Income Tax</b>	<b>28,206</b>	<b>(218,247)</b>
Contribution to Club Activities	0	17,500
<b>Net Result after Contribution</b>	<b>28,206</b>	<b>(235,747)</b>