

# **Murwillumbah Golf Club Limited**

ABN 80 001 034 813

## **Financial Report**

**For the Year Ended 30 June 2020**

# Murwillumbah Golf Club Limited

ABN 80 001 034 813

## Contents

For the Year Ended 30 June 2020

	Page
<b>Financial Statements</b>	
Directors' Report	1
Auditor's Independence Declaration	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	34
Independent Audit Report	35

# Murwillumbah Golf Club Limited

ABN 80 001 034 813

## Directors' Report For the Year Ended 30 June 2020

The directors present their report together with the financial statements of Murwillumbah Golf Club Limited ("the Company") for the financial year ended 30 June 2020.

### Information on directors

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

Marilyn Parkes

Experience Director 10 years, Retired  
Special responsibilities Member Finance Committee

Graham Nelson

Experience Director 8 years, Retired  
Special responsibilities Captain, Chairman Match Committee

Neil Fogo

Experience Director 9 years, Retired  
Special responsibilities Member Finance Committee, Greens Committee and Match Committee

Wayne Kendrigan

Experience Accountant, Director 9 years  
Special responsibilities Chairman Finance Committee

Warren D Colefax

Experience Director 15 years, Retired  
Special responsibilities Chairman Greens Committee

Graham Rosenbaum

Experience Director 7 years, Retired School Teacher  
Special responsibilities Chairman & Ex. Officio member of all Committees

Ian Campbell

Experience Director 5 years, Retired Police Officer, Farmer  
Special responsibilities Chairman House Committee

Andrew Moore

Experience Director 4 years, Business Owner  
Special responsibilities Member Greens Committee and House Committee

Shannon Murnane

Experience Director 1 year, Structural Drafter  
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

ABN 80 001 034 813

## Directors' Report For the Year Ended 30 June 2020

### Objectives and Strategies

#### Short term and long term 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 for achieving the objectives:

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; and
- 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.

#### How principal activities assisted in achieving the objectives:

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.

### Operating Results

The operating profit made by the Company during the financial year was \$166,896 (2019: profit of \$248,710). This was made up of the following:

	2020	2019
	\$	\$
Parent Club Operating Profit / (Loss)	166,459	242,616
Murwillumbah Veterans Net Profit / (Loss)	(3,430)	2,939
Women's Golf Net Profit / (Loss)	3,867	3,155
<b>Net Profit for Current Year</b>	<b>166,896</b>	<b>248,710</b>

During the financial year, the COVID-19 pandemic forced the shutdown of the Clubhouse from 26 March 2020 until 1 June 2020. At the onset of the pandemic, the Company anticipated a projected loss for the year. However, this was absorbed by Government grants in the form of JobKeeper and Cash Flow Boost stimulus.

Current operations are subject to a number of restrictions imposed by the NSW State Government in the form of social distancing requirements and a limit on the number of patrons allowed in the Clubhouse. The Company continues to adhere to these requirements and will continue to closely monitor results to manage the expected economic impacts on patronage.

Refer to Note 28 for further detail on the impact of the COVID-19 pandemic.

# Murwillumbah Golf Club Limited

ABN 80 001 034 813

## Directors' Report For the Year Ended 30 June 2020

### Review of Operations

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

	2020	2019
	\$	\$
<b>Bar Trading:</b>		
Sales	<u>764,675</u>	986,055
Gross profit	476,028	628,478
Gross profit percentage	62.25 %	63.74 %
Net profit	143,350	305,892
Net profit percentage	18.75 %	31.02 %
<b>Poker Machines:</b>		
Revenue	624,615	722,011
Less: Expenses	<u>(156,283)</u>	<u>(168,245)</u>
	<u>468,332</u>	553,766
Other revenue and income	<u>2,070,478</u>	1,922,301
Total revenue and other income	3,459,768	3,630,367
Less: Total expenses	<u>(3,292,872)</u>	<u>(3,381,657)</u>
<b>Profit/(loss) from continuing operations</b>	<u><u>166,896</u></u>	<u>248,710</u>

### 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 2020 is 2,164 (2019: 2,500). At 30 June 2020 the collective liability of members was \$2,164 (2019: \$2,500).

### 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

ABN 80 001 034 813

## Directors' Report For the Year Ended 30 June 2020

### Meetings of directors

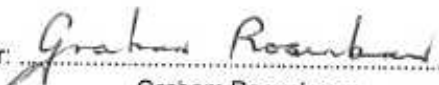
During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:


	Directors' Meetings	
	Number eligible to attend	Number attended
Marilyn Parkes	12	9
Graham Nelson	12	12
Neil Fogo	12	12
Wayne Kendrigan	12	12
Warren D Colefax	12	10
Graham Rosenbaum	12	11
Ian Campbell	12	9
Andrew Moore	12	12
Shannon Murnane	12	12

### 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 2020 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:   
Graham Rosenbaum

Director:   
Wayne Kendrigan

Dated at Murwillumbah this 19th day of September 2020



**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 2020, 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 19<sup>th</sup> day of September 2020.

**THOMAS NOBLE & RUSSELL**  
**CHARTERED ACCOUNTANTS**

Per:

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

## Murwillumbah Golf Club Limited

ABN 80 001 034 813

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
Revenue	5	3,196,424	3,562,939
Other income	5	263,344	67,428
Expenses	6	(3,271,447)	(3,352,832)
Finance costs		(21,425)	(28,825)
<b>Profit before income tax</b>		<b>166,896</b>	<b>248,710</b>
Income tax expense	3(c)	-	-
<b>Profit for the year</b>		<b>166,896</b>	<b>248,710</b>
<b>Other comprehensive income</b>			
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		-	-
<b>Total comprehensive income for the year</b>		<b>166,896</b>	<b>248,710</b>

The accompanying notes form part of these financial statements.



# Murwillumbah Golf Club Limited

ABN 80 001 034 813

## Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	456,504	289,979
Trade and other receivables	8	90,218	10,908
Inventories	9	99,127	104,122
Other assets	10	13,011	13,780
<b>TOTAL CURRENT ASSETS</b>		<b>658,860</b>	<b>418,789</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	4,990,477	5,478,565
Intangible assets	12	220,000	220,000
Right-of-use assets	13	415,625	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,626,102</b>	<b>5,698,565</b>
<b>TOTAL ASSETS</b>		<b>6,284,962</b>	<b>6,117,354</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	131,718	216,237
Borrowings	15	-	55,393
Employee benefits	16	222,888	195,867
Contract liabilities	17	426,978	-
Other liabilities	18	87,538	502,486
Lease liabilities		115,648	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>984,770</b>	<b>969,983</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	15	30,000	350,550
Employee benefits	16	53,246	43,303
Lease liabilities		296,532	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>379,778</b>	<b>393,853</b>
<b>TOTAL LIABILITIES</b>		<b>1,364,548</b>	<b>1,363,836</b>
<b>NET ASSETS</b>		<b>4,920,414</b>	<b>4,753,518</b>
<b>EQUITY</b>			
Reserves	19	2,226,489	2,226,489
Retained earnings		2,693,925	2,527,029
<b>TOTAL EQUITY</b>		<b>4,920,414</b>	<b>4,753,518</b>

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 2020

2020

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2019	2,527,029	2,226,489	4,753,518
Net profit/(loss) for the year	166,896	-	166,896
Balance at 30 June 2020	2,693,925	2,226,489	4,920,414

2019

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2018	2,278,319	2,226,489	4,504,808
Net profit/(loss) for the year	248,710	-	248,710
Balance at 30 June 2019	2,527,029	2,226,489	4,753,518

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 2020

	2020	2019
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	3,206,520	3,554,056
Receipts from Government grants	170,500	-
Payments to suppliers and employees	(2,785,279)	(2,758,047)
Interest paid	(21,425)	(28,825)
<b>Net cash provided by operating activities</b>	<b>570,316</b>	<b>767,184</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	-	6,364
Purchase of property, plant and equipment	(262,736)	(324,673)
<b>Net cash used in investing activities</b>	<b>(262,736)</b>	<b>(318,309)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of lease liabilities	(71,055)	(69,120)
Repayment of borrowings	(70,000)	(350,000)
<b>Net cash used in financing activities</b>	<b>(141,055)</b>	<b>(419,120)</b>
Net increase/(decrease) in cash and cash equivalents held	166,525	29,755
Cash and cash equivalents at beginning of year	289,979	260,224
<b>Cash and cash equivalents at end of financial year</b>	<b>456,504</b>	<b>289,979</b>

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 2020

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 \$325,910 as at 30 June 2020, 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 2020/2021; and
- current borrowing facilities of \$800,000 (\$770,000 undrawn at 30 June 2020) not due to expire until March 2022.

### 2 Change in Accounting Policy

The Company has adopted all standards which became effective for the first time at 1 July 2019.

#### Revenue from Contracts with Customers - Adoption of AASB 15

The Company has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The Company performed an impact assessment regarding the application of AASB 15 and AASB 1058. The assessment identified that the application of this standard had no impact on the Company.

The key changes to the Company's accounting policies and the impact on these financial statements from applying AASB 15 and AASB 1058 are described below.

AASB 15 and AASB 1058 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions* and related interpretations and applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **2 Change in Accounting Policy (continued)**

##### **Revenue from Contracts with Customers - Adoption of AASB 15 (continued)**

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

##### **Leases - Adoption of AASB 16**

The Company has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

##### **Impact of adoption of AASB 16**

The impact of adopting AASB 16 is described below:

##### **Company as a lessee**

Under AASB 117, the Company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Company has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss and comprehensive income on a straight line basis.

##### *Practical expedients used on transition*

AASB 16 includes a number of practical expedients which can be used on transition, the Company has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Company's incremental borrowing rate at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- excluded leases with an expiry date prior to 30 June 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;

# Murwillumbah Golf Club Limited

ABN 80 001 034 813

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 2 Change in Accounting Policy (continued)

#### Leases - Adoption of AASB 16 (continued)

#### Impact of adoption of AASB 16 (continued)

- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 30 June 2019.

#### Financial statement impact of adoption of AASB 16

The Company has recognised right-of-use assets of \$72,779 and lease liabilities of \$72,779 at 1 July 2019, for leases previously classified as operating leases.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 5.36%.

	\$
Operating lease commitments at 30 June 2019 financial statements	109,322
Discounted using the incremental borrowing rate at 1 July 2019	(14,297)
Add:	
Finance lease liabilities	305,944
Less:	
Short-term leases included in commitments note	22,246
<b>Lease liabilities recognised at 1 July 2019</b>	<b>378,723</b>

### 3 Summary of Significant Accounting Policies

#### (a) Revenue

##### For the comparative year

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).

##### 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.

##### 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.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **3 Summary of Significant Accounting Policies (continued)**

##### **(a) Revenue (continued)**

###### **Rendering of service (continued)**

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

###### **For the current year**

###### **Revenue from contracts with customers**

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

###### **Specific revenue streams**

The revenue recognition policies for the principal revenue streams of the Company are:

###### **Sale of goods**

Revenue from the sale of goods is recognised at the point of delivery to the customer as this is deemed to be the point in time when the performance obligation is satisfied.

###### **Rendering of service**

Revenue from rendering of services is recognised in the accounting period in which the services are rendered. For fixed price contracts, revenue is recognised based on the actual services provided to the end of the reporting period as a proportion of the total services to be provided as the customer receives and uses the benefit simultaneously.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **3 Summary of Significant Accounting Policies (continued)**

##### **(a) Revenue (continued)**

###### **Specific revenue streams (continued)**

###### **Government grants**

Amounts arising from grants in the scope of AASB 1058 are recognised at the asset's fair value when the asset is received. The Company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time the asset is received.

###### **Statement of financial position balances relating to revenue recognition**

###### **Contract assets and liabilities**

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

###### **Interest revenue**

Interest is recognised using the effective interest method.

##### **(b) Leases**

###### **For the comparative year**

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.



## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **3 Summary of Significant Accounting Policies (continued)**

##### **(b) Leases (continued)**

###### **For the current year**

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

###### **Lessee accounting**

###### **(i) Right-of-use asset**

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

###### **(ii) Lease liability**

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **3 Summary of Significant Accounting Policies (continued)**

##### **(b) Leases (continued)**

###### *Exceptions to lease accounting*

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over 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**

###### **Initial recognition and measurement**

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

###### **Classification and subsequent measurement**

###### *Financial liabilities*

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense to profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability cannot be reclassified.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **3 Summary of Significant Accounting Policies (continued)**

##### **(e) Financial Instruments (continued)**

###### **Classification and subsequent measurement (continued)**

###### *Financial assets*

Financial assets are subsequently measured at amortised cost.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

###### **Derecognition**

###### *Derecognition of financial liabilities*

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

###### *Derecognition of financial assets*

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **3 Summary of Significant Accounting Policies (continued)**

##### **(e) Financial Instruments (continued)**

###### **Impairment**

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the simplified approach to impairment, as applicable under AASB 9 *Financial Instruments*.

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to trade receivables which do not contain a significant financing component.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc.).

##### **(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.

# Murwillumbah Golf Club Limited

ABN 80 001 034 813

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 3 Summary of Significant Accounting Policies (continued)

#### (g) Property, Plant and Equipment (continued)

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

Fixed asset class	Depreciation rates	
	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.

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.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **3 Summary of Significant Accounting Policies (continued)**

##### **(i) Impairment (continued)**

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.

##### **(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.

## Murwillumbah Golf Club Limited

ABN 80 001 034 813

# Notes to the Financial Statements

## For the Year Ended 30 June 2020

### 3 Summary of Significant Accounting Policies (continued)

#### (m) Goods and Services Tax (GST) (continued)

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.

### 4 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.

The significant estimates and judgements made have been described below.

#### (a) Useful lives of Property, Plant and Equipment

The Company determines the estimated useful lives and related depreciation for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. Depreciation will increase where the useful lives are less than previously estimated. Technically obsolete or non-strategic assets that have been abandoned or sold will be written-off or written-down.

#### (b) Poker Machine Entitlements

The Company tests annually, or more frequently if events of changes in circumstances indicate impairment, whether poker machine entitlements have suffered any impairment, in accordance with the accounting policy stated in Note 3(h). The recoverable amounts of poker machine entitlements have been determined based on their fair value less costs of disposal.

#### (c) Impairment of Non-Financial Assets

The Company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

#### (d) Employee Benefits Provision

As discussed at Note 3(k), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

## Murwillumbah Golf Club Limited

ABN 80 001 034 813

### Notes to the Financial Statements For the Year Ended 30 June 2020

#### 4 Critical Accounting Estimates and Judgments (continued)

##### (e) Incremental Borrowing Rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

#### 5 Revenue and Other Income

	2020	2019
	\$	\$
<b>Revenue from contracts with customers</b>		
<b>Sales of goods</b>		
- Bar sales	764,675	986,055
- Golf shop sales	330,044	352,603
<b>Total sales of goods</b>	<u>1,094,719</u>	<u>1,338,658</u>
<b>Services rendered:</b>		
- Gaming machine income	607,435	704,831
- Keno commissions	24,001	30,791
- TAB commissions	5,963	8,212
- Membership subscriptions	209,341	198,333
- Affiliation fees	25,700	24,422
- Competition, green fees, cart hire & golfing	896,542	886,945
<b>Total services rendered</b>	<u>1,768,982</u>	<u>1,853,534</u>
<b>Revenue from sub-clubs:</b>		
- Murwillumbah Veterans	92,140	79,669
- Women's Golf Murwillumbah	49,196	51,681
<b>Total revenue from sub-clubs</b>	<u>141,336</u>	<u>131,350</u>
<b>Total operating revenue</b>	<u>3,005,037</u>	<u>3,323,542</u>
<b>Non-Operating Revenue</b>		
- Poker machine GST subsidy	17,180	17,180
- Rents received	106,357	109,760
- Donations & sponsorship	24,256	34,450
- Other revenue	43,594	78,007
<b>Total non-operating revenue</b>	<u>191,387</u>	<u>239,397</u>
<b>Total revenue</b>	<u>3,196,424</u>	<u>3,562,939</u>
<b>Other Income</b>		
Government grants (COVID-19 related)	242,000	-
Profit on disposal of non-current assets	21,344	67,428
<b>Total other income</b>	<u>263,344</u>	<u>67,428</u>



# Murwillumbah Golf Club Limited

ABN 80 001 034 813

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 5 Revenue and Other Income (continued)

#### Disaggregation of revenue

Revenue has been disaggregated into major product / service line and revenue recognition timing, and the following table shows this breakdown:

	<b>AASB 15</b>	<b>AASB 1058</b>
<b>Major product / service line</b>		
- Bar sales	764,675	-
- Golf shop sales	330,044	-
- Gaming machine income	607,435	-
- Membership subscriptions	209,341	-
- Competition, green fees, cart hire & golfing	896,542	-
- Sub-clubs	141,336	-
- Rents received	106,357	-
- Government grants (COVID-19 related)	-	242,000
- Other revenue	140,694	-
<b>Total revenue</b>	<b>3,196,424</b>	<b>242,000</b>
<b>Timing of revenue recognition</b>		
- Goods transferred at a point in time	1,094,719	-
- Services transferred at a point in time	1,760,307	-
- Services transferred over time	341,398	-
- Grants recognised at a point in time	-	242,000
<b>Total revenue</b>	<b>3,196,424</b>	<b>242,000</b>

# Murwillumbah Golf Club Limited

ABN 80 001 034 813

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 6 Expenses

	2020	2019
	\$	\$
<b>Depreciation and Amortisation:</b>		
Building and improvements	138,723	139,588
Furniture & fittings, plant & equipment	111,046	174,860
Poker machines	93,592	86,946
Course infrastructure	74,126	64,614
Motor vehicles	8,979	18,469
Right-of-use assets	107,369	-
<b>Total depreciation and amortisation</b>	<b>533,835</b>	<b>484,477</b>
<b>Sub-Club Expenses:</b>		
Murwillumbah Veterans	95,570	76,730
Women's Golf Murwillumbah	45,329	48,526
<b>Total sub-club expenses</b>	<b>140,899</b>	<b>125,256</b>
Employee costs	1,206,909	1,243,584
Cost of goods sold	509,931	589,581
Administration	131,242	111,715
Repairs & maintenance	211,568	200,836
Golf related expenses	195,437	208,509
Electricity & fuel	97,630	109,577
Members entertainment	47,735	52,106
Insurance	39,933	37,466
Operating lease rentals	15,919	39,888
TAB expenses	12,874	18,204
Other expenses	127,535	131,633
<b>Total expenses</b>	<b>3,271,447</b>	<b>3,352,832</b>
<b>7 Cash and Cash Equivalents</b>		
Cash on hand	61,800	59,000
Cash at bank:		
Trading account	324,640	142,017
Keno account	3,397	422
TAB account	1,471	1,532
Womens subclub	47,469	43,602
Veterans subclub	17,727	43,406
<b>Total cash and cash equivalents / balance as per statement of cash flows</b>	<b>456,504</b>	<b>289,979</b>

# Murwillumbah Golf Club Limited

ABN 80 001 034 813

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 8 Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
Debtors	85,218	5,908
TAB security deposit	5,000	5,000
<b>Total current trade and other receivables</b>	<b>90,218</b>	<b>10,908</b>

### 9 Inventories

CURRENT		
At cost:		
Bar and golf shop stock	99,127	104,122
<b>Total current inventories</b>	<b>99,127</b>	<b>104,122</b>

### 10 Other Assets

CURRENT		
Prepayments	13,011	13,780
<b>Total current other assets</b>	<b>13,011</b>	<b>13,780</b>

# Murwillumbah Golf Club Limited

ABN 80 001 034 813

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 11 Property, Plant and Equipment

	2020	2019
	\$	\$
<b>Freehold land</b>		
At cost	477,000	477,000
<b>Total freehold land</b>	<u>477,000</u>	<u>477,000</u>
<b>Buildings and improvements</b>		
At cost	4,339,676	4,327,002
Accumulated depreciation	(1,551,297)	(1,412,574)
<b>Total buildings and improvements</b>	<u>2,788,379</u>	<u>2,914,428</u>
<b>Capital works in progress</b>		
At cost	73,087	25,958
<b>Total capital works in progress</b>	<u>73,087</u>	<u>25,958</u>
<b>Furniture &amp; fittings, plant &amp; equipment</b>		
At cost	2,046,588	2,330,542
Accumulated depreciation	(1,408,994)	(1,320,757)
<b>Total furniture &amp; fittings, plant &amp; equipment</b>	<u>637,594</u>	<u>1,009,785</u>
<b>Motor vehicles</b>		
At cost	49,289	92,347
Accumulated depreciation	(5,323)	(48,065)
<b>Total motor vehicles</b>	<u>43,966</u>	<u>44,282</u>
<b>Poker machines</b>		
At cost	614,342	612,622
Accumulated depreciation	(365,989)	(333,487)
<b>Total poker machines</b>	<u>248,353</u>	<u>279,135</u>
<b>Course infrastructure</b>		
At cost	2,625,035	2,556,789
Accumulated depreciation	(1,902,937)	(1,828,812)
<b>Total course infrastructure</b>	<u>722,098</u>	<u>727,977</u>
<b>Total property, plant and equipment</b>	<u><u>4,990,477</u></u>	<u><u>5,478,565</u></u>

# Murwillumbah Golf Club Limited

ABN 80 001 034 813

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 11 Property, Plant and Equipment (continued)

#### (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
	\$	\$	\$	\$
<b>Year ended 30 June 2020</b>				
Balance at the beginning of year	25,958	477,000	2,914,428	1,009,785
Additions	60,994	-	12,674	57,227
Disposals - written down value	-	-	-	-
Reclassification to Right-of-use assets	-	-	-	(318,372)
Transfers	(13,865)	-	-	-
Depreciation expense	-	-	(138,723)	(111,046)
<b>Balance at the end of the year</b>	<b>73,087</b>	<b>477,000</b>	<b>2,788,379</b>	<b>637,594</b>

	Motor Vehicles	Poker Machines	Course Infrastructure	Total
	\$	\$	\$	\$
<b>Year ended 30 June 2020</b>				
Balance at the beginning of year	44,282	279,135	727,977	5,478,565
Additions	49,289	62,810	54,382	297,376
Disposals - written down value	(13,294)	-	-	(13,294)
Reclassification to Right-of-use assets	(27,332)	-	-	(345,704)
Transfers	-	-	13,865	-
Depreciation expense	(8,979)	(93,592)	(74,126)	(426,466)
<b>Balance at the end of the year</b>	<b>43,966</b>	<b>248,353</b>	<b>722,098</b>	<b>4,990,477</b>

## Murwillumbah Golf Club Limited

ABN 80 001 034 813

### Notes to the Financial Statements For the Year Ended 30 June 2020

#### 12 Intangible Assets

	2020	2019
	\$	\$
<b>Poker machine entitlements</b>		
Cost	220,000	220,000
<b>Total Intangibles</b>	<b>220,000</b>	<b>220,000</b>

#### 13 Leases

The Company has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

##### Company as a lessee

Information relating to the leases in place and associated balances and transactions are provided below.

##### *Terms and conditions of leases*

Plant & Equipment:

The Company leases golf buggies and other course plant & equipment under terms of between three (3) and five (5) years. These lease liabilities are secured by the underlying leased assets.

##### Right-of-use assets

	Plant and Equipment	Total
	\$	\$
<b>Year ended 30 June 2020</b>		
Plant & equipment - right-of-use	522,994	522,994
Less: Accumulated depreciation	(107,369)	(107,369)
<b>Balance at end of year</b>	<b>415,625</b>	<b>415,625</b>

Additions to the right-of-use assets during the year were \$104,512.

#### 14 Trade and Other Payables

	2020	2019
	\$	\$
CURRENT		
Accounts payable and accrued expenses	131,718	216,237
<b>Total current trade and other payables</b>	<b>131,718</b>	<b>216,237</b>

# Murwillumbah Golf Club Limited

ABN 80 001 034 813

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 15 Borrowings

	Note	2020 \$	2019 \$
<b>CURRENT</b>			
Secured liabilities:			
Finance lease liabilities	20(a)	-	55,393
<b>Total current borrowings</b>		<u>-</u>	<u>55,393</u>
<b>NON-CURRENT</b>			
Secured liabilities:			
Bank loans		30,000	100,000
Finance lease liabilities	20(a)	-	250,550
<b>Total non-current borrowings</b>		<u>30,000</u>	<u>350,550</u>

#### (a) Bank loan facilities

The Club currently has an \$800,000 ((2019: \$800,000) loan facility with the Commonwealth Bank of Australia that matures in March 2022. The facility is an interest only loan with a current variable interest rate of 3.42% (2019: 5.05%) per annum.

The Club also has a \$20,000 corporate card facility with the Commonwealth Bank of Australia.

#### (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 bank loan.

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

##### First Mortgage

Freehold land	330,000	330,000
Buildings and improvements	2,618,773	2,739,898
<b>Total assets pledged as security for borrowings</b>	<u>2,948,773</u>	<u>3,069,898</u>

#### (c) Leased liabilities

Finance lease liabilities are now presented as part of the lease liabilities. Refer to Note 13 for information on leases.

The 2019 finance lease liabilities were secured by the underlying leased assets.

#### (d) Fair value

The fair value of borrowings equals their carrying amount.

## Murwillumbah Golf Club Limited

ABN 80 001 034 813

### Notes to the Financial Statements For the Year Ended 30 June 2020

#### 16 Employee Benefits

	2020	2019
	\$	\$
CURRENT		
Long service leave	81,433	83,272
Annual leave	141,455	112,595
<b>Total current employee benefits</b>	<b>222,888</b>	<b>195,867</b>
NON-CURRENT		
Long service leave	53,246	43,303
<b>Total non-current employee benefits</b>	<b>53,246</b>	<b>43,303</b>

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 forthcoming financial year is \$NIL (2019: \$NIL).

#### 17 Contract Liabilities

CURRENT		
Unearned income	426,978	-
<b>Total current contract liabilities</b>	<b>426,978</b>	<b>-</b>

#### 18 Other Liabilities

CURRENT		
Unearned income	-	409,071
Net GST payable	27,883	47,772
Prize liability	59,655	45,643
<b>Total current other liabilities</b>	<b>87,538</b>	<b>502,486</b>

#### 19 Reserves

<b>Asset revaluation surplus</b>		
Opening balance	2,226,489	2,226,489
<b>Total asset revaluation surplus</b>	<b>2,226,489</b>	<b>2,226,489</b>

##### (a) Asset revaluation surplus

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



## Murwillumbah Golf Club Limited

ABN 80 001 034 813

### Notes to the Financial Statements For the Year Ended 30 June 2020

#### 20 Commitments

##### (a) Finance Leases

	2020	2019
	\$	\$
<b>Minimum lease payments:</b>		
- not later than one year	-	69,570
- between one year and five years	-	278,917
<b>Minimum lease payments</b>	-	348,487
Less: finance changes	-	(42,543)
<b>Present value of minimum lease payments</b>	-	305,944

##### (b) Operating Leases

Minimum lease payments under non-cancellable operating leases:

- not later than one year	-	46,150
- between one year and five years	-	63,172
<b>Total minimum lease payments</b>	-	109,322

#### 21 Financial Risk Management

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

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note		
<b>Financial Assets</b>			
<i>Financial assets at amortised cost:</i>			
Cash and cash equivalents	7	456,504	289,979
Trade and other receivables	8	90,218	10,908
<b>Total financial assets</b>		<b>546,722</b>	300,887
<b>Financial Liabilities</b>			
<i>Financial liabilities at amortised cost:</i>			
Trade and other payables	14	131,718	216,237
Borrowings	15	30,000	405,943
Lease liabilities		412,180	-
<b>Total financial liabilities</b>		<b>573,898</b>	622,180

#### 22 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.

## Murwillumbah Golf Club Limited

ABN 80 001 034 813

# Notes to the Financial Statements

## For the Year Ended 30 June 2020

### 23 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 2020 the number of members was 2,164 (2019: 2,500).

### 24 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is \$377,572 (2019: \$346,373).

#### Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 25: Related Parties.

### 25 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 24: 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.

There were no related party transactions during the year (2019: Nil), except for the amounts disclosed in Note 24.

### 26 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019: None).

### 27 Events Occurring After the Reporting Date

The financial report was authorised for issue on 19 September 2020 by the Board of Directors.

## Murwillumbah Golf Club Limited

ABN 80 001 034 813

# Notes to the Financial Statements

## For the Year Ended 30 June 2020

### 27 Events Occurring After the Reporting Date (continued)

Attention is drawn to Note 28 'COVID-19 Pandemic' which describes the impact of the pandemic on the Company and the uncertainty as to the future trading restrictions.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

### 28 COVID-19 Pandemic

During the week beginning 16 March 2020, the Australian Government together with the State and Territory Premiers announced a series of measures aimed at preventing the spread of COVID-19 which had the subsequent effect of impacting the Company's operations.

In addressing and implementing the necessary changes to ensure the Company complied with the measures, the Directors implemented, amongst others, the following:

- Closure of the Clubhouse for the period from 26 March 2020 until 1 June 2020. Golfing activities continued during the Clubhouse closure period, adhering to restrictions imposed by the NSW State Government over this period including a limit on the number of golfers allowed on the course and adherence to social distancing requirements;
- Review and revision of all variable costs during the period of closure;
- Actively pursued opportunities to receive the various government stimulus funding available, including the Australian Government's JobKeeper wage subsidy and Cash Flow Boost. The Company is eligible for further JobKeeper entitlements

The Clubhouse re-opened on 1 June 2020, with its operation subject to a number of restrictions imposed by the NSW State Government, including a limit on the number of patrons allowed in the venue and adherence to social distancing requirements. Golfing activities continue to adhere to any restrictions imposed by the NSW State Government as noted above.

Given the situation is ongoing and is continuing to develop, there is uncertainty as to the extent and timing of restrictions that will be imposed into the future and how that may impact the operations of the Company.

Despite the uncertainty around the future trading conditions, the Directors' believe there are no indicators of material uncertainty as to the ability of the Company to continue to operate on a going concern basis.

### 29 Company Details

The registered office of the Company is:

Murwillumbah Golf Club Limited  
233 Byangum Road  
Murwillumbah NSW 2484

## Murwillumbah Golf Club Limited

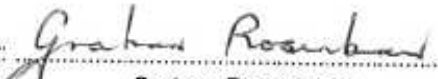
ABN 80 001 034 813

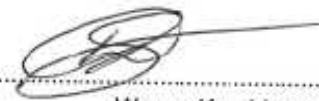
### Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 33, 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 2020 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:   
Graham Rosenbaum

Director:   
Wayne Kendrigan

Dated at Murwillumbah this 19th day of September 2020

**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 2020, 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 2020 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 (including Independence Standards)* ("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 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 Company's directors' report for the year ended 30 June 2020, 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**

Per:

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

Dated at Lismore this 19<sup>th</sup> day of September 2020