

Murwillumbah Golf Club Limited

ABN 80 001 034 813

Financial Report

For the Year Ended 30 June 2018

Murwillumbah Golf Club Limited

ABN 80 001 034 813

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For the Year Ended 30 June 2018

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Murwillumbah Golf Club Limited

ABN 80 001 034 813

Directors' Report For the Year Ended 30 June 2018

The directors present their report together with the financial statements of Murwillumbah Golf Club Limited ("the Company") for the financial year ended 30 June 2018.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Keith F O'Grady

Experience General Manager Williams Group Australia Pty Ltd, Director 22 years
Special responsibilities Chairman & Ex. Official member of all Committees

Marilyn Parkes

Experience Director 8 years, Retired
Special responsibilities Member of Finance Committee

Graham Nelson

Experience Director 6 years, Retired
Special responsibilities Chairman House Committee

Neil Fogo

Experience Director 7 years
Special responsibilities Captain, Chairman Match Committee

Wayne Kendrigan

Experience Accountant, Director 7 years
Special responsibilities Chairman of Finance Committee

Warren D Colefax

Experience Director 13 years
Special responsibilities Chairman Greens Committee

Graham Rosenbaum

Experience Director 5 years, Retired School Teacher
Special responsibilities Member House Committee

Ian Campbell

Experience Director 3 years, Retired Police Officer, Farmer
Special responsibilities Member Greens Committee

Andrew Moore

Qualifications Director 2 years
Special responsibilities Member Match Committee

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Murwillumbah Golf Club Limited

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Directors' Report For the Year Ended 30 June 2018

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 \$187,323 (2017: profit of \$78,332). This was made up of the following:

| | 2018 | 2017 |
|---|----------------|---------------|
| | \$ | \$ |
| Parent Club Operating Profit / (Loss) | 182,127 | 88,783 |
| Murwillumbah Veterans Net Profit / (Loss) | (6,456) | (1,554) |
| Women's Golf Net Profit / (Loss) | 11,652 | (8,897) |
| Net Profit for Current Year | 187,323 | 78,332 |

No income tax is payable thereon.

Murwillumbah Golf Club Limited

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Directors' Report For the Year Ended 30 June 2018

Review of Operations

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

| | 2018 | 2017 |
|---|----------------|---------------|
| | \$ | \$ |
| Bar Trading: | | |
| Sales | 911,233 | 853,392 |
| Gross profit | 565,008 | 522,962 |
| Gross profit percentage | 62.00 % | 61.28 % |
| Net profit | 269,518 | 238,939 |
| Net profit percentage | 29.58 % | 28.00 % |
| Poker Machines: | | |
| Revenue | 732,964 | 621,895 |
| Less: Expenses | (159,984) | (165,329) |
| | 572,980 | 456,566 |
| Other revenue and income | 1,651,029 | 1,604,825 |
| Total revenue and other income | 3,295,226 | 3,080,112 |
| Less: Total expenses | (3,107,903) | (3,001,780) |
| Profit/(loss) from continuing operations | 187,323 | 78,332 |

Members guarantee

Murwillumbah Golf Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member is limited to \$1, subject to the provisions of the Company's constitution.

The number of members as at 30 June 2018 is 2,044 (2017: 2,229). At 30 June 2018 the collective liability of members was \$2,044 (2017: \$2,229).

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. The property at 231 Byangum Road, Murwillumbah is declared non-core property.

Murwillumbah Golf Club Limited

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Directors' Report For the Year Ended 30 June 2018

Meetings of directors

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

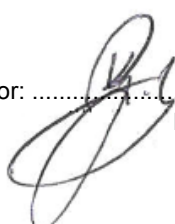
| | Directors' Meetings | |
|------------------|---------------------------|-----------------|
| | Number eligible to attend | Number attended |
| Keith F O'Grady | 12 | 11 |
| Marilyn Parkes | 12 | 10 |
| Graham Nelson | 12 | 12 |
| Neil Fogo | 12 | 12 |
| Wayne Kendrigan | 12 | 12 |
| Warren D Colefax | 12 | 8 |
| Graham Rosenbaum | 12 | 10 |
| Ian Campbell | 12 | 10 |
| Andrew Moore | 12 | 10 |

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2018 has been received and can be found on page 5 of the financial report.

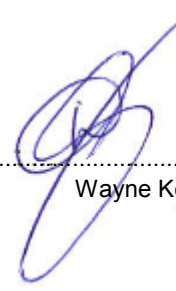
Signed in accordance with a resolution of the Board of Directors:

Director:



Keith O'Grady

Director:



Wayne Kendrigan

Dated at Murwillumbah this 22nd day of September 2018



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Murwillumbah Golf Club Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Dated at Lismore this 22nd day of September 2018.

THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS

.....
G W DWYER (Partner)
Registered Company Auditor

Murwillumbah Golf Club Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

| | | 2018 | 2017 |
|--|------|----------------|---------------|
| | Note | \$ | \$ |
| Revenue | 4 | 3,295,226 | 3,079,462 |
| Other income | 4 | - | 650 |
| Expenses | 5 | (3,078,868) | (2,974,215) |
| Finance costs | | (29,035) | (27,565) |
| Profit before income tax | | 187,323 | 78,332 |
| Income tax expense | 2(c) | - | - |
| Profit for the year | | 187,323 | 78,332 |
| Other comprehensive income | | | |
| Items that will not be reclassified subsequently to profit or loss | | - | - |
| Items that will be reclassified to profit or loss when specific conditions are met | | - | - |
| Total comprehensive income for the year | | 187,323 | 78,332 |

The accompanying notes form part of these financial statements.

Murwillumbah Golf Club Limited

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Statement of Financial Position

As At 30 June 2018

| | Note | 2018 \$ | 2017 \$ |
|--------------------------------------|------|------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 6 | 260,224 | 255,314 |
| Trade and other receivables | 7 | 12,283 | 7,452 |
| Inventories | 8 | 100,416 | 111,084 |
| Other assets | 9 | 11,161 | 9,860 |
| TOTAL CURRENT ASSETS | | 384,084 | 383,710 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 10 | 5,298,260 | 4,978,480 |
| Intangible assets | 11 | 220,000 | 220,000 |
| TOTAL NON-CURRENT ASSETS | | 5,518,260 | 5,198,480 |
| TOTAL ASSETS | | 5,902,344 | 5,582,190 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 12 | 126,972 | 174,757 |
| Borrowings | 13 | 508,134 | 43,299 |
| Employee benefits | 14 | 171,735 | 178,543 |
| Other liabilities | 15 | 528,075 | 489,977 |
| TOTAL CURRENT LIABILITIES | | 1,334,916 | 886,576 |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 13 | 37,885 | 345,211 |
| Employee benefits | 14 | 24,735 | 32,918 |
| TOTAL NON-CURRENT LIABILITIES | | 62,620 | 378,129 |
| TOTAL LIABILITIES | | 1,397,536 | 1,264,705 |
| NET ASSETS | | 4,504,808 | 4,317,485 |
| EQUITY | | | |
| Reserves | 16 | 2,226,489 | 2,226,489 |
| Retained earnings | | 2,278,319 | 2,090,996 |
| TOTAL EQUITY | | 4,504,808 | 4,317,485 |

The accompanying notes form part of these financial statements.

Murwillumbah Golf Club Limited

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Statement of Changes in Equity For the Year Ended 30 June 2018

2018

| | Retained Earnings | Asset Revaluation Surplus | Total |
|--------------------------------|-------------------|---------------------------|-----------|
| | \$ | \$ | \$ |
| Balance at 1 July 2017 | 2,090,996 | 2,226,489 | 4,317,485 |
| Net profit/(loss) for the year | 187,323 | - | 187,323 |
| Balance at 30 June 2018 | 2,278,319 | 2,226,489 | 4,504,808 |

2017

| | Retained Earnings | Asset Revaluation Surplus | Total |
|--------------------------------|-------------------|---------------------------|-----------|
| | \$ | \$ | \$ |
| Balance at 1 July 2016 | 2,012,664 | 2,226,489 | 4,239,153 |
| Net profit/(loss) for the year | 78,332 | - | 78,332 |
| Balance at 30 June 2017 | 2,090,996 | 2,226,489 | 4,317,485 |

The accompanying notes form part of these financial statements.

Murwillumbah Golf Club Limited

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Statement of Cash Flows For the Year Ended 30 June 2018

| | 2018 | 2017 |
|--|------------------|------------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from customers | 3,314,781 | 3,068,777 |
| Payments to suppliers and employees | (2,660,742) | (2,552,952) |
| Interest paid | (29,035) | (27,565) |
| Net cash provided by operating activities | 625,004 | 488,260 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sale of property, plant and equipment | 2,729 | 8,227 |
| Purchase of property, plant and equipment | (780,332) | (595,637) |
| Net cash used in investing activities | (777,603) | (587,410) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from borrowings | 200,000 | 170,000 |
| Repayment of finance lease liabilities | (42,491) | (38,121) |
| Net cash provided by/(used in) financing activities | 157,509 | 131,879 |
| Net increase/(decrease) in cash and cash equivalents held | 4,910 | 32,729 |
| Cash and cash equivalents at beginning of year | 255,314 | 222,585 |
| Cash and cash equivalents at end of financial year | 260,224 | 255,314 |
| 6(a) | | |

The accompanying notes form part of these financial statements.

Murwillumbah Golf Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2018

The financial report covers Murwillumbah Golf Club Limited as an individual entity. Murwillumbah Golf Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Murwillumbah Golf Club Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial statements, except for the cash flow information, 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

Going Concern

Whilst current liabilities exceed current assets by \$950,832 as at 30 June 2018, the financial statements have been prepared on a going concern basis.

The Directors consider the going concern basis appropriate due to the following:

- strong operating profits and cash flows have been achieved in recent years and are predicted to continue into the future;
- current long service leave entitlements are not expected to be settled in 2018/19; and
- current borrowing facilities of \$850,000 (\$400,000 undrawn at 30 June 2018) are expected to be renewed by the Commonwealth Bank of Australia when they mature in March 2019.

2 Summary of Significant Accounting Policies

(a) 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 Company 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.

All revenue is stated net of the amount of goods and services tax (GST).

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.

Murwillumbah Golf Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(a) Revenue

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 service

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably 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 estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

(b) 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 the period.

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.

(c) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(d) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(e) Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(e) Financial Instruments

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

The Company's financial assets are divided into the following categories which are described in detail below:

- loans and receivables.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

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.

Murwillumbah Golf Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(e) Financial Instruments

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.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(f) Inventories

Inventories consists of beer, spirits, wines, other sundry bar stock and golf shop stock. Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

(g) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line or diminishing value basis over the assets useful life to the Company, commencing when the asset is ready for use. Recent acquisitions are being depreciated by the straight-line basis and all assets will be converted to this method as they are replaced.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

| Fixed asset class | Depreciation rate | |
|----------------------------|-------------------|-------------------|
| | Straight-Line | Diminishing Value |
| Buildings and Improvements | 2.5% - 10% | - |
| Course Infrastructure | 2% - 20% | - |
| Plant and Equipment | 5% - 22.5% | 7.5% - 37.5% |
| Furniture and Fittings | 20% - 25% | 37.5% |
| Poker Machines | 20% - 25% | 37.5% |

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.

Murwillumbah Golf Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(g) Property, Plant and Equipment

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

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.

(h) 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.

(i) Impairment

At the end of each reporting period the Company determines whether there is any evidence of impairment for its non-financial assets.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Company, if deprived of the asset, would replace its remaining future economic benefits, value in use shall be determined at the depreciated replacement cost of the asset.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(j) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(k) 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 wholly 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 one year 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 high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, 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.

(l) 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.

(m) Goods and Services Tax (GST)

Revenue, expenses and assets 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 payables 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.

(n) Adoption of New and Revised Accounting Standards

The Company has adopted all standards which became effective for the first time at 30 June 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

Murwillumbah Golf Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2018

3 Critical Accounting Estimates and Judgments

The directors have not made any significant accounting estimates or judgements which are likely to affect the future results of the Company.

4 Revenue and Other Income

| | 2018 | 2017 |
|--|------------------|------------------|
| | \$ | \$ |
| Operating Revenue | | |
| Sales of goods | | |
| - Bar sales | 911,233 | 853,392 |
| - Golf shop sales | 312,775 | 309,437 |
| Total sales of goods | <u>1,224,008</u> | <u>1,162,829</u> |
| Services rendered: | | |
| - Poker machine & Keno revenue | 741,811 | 628,643 |
| - TAB commission | 7,798 | 4,899 |
| - Subscriptions | 186,122 | 207,381 |
| - Affiliation fee | 22,680 | 22,916 |
| - Competition, green fees, cart hire & golfing | 813,231 | 749,961 |
| Total services rendered | <u>1,771,642</u> | <u>1,613,800</u> |
| Revenue from sub-clubs: | | |
| - Murwillumbah Veterans | 70,807 | 71,259 |
| - Women's Golf Murwillumbah | 52,433 | 47,454 |
| Total revenue from sub-clubs | <u>123,240</u> | <u>118,713</u> |
| Total operating revenue | <u>3,118,890</u> | <u>2,895,342</u> |
| | | |
| Non-Operating Revenue | | |
| - Poker machine GST subsidy | 17,180 | 17,180 |
| - Rents received | 82,743 | 84,254 |
| - Donations & sponsorship | 30,084 | 27,397 |
| - Other revenue | 46,329 | 55,289 |
| Total non-operating revenue | <u>176,336</u> | <u>184,120</u> |
| Total revenue | <u>3,295,226</u> | <u>3,079,462</u> |
| | | |
| Other Income | | |
| Profit on disposal of non-current assets | - | 650 |
| Total other income | <u>-</u> | <u>650</u> |

Murwillumbah Golf Club Limited

ABN 80 001 034 813

Notes to the Financial Statements For the Year Ended 30 June 2018

5 Expenses

| | 2018 | 2017 |
|--|------------------|------------------|
| | \$ | \$ |
| Depreciation and Amortisation: | | |
| Building and improvements | 131,784 | 126,058 |
| Furniture & fittings, plant & equipment | 160,065 | 153,119 |
| Poker machines | 84,548 | 87,740 |
| Course infrastructure | 54,389 | 50,522 |
| Motor vehicles | 18,469 | 11,126 |
| Total depreciation and amortisation | 449,255 | 428,565 |
| Sub-Club Expenses: | | |
| Murwillumbah Veterans | 77,263 | 72,813 |
| Women's Golf Murwillumbah | 40,781 | 56,351 |
| Total sub-club expenses | 118,044 | 129,164 |
| Employee costs | 1,040,586 | 1,026,541 |
| Cost of goods sold | 565,293 | 553,028 |
| Administration | 133,073 | 121,488 |
| Repairs & maintenance | 205,847 | 202,279 |
| Golf related expenses | 185,488 | 157,692 |
| Electricity & fuel | 101,209 | 94,029 |
| Members entertainment | 54,738 | 51,275 |
| Insurance | 34,989 | 28,342 |
| Operating lease rentals | 37,419 | 37,208 |
| TAB expenses | 17,484 | 19,221 |
| Other expenses | 126,875 | 125,383 |
| Loss on disposal of non-current assets | 8,568 | - |
| Total expenses | 3,078,868 | 2,974,215 |

Murwillumbah Golf Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2018

6 Cash and Cash Equivalents

| | 2018 | 2017 |
|--|----------------|----------------|
| Note | \$ | \$ |
| Cash on hand | 54,000 | 54,000 |
| Cash at bank: | | |
| Trading account | 115,792 | 121,239 |
| Keno account | 1,889 | 1,699 |
| TAB account | 2,120 | 1,661 |
| Total cash at bank | 173,801 | 178,599 |
| Sub-clubs: | | |
| Womens Golf | 40,447 | 28,770 |
| Veterans Golf | 45,976 | 47,945 |
| Total sub-clubs | 86,423 | 76,715 |
| Total cash and cash equivalents | 260,224 | 255,314 |

(a) Reconciliation of cash

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

| | | | |
|---|---|----------------|----------------|
| Cash and cash equivalents | 6 | 260,224 | 255,314 |
| Balance as per statement of cash flows | | 260,224 | 255,314 |

7 Trade and Other Receivables

| | | |
|--|---------------|--------------|
| CURRENT | | |
| Debtors | 7,283 | 2,452 |
| TAB security deposit | 5,000 | 5,000 |
| Total current trade and other receivables | 12,283 | 7,452 |

8 Inventories

| | | |
|----------------------------------|----------------|----------------|
| CURRENT | | |
| At cost: | | |
| Bar and golf shop stock | 100,416 | 111,084 |
| Total current inventories | 100,416 | 111,084 |

Murwillumbah Golf Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2018

9 Other Assets

| | 2018 | 2017 |
|-----------------------------------|---------------|--------------|
| | \$ | \$ |
| CURRENT | | |
| Prepayments | 11,161 | 9,860 |
| Total current other assets | 11,161 | 9,860 |

10 Property, Plant and Equipment

| | | |
|--|------------------|------------------|
| Freehold land | | |
| At cost | 477,000 | 477,000 |
| Total freehold land | 477,000 | 477,000 |
| Buildings and improvements | | |
| At cost | 4,327,002 | 3,932,047 |
| Accumulated depreciation | (1,272,986) | (1,141,202) |
| Total buildings and improvements | 3,054,016 | 2,790,845 |
| Capital works in progress | | |
| At cost | - | 9,503 |
| Total capital works in progress | - | 9,503 |
| Furniture & fittings, plant & equipment | | |
| At cost | 2,187,365 | 2,006,120 |
| Accumulated depreciation | (1,379,488) | (1,232,336) |
| Total furniture & fittings, plant & equipment | 807,877 | 773,784 |
| Motor vehicles | | |
| At cost | 92,347 | 92,347 |
| Accumulated depreciation | (29,596) | (11,126) |
| Total motor vehicles | 62,751 | 81,221 |
| Poker machines | | |
| At cost | 562,902 | 531,042 |
| Accumulated depreciation | (359,242) | (310,257) |
| Total poker machines | 203,660 | 220,785 |
| Course infrastructure | | |
| At cost | 2,457,153 | 2,335,150 |
| Accumulated depreciation | (1,764,197) | (1,709,808) |
| Total course infrastructure | 692,956 | 625,342 |
| Total property, plant and equipment | 5,298,260 | 4,978,480 |

Murwillumbah Golf Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2018

10 Property, Plant and Equipment

(a) Movements in Carrying Amounts

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

| | Capital Works in Progress | Land | Building and Improvements | Furniture & Fittings, Plant & Equipment | Motor Vehicles | Poker Machines | Course Infrastructure | Total |
|---------------------------------------|---------------------------------|----------------|------------------------------|---|-------------------|-------------------|--------------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Year ended 30 June 2018 | | | | | | | | |
| Balance at the beginning of year | 9,503 | 477,000 | 2,790,845 | 773,784 | 81,221 | 220,785 | 625,342 | 4,978,480 |
| Additions | - | - | 385,452 | 201,018 | (1) | 71,860 | 122,003 | 780,332 |
| Disposals - written down value | - | - | - | (6,860) | - | (4,437) | - | (11,297) |
| Transfers | (9,503) | - | 9,503 | - | - | - | - | - |
| Depreciation expense | - | - | (131,784) | (160,065) | (18,469) | (84,548) | (54,389) | (449,255) |
| Balance at the end of the year | - | 477,000 | 3,054,016 | 807,877 | 62,751 | 203,660 | 692,956 | 5,298,260 |

Leased assets are pledged as security for finance leases (refer Note 17).

Murwillumbah Golf Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2018

11 Intangible Assets

| Note | 2018 \$ | 2017 \$ |
|-----------------------------------|-----------------------|----------------|
| Poker machine entitlements | | |
| Cost | <u>220,000</u> | 220,000 |
| Total Intangibles | <u><u>220,000</u></u> | <u>220,000</u> |

12 Trade and Other Payables

CURRENT

Accounts payable and accrued expenses

126,972 174,757

Total current trade and other payables

126,972 174,757

13 Borrowings

CURRENT

Secured liabilities:

Bank loans

450,000 -

Finance lease liabilities

17(a) 58,134 43,299

Total current borrowings

508,134 43,299

NON-CURRENT

Secured liabilities:

Bank loans

- 250,000

Finance lease liabilities

17(a) 37,885 95,211

Total non-current borrowings

37,885 345,211

(a) Bank loan facilities

Loan facilities in place with the Commonwealth Bank of Australia are for a period of 3 years maturing in March 2019. These facilities include interest only payments with a variable interest rate of 5.49% per annum and total \$850,000. A \$20,000 corporate card facility is also in place.

Murwillumbah Golf Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2018

13 Borrowings

(b) Securities pledged

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

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

| | 2018 | 2017 |
|--|------------------|------------------|
| | \$ | \$ |
| First Mortgage | | |
| Freehold land | 330,000 | 330,000 |
| Buildings and improvements | 2,871,976 | 2,608,394 |
| Total assets pledged as security for borrowings | <u>3,201,976</u> | <u>2,938,394</u> |

(c) Leased liabilities

Leased liabilities are secured by the underlying leased assets.

(d) Fair value

The fair value of borrowings equals their carrying amount.

14 Employee Benefits

CURRENT

| | | |
|--|----------------|----------------|
| Long service leave | 75,258 | 66,116 |
| Annual leave | 96,477 | 112,427 |
| Total current employee benefits | <u>171,735</u> | <u>178,543</u> |

NON-CURRENT

| | | |
|--|---------------|---------------|
| Long service leave | 24,735 | 32,918 |
| Total non-current employee benefits | <u>24,735</u> | <u>32,918</u> |

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 (2017: \$NIL).

15 Other Liabilities

CURRENT

| | | |
|--|----------------|----------------|
| Unearned income | 419,329 | 400,645 |
| Net GST payable | 61,105 | 47,648 |
| Prize liability | 47,641 | 41,684 |
| Total current other liabilities | <u>528,075</u> | <u>489,977</u> |

Murwillumbah Golf Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2018

16 Reserves

| | 2018 | 2017 |
|----------------------------------|------------------|------------------|
| | \$ | \$ |
| Asset revaluation reserve | | |
| Opening balance | 2,226,489 | 2,226,489 |
| Total reserves | <u>2,226,489</u> | <u>2,226,489</u> |

(a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment.

17 Capital and Leasing Commitments

(a) Finance Leases

Minimum lease payments:

| | | |
|--|----------------|----------------|
| - not later than one year | 62,364 | 50,499 |
| - between one year and five years | 40,201 | 101,539 |
| Minimum lease payments | <u>102,565</u> | 152,038 |
| Less: finance changes | (6,547) | (13,528) |
| Present value of minimum lease payments | <u>96,018</u> | <u>138,510</u> |

Finance leases are in place for motor vehicles, golf buggies and other course equipment which are leased under terms of between 3 and 5 years. Lease liabilities are secured by the underlying leased assets. The net carrying amount of assets under finance lease at the end of the reporting period was \$114,917 (2017: \$160,704).

(b) Operating Leases

Minimum lease payments under non-cancellable operating leases:

| | | |
|-------------------------------------|----------------|----------------|
| - not later than one year | 53,430 | 53,188 |
| - between one year and five years | 65,398 | 60,882 |
| Total minimum lease payments | <u>118,828</u> | <u>114,070</u> |

Operating leases have been taken out for Golf Course Equipment for terms of between 3 and 5 years.

Murwillumbah Golf Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2018

18 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank loans and finance leases.

The totals 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:

| | Note | 2018 \$ | 2017 \$ |
|--|------|----------------|----------------|
| Financial Assets | | | |
| Cash and cash equivalents | 6 | 260,224 | 255,314 |
| Loans and receivables | 7 | 12,283 | 7,452 |
| Total financial assets | | 272,507 | 262,766 |
| Financial Liabilities | | | |
| Financial liabilities at amortised cost: | | | |
| - Trade and other payables | 12 | 126,972 | 174,757 |
| - Borrowings | 13 | 546,019 | 388,510 |
| Total financial liabilities | | 672,991 | 563,267 |

19 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.

20 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 2018 the number of members was 2,044 (2017: 2,229).

21 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is \$327,553 (2017: \$329,589).

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 22: Related Parties.

Murwillumbah Golf Club Limited

ABN 80 001 034 813

Notes to the Financial Statements

For the Year Ended 30 June 2018

22 Related Parties

(a) The Company's main related parties are as follows:

(i) Key management personnel:

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

For details of remuneration disclosures relating to key management personnel, refer to Note 21: Key Management Personnel (KMP) Disclosures.

Other transactions with KMP and their related entities are shown below.

(ii) Other related parties include close family members of key management personnel and entities that are controlled.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

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

The Company made purchases from the Williams Group Australia to the sum of \$166,311 during the year (2017: \$14,181). This is a related entity to director, Keith O'Grady, who is the General Manager of Williams Group Australia Pty Ltd.

23 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2018 (30 June 2017: None).

24 Events Occurring After the Reporting Date

The financial report was authorised for issue on 22 September 2018 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.

25 Company Details

The registered office of the Company is:
Murwillumbah Golf Club Limited
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 25, 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 2018 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 22nd day of September 2018

Independent Auditor's Report
To the Members of Murwillumbah Golf Club Limited

Opinion

We have audited the financial report of Murwillumbah Golf Club Limited ("the Company") which comprises the statement of financial position as at 30 June 2018, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company 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 2018 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the directors' report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the Directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

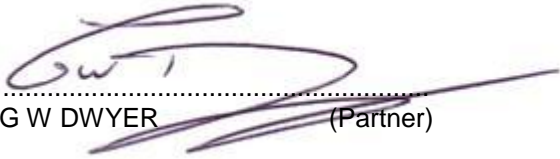
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**

A handwritten signature in dark ink, appearing to read 'G W Dwyer', is written over a horizontal dotted line. The signature is stylized and extends to the right of the line.

G W DWYER (Partner)

Dated at Lismore this 22nd day of September 2018