



MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

Financial Report

For the Year Ended 30 June 2014

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

Contents

For the Year Ended 30 June 2014

	Page
Financial Statements	
Directors' Report	1
Auditors Independence Declaration under Section 307C of the Corporations Act 2001	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	28
Independent Audit Report	29

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

Directors' Report

30 June 2014

The directors present their report together with the financial statements on the Company for the financial year ended 30 June 2014.

Information on Directors

The following persons were directors of the Company at any time during, or since the end of, the financial year. Unless otherwise stated, each Director was in office since the start of the financial year to the date of this report:

Keith F O'Grady

Qualifications / Experience General Manager Williams Group Australia Pty Ltd, Director 18 years
Special Responsibilities Chairman & Ex.Official member of all Committees

Rick Souter

Qualifications / Experience Director 2 years, Retired Teacher
Special Responsibilities Member of Match Committee

Bill Quantrill

Qualifications / Experience Director 4 years (Resigned 17/11/2013)
Special Responsibilities House Committee Chairman and Member of Finance Committee

Marilyn Parkes

Qualifications / Experience Director 4 years
Special Responsibilities Member of Finance Committee

Graham Nelson

Qualifications / Experience Director 2 years, Retired
Special Responsibilities Chairman House Committee

Neil Fogo

Qualifications / Experience Director 3 years
Special Responsibilities Captain, Chairman Match Committee

Wayne Kendrigan

Qualifications / Experience Accountant, Director 3 years
Special Responsibilities Chairman of Finance Committee

Warren D Colefax

Qualifications / Experience Director 9 years
Special Responsibilities Chairman Greens Committee

Warwick Rattray

Qualifications / Experience Director 8 years, small business owner
(Deceased 25/09/2013)
Special Responsibilities Captain, Chairman of Match Committee, Member of House
Committee, Acting Chairman

Samuel Steen

Qualifications/Experience Director 1 year, Retired (Appointed 17/11/2013)
Special responsibilities Member Greens Committee

Graham Rosenbaum

Qualifications/Experience Director 1 year, Retired School Teacher (Appointed 17/11/2013)
Special responsibilities Member House Committee

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

Directors' Report

30 June 2014

Objectives and Strategies

Objectives

The short and long term objectives of the Murwillumbah Golf Club Limited are to ensure that the Company's financial position remains sound for both the short and long term, ensuring that members and patrons can enjoy their club for many years to come.

Strategy

The strategy that the Company employs to achieve those objectives is to:

- Carefully monitor income and expenditure to improve operating profit;
- Introduce new ideas that will attract more people to the club and improve income streams;
- Continually strive towards improving amenities and facilities for Members and Patrons.

Principal activities

The principal activity of the Company during the financial year remained unchanged and were the provision of sporting and social activities for members.

These principal activities assisted in achieving the Company's objectives by providing the best facilities and by continually looking at ways to attract participants to both sporting and social activities. This has provided the Company with an excellent source of income so the Company can continue to make improvements and remain viable into the future. The Company has to ensure that it continues to provide a quality venue for members and visitors to enjoy the facilities both socially and through the game of golf. The Company has promoted its facilities to sporting organisations and visitors in New South Wales and Queensland.

No significant changes in the nature of the Company's activity occurred during the financial year.

Operating Results

The operating profit made by the Company during the financial year was \$ 181,435 (2013: Loss of \$76,906).

The was made up of the following:

	2014	2013
	\$	\$
Parent Club Operating Profit / (Loss)	170,705	(87,478)
Murwillumbah Veterans net profit	3,964	1,447
Women's Golf net profit	6,766	9,125
Net Profit for Current Year	181,435	(76,906)

No income tax is payable thereon.

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

Directors' Report

30 June 2014

Review of Operations

The financial operations of the Company during the year are summarised as follows: -

	2014	2013
	\$	\$
Bar Trading		
Sales	807,219	751,161
Gross Profit	491,600	426,981
Gross profit percentage	60.90%	56.84%
Net Profit	210,134	151,479
Net Profit Percentage	26.06%	20.17%
Poker Machines		
Revenue	567,476	522,938
Less Expenses	186,123	118,835
	<u>381,353</u>	<u>404,103</u>
Other Income	<u>1,548,201</u>	<u>1,317,519</u>
Total Income	<u>2,922,897</u>	<u>2,591,619</u>
Less Expenses	<u>(2,741,461)</u>	<u>(2,668,524)</u>
PROFIT / (LOSS) FROM CONTINUING OPERATIONS	<u>181,435</u>	<u>(76,906)</u>

Core / Non-Core Property

Directors advise that Core Property, as defined by section 41J of the *Registered Clubs Act (1976)*, is the real property owned and occupied by Murwillumbah Golf Club Limited comprising the defined premises of the club being the clubhouse, golf shop, and golf course sheds; the golf course and its environs and any facility provided by the club for the use of its members and their guests but specifically excluding the cottage currently leased.

Membership

The Company is limited by guarantee without share capital. The number of members as at 30 June 2014 is 2,032 (2013: 2,105)

If the Company is wound up, the constitution states that each member of the Company is liable to contribute a maximum of \$ 1 towards meeting any outstanding liabilities of the Company. As at 30 June 2014 the maximum total amount that members of the Company would be liable to contribute if the Company is wound up is \$ 2,032 (2013: \$ 2,105).

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

Directors' Report

30 June 2014

Directors Attendances

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

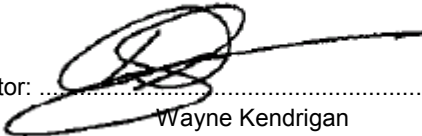
	Directors' Meetings	
	Number eligible to attend	Number attended
Keith F O'Grady	12	11
Rick Souter	12	11
Bill Quantrill	4	4
Marilyn Parkes	12	11
Graham Nelson	12	11
Neil Fogo	12	12
Wayne Kendrigan	12	12
Warren D Colefax	12	8
Warwick Rattray	2	2
Samuel Steen	7	7
Graham Rosenbaum	7	6

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2014, has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 
Keith O'Grady

Director: 
Wayne Kendrigan

Dated at Murwillumbah this 5th day of September 2014



Thomas Noble & Russell
Accountants | Auditors | Business Advisers

MURWILLUMBAH GOLF CLUB LIMITED
ABN 80 001 034 813

Auditors Independence Declaration under Section 307C of the Corporations Act 2001

To the Members of Murwillumbah Golf Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS

G W DWYER (Partner)
Registered Company Auditor

Dated at Lismore this 5th day of September 2014

31 Keen Street (PO Box 106)
Lismore NSW 2480

Email: enquiries@tnr.com.au
Phone: Business Services +61 (0)2 6621 8544
Audit & Assurance +61 (0)2 6626 3000

Website: www.tnr.com.au
Facsimile: +61 (0)2 6621 9035

Liability limited by a scheme approved under the Professional Standards Legislation.
Thomas Noble & Russell is a member of International. A world-wide organization of accounting firms and business advisers

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2014**

		2014	2013
	Note	\$	\$
Revenue from Continuing Operations	2	2,925,907	2,591,619
Other Income	2	(3,007)	-
Expenses from Continuing Operations	3	(2,681,757)	(2,613,771)
Finance Costs		(59,708)	(54,754)
Profit / (Loss) Before Tax Expense		181,435	(76,906)
Income Tax Expense	1(c)	-	-
Profit / (Loss) For The Year		181,435	(76,906)
Other Comprehensive Income		-	-
Total Comprehensive Income		181,435	(76,906)

The accompanying notes form part of these financial statements.

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

Statement of Financial Position

30 June 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	238,447	472,421
Inventories	5	80,809	76,819
Trade and Other Receivables	6	12,925	14,179
Other Assets	7	10,002	11,925
TOTAL CURRENT ASSETS		<u>342,183</u>	<u>575,344</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	5,013,787	4,764,173
Intangible Assets	9	220,000	220,000
TOTAL NON-CURRENT ASSETS		<u>5,233,787</u>	<u>4,984,173</u>
TOTAL ASSETS		<u>5,575,970</u>	<u>5,559,517</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	10	131,712	117,179
Borrowings	11	668,554	890,000
Provisions	12	156,694	147,976
Other Liabilities	13	475,588	468,676
TOTAL CURRENT LIABILITIES		<u>1,432,548</u>	<u>1,623,831</u>
NON-CURRENT LIABILITIES			
Borrowings	11	24,782	-
Provisions	12	2,439	920
TOTAL NON-CURRENT LIABILITIES		<u>27,221</u>	<u>920</u>
TOTAL LIABILITIES		<u>1,459,769</u>	<u>1,624,751</u>
NET ASSETS		<u>4,116,201</u>	<u>3,934,766</u>
EQUITY			
Reserves	14	2,226,489	2,226,489
Retained earnings		1,889,712	1,708,277
TOTAL EQUITY		<u>4,116,201</u>	<u>3,934,766</u>

The accompanying notes form part of these financial statements.

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

**Statement of Changes in Equity
For the Year Ended 30 June 2014**

2013

	Asset Revaluation Reserve	Retained Earnings	Total Equity
	\$	\$	\$
Balance at 1 July 2012	2,226,489	1,785,183	4,011,672
Loss for the 2013 Year	-	(76,906)	(76,906)
Balance at 30 June 2013	<u>2,226,489</u>	<u>1,708,277</u>	<u>3,934,766</u>

2014

Balance at 1 July 2013	2,226,489	1,708,277	3,934,766
Profit for the 2014 Year	-	181,435	181,435
Balance at 30 June 2014	<u>2,226,489</u>	<u>1,889,712</u>	<u>4,116,201</u>

The accompanying notes form part of these financial statements.

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

**Statement of Cash Flows
For the Year Ended 30 June 2014**

	2014	2013
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,930,079	2,720,897
Payments to suppliers and employees	(2,250,981)	(2,301,898)
Interest received	-	2,390
Interest paid	(59,708)	(54,754)
Net cash provided by operating activities	<u>619,390</u>	<u>366,635</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(501,274)</u>	<u>(556,850)</u>
Net cash used by investing activities	<u>(501,274)</u>	<u>(556,850)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	-	340,000
Repayment of borrowings	(260,000)	-
Payment of finance lease liabilities	(92,090)	-
Net cash (used in) / provided by financing activities	<u>(352,090)</u>	<u>340,000</u>
Net increase (decrease) in cash and cash equivalents held	(233,974)	149,785
Cash and cash equivalents at beginning of year	<u>472,421</u>	<u>322,636</u>
Cash and cash equivalents at end of financial year	4 <u><u>238,447</u></u>	<u><u>472,421</u></u>

The accompanying notes form part of these financial statements.

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

Notes to the Financial Statements For the Year Ended 30 June 2014

The financial statements are for Murwillumbah Golf Club Limited as a not-for-profit individual entity. The Club is a Company limited by guarantee which is incorporated and domiciled in Australia.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Land and buildings

Land and buildings are measured using the cost model.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured using the cost model.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land, is depreciated on either a straight-line or diminishing value method from the date that management determine that the asset is available for use. Recent acquisitions are being depreciated by the straight-line method and all assets will be converted to this method as they are replaced.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

All such assets are recorded at cost and, with the exception of land, are depreciated by the diminishing value and prime cost methods so as to write off their cost progressively over their estimated remaining useful life to the Company. Recent acquisition are being depreciated by the prime cost method and all assets will be converted to this method as they are replaced or revalued.

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

Notes to the Financial Statements For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(b) Property, Plant and Equipment continued

The depreciation rates used for various classifications of assets are:

	Prime Cost	Diminishing Value
	%	%
Poker Machines	20-25	37.5
Buildings	2.5-10	-
Plant and Equipment	5-22.5	7.5-37.5
Furniture and Fittings	20-25	37.5
Course Infrastructure	2-20	-

Crockery, Cutlery and Glassware are recorded at cost and replacements are charged against the income of that year.

Course infrastructure items of Trees, Gardens and Nursery are recorded at cost and replacements will be charged against the profits of that year.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(d) Inventories

Inventories consists of beer, spirits, wines, other sundry bar stock and golf shop stock. Inventory is valued at the lower of cost and net realisable value using the FIFO method of assigning cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(e) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

Notes to the Financial Statements For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(f) Goods and Services Tax (GST)

Revenue and expenses are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(g) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(h) Trade and Other Receivables

Trade receivables are recognised at their cost less impairment losses and a sale is recorded when goods have been dispatched to a customer pursuant to a sales order and the associated risks have passed to the carrier or customer. All trade debtors are unsecured and recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within 'other expenses'. When a trade receivable is uncollected, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

(i) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(j) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(k) Impairment

The carrying amounts of the Company's assets, other than inventories, are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

Notes to the Financial Statements For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(k) Impairment continued

As impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through statement of profit or loss and other comprehensive income.

Calculation of recoverable amount

The recoverable amount of property, plant and equipment is the greater of their fair value, less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Intangibles

Poker Machine Entitlements

Poker machine entitlements were granted to the Company by the NSW government prior to 1 July 2004. Poker machine entitlements have been recognised in the statement of financial position at their fair value at 1 July 2004 which has been deemed to be their cost. Subsequent acquisitions of poker machine entitlements are recognised at cost.

Poker machine entitlements are assessed as being intangible assets with an indefinite useful life and have not been amortised. Poker machine entitlements are carried at cost in the statement of financial position and are subject to an annual impairment test.

(m) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

Notes to the Financial Statements For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(m) Financial Instruments continued

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

The Company does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

Notes to the Financial Statements For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(m) Financial Instruments continued

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be sold within 12 months after the end of the reporting period.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(n) Revenue

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Financial Assistance

Financial assistance received is recognised at fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Interest revenue

Interest is recognised using the effective interest method.

Rendering of services

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

(o) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(p) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

(q) Comparative Amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current year.

(r) Fair Value Measurement

The Company may be required to measure some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

"Fair value" is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a marketbased measure, the closest equivalent market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximize to the extent possible the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at reporting date (i.e. the market that maximises the receipts from the sale of the asset or minimizes the payment made to transfer the liability, after taking into account transaction costs and transport costs).

For nonfinancial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or sell it to another market participant that would use the assets in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such a financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, detailed in the respective note to the financial statements.

(s) Adoption of New and Revised Accounting Standards

During the current year, the following standards became mandatory and have been adopted retrospectively by the Company:

- AASB 13 *Fair Value Measurement*
- AASB 119 *Employee Benefits*

The accounting policies have been updated to reflect changes in the recognition and measurement of assets, liabilities, income and expenses and the impact of adoption of these standards is discussed below.

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(s) Adoption of New and Revised Accounting Standards continued

AASB 13 *Fair Value Measurement* does not change what and when assets or liabilities are recorded at fair value. It provides guidance on how to measure assets and liabilities at fair value, including the concept of highest and best use for non-financial assets. AASB 13 has not changed the fair value measurement basis for any assets or liabilities held at fair value, however additional disclosures on the methodology and fair value hierarchy have been included in the financial statements.

AASB 119 *Employee benefits* changes the basis for determining the income or expense relating to defined benefit plans and introduces revised definitions for short-term employee benefits and termination benefits.

The Company reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period. Whilst this has been considered to be a long-term employee benefits for the purpose of measuring the leave under AASB 119, the effect of discounting was not considered to be material and therefore has not been performed.

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

**Notes to the Financial Statements
For the Year Ended 30 June 2014**

	2014	2013
	\$	\$
2 Revenue and Other Income		
Operating Revenue		
<i>Sales of Goods</i>		
Bar Sales	807,219	751,161
Golf Shop Sales	315,325	247,906
	<u>1,122,544</u>	<u>999,067</u>
<i>Services</i>		
Poker Machine & Keno Revenue	572,720	529,627
TAB Commission	5,107	6,689
Subscriptions	167,582	158,992
Affiliation Fee	19,157	18,466
Competition, Green Fees, Cart Hire & Golfing	749,037	641,947
Revenue from Sub-Clubs:		
- Murwillumbah Veterans	66,620	51,838
- Women's Golf Murwillumbah	56,371	51,012
	<u>1,636,594</u>	<u>1,458,571</u>
Non-Operating Revenue		
Interest Received	-	2,390
Poker Machine GST Subsidy	17,180	17,180
Net Insurance Recoveries	991	4,613
Rents Received	58,844	45,409
Donations & Sponsorship	34,573	28,854
Other Revenue	55,181	35,535
	<u>166,769</u>	<u>133,981</u>
Total Revenue from Continuing Operations	<u>2,925,907</u>	<u>2,591,619</u>
Other Income		
Profit / (Loss) on Disposal of Non-Current Assets	<u>(3,007)</u>	<u>-</u>

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

**Notes to the Financial Statements
For the Year Ended 30 June 2014**

	2014	2013
	\$	\$
3 Expenses		
Expenses from Continuing Operations - by Nature		
Employee Costs	867,388	861,473
Cost of Goods Sold	528,775	477,729
Administration	130,125	121,300
Repairs & Maintenance	129,158	161,308
Golf Related Expenses	130,117	116,664
Electricity & Fuels	127,696	131,894
Members Entertainment	80,048	80,260
Insurance	39,282	38,293
Operating Lease Rentals	20,412	48,626
TAB Expenses	18,207	18,233
Depreciation:		
- Building and Improvements	113,421	93,426
- Plant & Equipment, Furniture & Fittings	167,660	168,002
- Poker Machines	74,326	30,522
- Course Infrastructure	48,618	45,946
Sub-Club Expenditure:		
- Murwillumbah Veterans	62,656	50,391
- Womens Golf Murwillumbah	49,605	41,887
Other Expenses	94,263	127,817
Total Expenses from Continuing Operations	2,681,757	2,613,771
4 Cash and Cash Equivalents		
Cash on Hand	53,060	70,000
Cash at Bank		
- Trading Account	102,834	304,492
- On-Line Saver Account	303	303
- Keno Account	4,037	21,001
- Junior Rep Account	(946)	466
- TAB Account	4,601	9,094
	163,889	405,356
<i>Sub-Clubs</i>		
- Veterans Golf	31,302	24,536
- Womens Golf	43,256	42,529
	238,447	472,421

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

**Notes to the Financial Statements
For the Year Ended 30 June 2014**

	2014	2013
	\$	\$
5 Inventories - at Cost		
CURRENT		
Bar and Golf Shop Stock	<u>80,809</u>	<u>76,819</u>
6 Trade and Other Receivables		
CURRENT		
Debtors	7,125	9,075
TAB Security Deposit	5,000	5,000
Accrued Income	800	104
	<u>12,925</u>	<u>14,179</u>
7 Other Assets		
CURRENT		
Prepayments	<u>10,002</u>	<u>11,925</u>
8 Property, Plant and Equipment		
Land - at Cost	330,000	330,000
Building and Improvements - at Cost	3,654,752	3,537,195
Less Accumulated depreciation	<u>(774,640)</u>	<u>(662,391)</u>
	<u>2,880,112</u>	<u>2,874,804</u>
Furniture & Fittings, Plant & Equipment - at Cost	1,982,733	1,833,914
Less Accumulated depreciation	<u>(1,020,796)</u>	<u>(976,673)</u>
	<u>961,937</u>	<u>857,241</u>
Poker Machines - at Cost	396,164	336,783
Less Accumulated Depreciation	<u>(170,203)</u>	<u>(244,103)</u>
	<u>225,961</u>	<u>92,680</u>
Course Infrastructure - at Cost	2,176,636	2,112,597
Less Accumulated Depreciation	<u>(1,560,859)</u>	<u>(1,512,240)</u>
	<u>615,777</u>	<u>600,357</u>
Work in Progress	-	9,091
Total property, Plant and Equipment	<u>5,013,787</u>	<u>4,764,173</u>

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

**Notes to the Financial Statements
For the Year Ended 30 June 2014****8 Property, Plant and Equipment continued****Movement in Carrying Amount**

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

	Land	Buildings & Improvements	Furniture & Fittings, Plant & Equipment	Poker Machines	Course Infrastructure	Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of year	330,000	2,874,804	857,241	92,680	600,357	9,091	4,764,173
Additions	-	119,977	264,080	208,605	64,038	-	656,700
Disposals - WDV	-	(1,248)	(816)	(998)	-	-	(3,062)
Depreciation Expense	-	(113,421)	(167,660)	(74,326)	(48,618)	-	(404,025)
Transfers	-	-	9,091	-	-	(9,091)	-
Balance at the end of the year	330,000	2,880,112	961,937	225,961	615,777	-	5,013,787

Leased assets are pledged as security for finance leases (refer note 15).

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

**Notes to the Financial Statements
For the Year Ended 30 June 2014**

	2014	2013
	\$	\$
9 Intangible Assets		
Poker Machine Entitlements	<u>220,000</u>	<u>220,000</u>
10 Trade and Other Payables		
CURRENT		
Accounts Payable and Accrued Expenses	<u>131,712</u>	<u>117,179</u>
11 Borrowings		
CURRENT		
Secured Bank Loans	630,000	890,000
Finance Lease Liabilities	<u>38,554</u>	<u>-</u>
	<u>668,554</u>	<u>890,000</u>
NON-CURRENT		
Finance Lease Liabilities	<u>24,782</u>	<u>-</u>

(a) Loan Facilities

Bank loans are classified as current liabilities as they are subject to annual review by the Commonwealth Bank of Australia. Current loan facilities in place are for a period of 2 years maturing in February 2016. These facilities include interest only payments with a variable interest rate of 6.20% per annum and total \$850,000. A \$20,000 corporate card facility is also in place.

(b) Assets Pledged as Security

The Commonwealth Bank of Australia holds a registered first mortgage over the club's freehold land and buildings at Murwillumbah to secure the term loan.

The carrying amounts of assets pledged as security for borrowings are:

<i>First Mortgage</i>	
Land and Buildings	3,210,113

(c) Fair Value

The fair value of borrowings equals their carrying amount.

(d) Lease Liabilities

Lease liabilities are secured by the underlying asset.

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

**Notes to the Financial Statements
For the Year Ended 30 June 2014**

	2014	2013
	\$	\$
12 Provisions		
CURRENT		
Employee Benefits - Annual Leave	92,153	85,336
Employee Benefits - Long Service Leave	64,541	62,640
	<u>156,694</u>	<u>147,976</u>
NON-CURRENT		
Employee Benefits - Long service leave	<u>2,439</u>	920

The current long service leave provision includes all employees who have accumulated 10 years service and therefore have an unconditional right to take long service leave. The amount of long service leave expected to be taken by employees during the financial year is \$NIL (2013: \$NIL)

13 Other Liabilities

CURRENT		
Unearned Income	404,823	403,151
Net GST Payable	50,196	46,039
Members Loyalty Points	20,569	19,486
	<u>475,588</u>	<u>468,676</u>

14 Reserves**Asset Revaluation Reserve**

Opening balance	2,226,489	2,226,489
Revaluation Increment on		
- Land	-	-
- Buildings	-	-
Closing Balance	<u>2,226,489</u>	<u>2,226,489</u>

The asset revaluation reserve records revaluations of non-current assets adopted by Directors.

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

Notes to the Financial Statements

For the Year Ended 30 June 2014

2014	2013
\$	\$

15 Contractual Commitments

As at 30 June 2014 Murwillumbah Golf Club Ltd had entered into contractual commitments for:

(a) Finance leases

Minimum lease payments under non-cancellable finance leases:

Payable:

- not later than 12 months

42,714	-
--------	---

- later than 5 years

26,295	-
--------	---

Minimum lease payments

69,009	-
--------	---

Less future finance charges

(5,673)	-
---------	---

Present value of Minimum lease payments

63,336	-
--------	---

Finance leases are in place for Poker Machines which are leased under terms of between 2 and 3 years. The leases offer a purchase option at the end of the lease. Lease liabilities are secured by the underlying leased assets. The net carrying amount of Poker Machines under finance lease at the end of the reporting period was \$74,979.

(b) Operating leases

Minimum lease payments under non-cancellable operating leases:

- not later than one year

27,319	-
--------	---

- between one year and five years

19,580	-
--------	---

46,899	-
--------	---

Operating leases have been taken out for Golf Course equipment over a 2 year term.

(c) Other commitments (Including GST)

Furniture and Fittings, Plant & Equipment

- not later than one year

-	102,000
---	---------

16 Fair Value Measurement

The Company does not measure any assets or liabilities at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition.

17 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 1 each towards meeting any outstandings and obligations of the Company. At 30 June 2014 the number of members was 2,032 (2013: 2,105).

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

Notes to the Financial Statements For the Year Ended 30 June 2014

18 Related Parties

- (a) The directors named in the attached Director's Report each held office as a director of the Company during the year ended 30 June 2014.
- (b) Transactions with Director Related Entities

The following transactions were conducted during the year:

	2014	2013
	\$	\$
Director W.Ratray:		
- Protective Clothing	-	301

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

- (c) Key Management Personnel Compensation

Total Compensation	<u>285,050</u>	<u>246,416</u>
--------------------	----------------	----------------

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of that entity is considered key management personnel.

19 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, short-term investments, receivables, payables and bank finance.

The total 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:

	2014	2013
	\$	\$
<i>Financial Assets</i>		
Cash and Cash Equivalents	238,447	472,421
Trade and Other Receivables	12,925	14,179
	<u>251,372</u>	<u>486,600</u>
<i>Financial Liabilities</i>		
Financial Liabilities at Amortised Cost		
- Trade and Other Payables	131,712	117,179
- Borrowings	693,336	890,000
	<u>825,048</u>	<u>1,007,179</u>

MURWILLUMBAH GOLF CLUB LIMITED

ABN 80 001 034 813

Notes to the Financial Statements

For the Year Ended 30 June 2014

20 Events Occurring After the Reporting Date

The financial report was authorised for issue on 5 September 2014 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

21 Company Details

The registered office and principal place of business is:

233 Byangum Road

MURWILLUMBAH NSW 2484

MURWILLUMBAH GOLF CLUB LIMITED

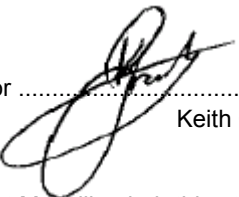
ABN 80 001 034 813

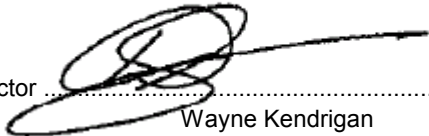
Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 27, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, 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 Board of Directors.

Director

Keith O'Grady

Director

Wayne Kendrigan

Dated at Murwillumbah this 5th day of September 2014



MURWILLUMBAH GOLF CLUB LIMITED
ABN 80 001 034 813
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2014

To the members of Murwillumbah Golf Club Limited

We have audited the accompanying financial report of Murwillumbah Golf Club Limited, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other 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 directors' declaration for Murwillumbah Golf Club Limited.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives 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 report that 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 Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

31 Keen Street (PO Box 106) | Email: enquiries@tnr.com.au | Website: www.tnr.com.au
Lismore NSW 2480 | Phone: Business Services +61 (0)2 6621 8544 | Facsimile: +61 (0)2 6621 9035
Audit & Assurance +61 (0)2 6626 3000

Liability limited by a scheme approved under the Professional Standards Legislation.

Thomas Noble & Russell is a member of International. A world-wide organization of accounting firms and business advisers.



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporation Act 2001*.

The attached Auditor's Independence Declaration has been provided to the directors as required by the *Corporations Act 2001* as the date providing this audit opinion.

Audit Opinion

In our opinion the financial report of Murwillumbah Golf Club Limited is 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 2014 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*.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of the Company for the financial year ended 30 June 2014 included on the Company's website. The Company's directors are responsible for the integrity of the Company's website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, there are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Dated at Lismore this 5th day of September 2014

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**

A handwritten signature in blue ink, appearing to read 'G W Dwyer', is written over a horizontal dotted line.

G W DWYER (Partner)
Registered Company Auditor