

Wyong Golf Club Limited

ABN 29 000 979 180

Annual Report - 30 September 2018

Wyong Golf Club Limited
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30 September 2018

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Wyang Golf Club Limited
Directors' report
30 September 2018

The directors present their report, together with the financial statements, on the company for the year ended 30 September 2018.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr. Ian Spielvogel
Mr. John Witten
Mr. Murray Shaw
Mr. Keith Pitty
Mr. Stuart McLellan
Mr. Geoff Perkins
Mr. Tony Newcombe
Ms. Judith Wicks (appointed 12/2/2018)
Mr. Kenneth Vaughan (appointed 12/2/2018)
Mr. Craig Wickham (resigned 12/2/2018)
Mr. Leon Du Chateau (resigned 12/2/2018)

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

Company secretary

The company secretary for the financial year is David Lulham. David was appointed in September 2016.

Principal activities

During the financial year the principal continuing activities of the company consisted of:

- providing a golf course for member and social play; and
- providing bar, gaming and dining facilities in the clubhouse.

Review of operations

The surplus for the company for the financial year providing for income tax amounted to \$63,896 (2017: deficit \$342,600). The activities generated \$4,720,207 (2017: \$4,216,746) in revenue for the financial year. This income allowed the club to present the course and clubhouse in excellent condition throughout the year.

Significant changes in the year

No significant changes in the company's state of affairs occurred during the financial year.

Objectives

The short term goals of Wyong Golf Club are to:

- Promote the game of golf;
- Present the course and clubhouse in the best possible condition on a daily basis;
- Trade profitably;
- Be good community citizens;
- Provide a safe and friendly environment; and
- Comply with all legislative requirements applicable to running a Registered Club.

The long term goals of Wyong Golf Club are to:

- Trade profitably;
- Continue to improve the facilities in the clubhouse for members and guests;
- Increase our involvement in community groups and charities; and
- Comply with all legislative requirements applicable to running a Registered Club.

Strategy for achieving the objectives

The Club's strategy for achieving these objectives has been:

- Provide industry best standard clubhouse facilities;
- Provide safe and friendly environment;
- Provide function rooms for weddings, parties, presentations etc. for members and their guests; and
- Submit all financial, legislative returns to various bodies as and when required.

Wyong Golf Club Limited
Directors' report
30 September 2018

Key performance indicators

- Annual budgets are prepared and compared results on a monthly basis;
- Monthly board meetings held to discuss all goals and strategies;
- Strategic planning meetings held annually;
- Performance appraisals on key management personnel done at least annually; and
- Benchmarking against other similar clubs.

After balance date events

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

Environmental issues

The Directors believe the company has complied with all significant environmental regulations under a law of the Commonwealth or of a state territory.

Dividends

The corporations law prohibits a Company Limited by Guarantee from paying dividends.

Shares in companies

The company does not hold shares in any related company or corporation.

Contributions on winding up

The company has the following membership:

	2018	2017
Full Playing	279	282
6 Day	84	88
Weekday	168	153
Intermediate	92	81
Junior	14	16
Cadet	6	6
Life and Special	20	21
Staff	3	3
Non-competition	78	81
Corporate	1	-
Daylight Savings	3	-
Non-Playing	54	34
Social	1,279	1,319
Social 3 Years	1,752	916
	<u>3,833</u>	<u>3,000</u>

If the Club is to be wound up, each member from all classes of membership will be required to contribute up to \$2. As at the 30th of September 2018, there were 3,833 financial members (2017: 3,000).

The total amount that members of the club are liable to contribute if the club is wound up is \$7,666 (2017: \$6,000).

Information on directors

Name: Mr. Ian Spielvogel
Title: President
Experience and expertise: Retired

Name: Mr. John Witten
Title: Director
Experience and expertise: Fitter / Supervisor

**Wyong Golf Club Limited
Directors' report
30 September 2018**

Name: Mr. Craig Wickham (resigned 12/2/2018)
 Title: Captain
 Experience and expertise: Branch Manager

Name: Mr. Leon Du Chateau (resigned 12/2/2018)
 Title: Director
 Experience and expertise: Retired

Name: Mr. Murray Shaw
 Title: Director
 Experience and expertise: Business Owner

Name: Mr. Keith Pitty
 Title: Captain (effective 12/2/2018)
 Experience and expertise: Software developer

Name: Mr. Stuart McLellan
 Title: Director
 Experience and expertise: Technical Support Officer (IT)

Name: Mr. Geoff Perkins
 Title: Finance Director
 Experience and expertise: Retired

Name: Mr. Tony Newcombe
 Title: Director
 Experience and expertise: Mortgage Broker

Name: Ms. Judith Wicks (appointed 12/2/2018)
 Title: Director
 Experience and expertise: Teacher

Name: Mr. Kenneth Vaughan (appointed 12/2/2018)
 Title: Director
 Experience and expertise: Printer/Business Owner

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 September 2018, and the number of meetings attended by each director were:

	Full Board Attended	Held
Mr. Ian Spielvogel	13	14
Mr. John Witten	13	14
Mr. Craig Wickham (resigned 12/2/2018)	5	6
Mr. Leon Du Chateau (resigned 12/2/2018)	2	6
Mr. Murray Shaw	13	14
Mr. Keith Pitty	13	14
Mr. Stuart McLellan	14	14
Mr. Geoff Perkins	12	14
Mr. Tony Newcombe	13	14
Ms. Judith Wicks (appointed 12/2/2018)	8	10
Mr. Kenneth Vaughan (appointed 12/2/2018)	7	10

Held: represents the number of meetings held during the time the director held office.

Wyong Golf Club Limited
Directors' report
30 September 2018

Indemnifying officer or auditor

During the year, the company affected a directors and officer's liability policy. The insurance policy provides cover for the directors named in this report, the company secretary, officers and former directors and officers of the company.

This policy prohibits the disclosure of the nature of the indemnification and the insurance cover, and the amount of the premium.

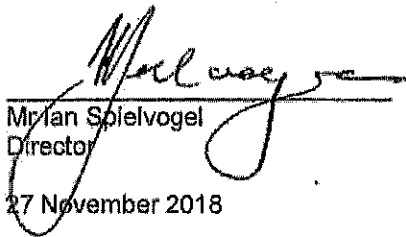
No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the company.

Auditor's independence declaration

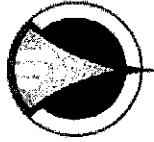
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Ian Spielvogel
Director
27 November 2018



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INDEPENDENT AUDITOR'S DECLARATION TO THE MEMBERS OF WYONG GOLF CLUB LIMITED

We hereby declare that to the best of our knowledge and belief during the year ended 30 September 2018, there have been:

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

Name of Firm

Bishop Collins Audit Pty Ltd
Chartered Accountants

Name of Registered Company Auditor


Martin Le Marchant

Auditor's Registration No.

431227

Address

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated

27 November 2018



CHARTERED ACCOUNTANTS
THE INSTITUTE OF CHARTERED ACCOUNTANTS

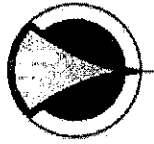
LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION



Registered Company Auditors:

Glenn A Harris CA

Martin Le Marchant CA



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BISHOP COLLINS AUDIT PTY LTD

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WYONG GOLF CLUB LIMITED

Opinion

We have audited the accompanying financial report of Wyong Golf Club Limited ('the Company') which comprises the statement of financial position as at 30 September 2018, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the company.

In our opinion, the financial report of Wyong Golf Club Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 September 2018 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Emphasis of Matter

We draw attention to Note 2 to the financial report which describes the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 *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; and we have 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 of our opinion.



CHARTERED ACCOUNTANTS
AUSTRALIA - NEW ZEALAND

LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION



Registered Company Auditors:

Glenn A Harris CA

Martin Le Marchant CA



Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements to the extent described in Note 2 to the financial report, 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 Company's ability 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 the 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 in the preparation of the financial report. We also conclude, 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 disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. 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.

Name of Firm

Bishop Collins Audit Pty Ltd
Chartered Accountants

Name of Registered Company Auditor

Martin Le Marchant

Auditor's Registration No.

431227

Address

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated

27 November 2018

Wyong Golf Club Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 September 2018

	Note	2018 \$	2017 \$
Revenue	5	4,687,295	4,204,093
Other income	6	32,912	12,653
Total revenue		<u>4,720,207</u>	<u>4,216,746</u>
Expenses			
Cost of sales		(574,880)	(536,044)
Consultancy and legal expenses		(32,464)	(8,275)
Accounting and audit expenses		(45,517)	(31,832)
Employee benefits expenses		(1,597,323)	(1,571,844)
Computer and software expenses		(34,039)	(40,051)
Depreciation and amortisation expenses		(432,422)	(681,783)
Cleaning expenses		(25,485)	(24,079)
Entertainment and promotion expenses		(488,747)	(419,996)
Insurance expenses		(115,376)	(97,305)
Motor vehicle expenses		(35,996)	(28,775)
Poker machine duty expenses		(238,246)	(207,355)
Professional retainer expenses		(25,300)	(26,000)
Repairs and maintenance expenses		(255,210)	(252,509)
Functions expenses		(136,137)	-
Trophies, pennants and competition expenses		(69,795)	(86,725)
Utilities expenses		(150,550)	(144,540)
Subscriptions and licences expenses		(47,532)	(71,036)
Finance costs		(81,308)	(62,046)
Equipment rental expenses		(58,951)	(47,965)
Security expenses		(29,501)	(27,966)
Rent, rates and taxes expenses		(39,011)	(37,141)
Other expenses		<u>(142,521)</u>	<u>(156,079)</u>
Surplus/(deficit) before income tax expense		63,896	(342,600)
Income tax expense		-	-
Surplus/(deficit) after income tax expense for the year	20	63,896	(342,600)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land		-	150,000
Other comprehensive income for the year, net of tax		-	150,000
Total comprehensive income for the year		<u>63,896</u>	<u>(192,600)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Wyong Golf Club Limited
Statement of financial position
As at 30 September 2018

	Note	2018 \$	2017 \$
Assets			
Current assets			
Cash and cash equivalents	7	145,389	224,659
Trade and other receivables	8	84,228	77,637
Inventories	9	45,334	45,473
Other current assets	10	71,157	18,563
Total current assets		<u>346,108</u>	<u>366,332</u>
Non-current assets			
Property, plant and equipment	11	6,223,187	5,808,456
Intangibles	12	131,028	114,411
Total non-current assets		<u>6,354,215</u>	<u>5,922,867</u>
Total assets		<u>6,700,323</u>	<u>6,289,199</u>
Liabilities			
Current liabilities			
Trade and other payables	13	443,543	406,125
Borrowings	14	1,028,049	741,228
Employee benefits	15	152,538	193,461
Other	16	9,000	9,000
Total current liabilities		<u>1,633,130</u>	<u>1,349,814</u>
Non-current liabilities			
Borrowings	17	237,376	169,589
Employee benefits	18	6,211	10,086
Total non-current liabilities		<u>243,587</u>	<u>179,675</u>
Total liabilities		<u>1,876,717</u>	<u>1,529,489</u>
Net assets		<u>4,823,606</u>	<u>4,759,710</u>
Equity			
Reserves	19	1,720,000	1,720,000
Retained surpluses	20	3,103,606	3,039,710
Total equity		<u>4,823,606</u>	<u>4,759,710</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Wyong Golf Club Limited
Statement of changes in equity
For the year ended 30 September 2018

	Asset revaluation reserve \$	Retained surpluses \$	Total equity \$
Balance at 1 October 2016	1,570,000	3,382,310	4,952,310
Deficit after income tax expense for the year	-	(342,600)	(342,600)
Other comprehensive income for the year, net of tax	150,000	-	150,000
	<u>150,000</u>	<u>(342,600)</u>	<u>(192,600)</u>
Total comprehensive income for the year			
	<u>150,000</u>	<u>(342,600)</u>	<u>(192,600)</u>
Balance at 30 September 2017	<u>1,720,000</u>	<u>3,039,710</u>	<u>4,759,710</u>

	Asset revaluation reserve \$	Retained surpluses \$	Total equity \$
Balance at 1 October 2017	1,720,000	3,039,710	4,759,710
Surplus after income tax expense for the year	-	63,896	63,896
Other comprehensive income for the year, net of tax	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year			
	<u>-</u>	<u>63,896</u>	<u>63,896</u>
Balance at 30 September 2018	<u>1,720,000</u>	<u>3,103,606</u>	<u>4,823,606</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Wyong Golf Club Limited
Statement of cash flows
For the year ended 30 September 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		5,505,380	4,626,680
Payments to suppliers (inclusive of GST)		<u>(5,027,092)</u>	<u>(4,110,509)</u>
		478,288	516,171
Interest received		-	267
Interest and other finance costs paid		<u>(81,308)</u>	<u>(52,110)</u>
Net cash from operating activities		<u>396,980</u>	<u>464,328</u>
Cash flows from investing activities			
Payments for property, plant and equipment	11	(842,262)	(483,649)
Payments for intangibles	12	(27,244)	-
Proceeds from disposal of property, plant and equipment		<u>38,648</u>	<u>20,460</u>
Net cash used in investing activities		<u>(830,858)</u>	<u>(463,189)</u>
Cash flows from financing activities			
Proceeds from borrowings		582,160	128,163
Repayment of borrowings		<u>(227,552)</u>	<u>(176,373)</u>
Net cash from/(used in) financing activities		<u>354,608</u>	<u>(48,210)</u>
Net decrease in cash and cash equivalents		(79,270)	(47,071)
Cash and cash equivalents at the beginning of the financial year		<u>224,659</u>	<u>271,730</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>145,389</u></u>	<u><u>224,659</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Wyong Golf Club Limited
Notes to the financial statements
30 September 2018

Note 1. General Information

The financial statements cover Wyong Golf Club Limited as an individual entity. The financial statements are presented in Australian dollars, which is Wyong Golf Club Limited's functional and presentation currency.

Wyong Golf Club Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 November 2018. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Standards and Interpretations not yet adopted

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates from 1 January 2019 and will be applicable in the 2019 financial year. The Company has not opted for early adoption of these standards.

AASB 16 Leases – The revised standard removes the distinction between operating and finance leases for leases. The standard requires rights and obligations relating to most leases to be recognised on the balance sheet. The Company has not yet considered the impact of all leases and agreements currently in place.

AASB 15 Revenue from Contracts with Customers – This standard moves the revenue recognition focus from transaction level to a contractual rights and obligations basis. The Company has not yet considered the impact of this standard.

AASB 1058 Income for Not for Profits – This standard primarily applies to income not accounted for under AASB 15. This standard establishes principles applying to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives and the receipt of volunteer services. The changes in revenue recognition requirements in AASB 1058 may cause changes to the timing and amount of income recorded in the financial statements as well as additional disclosures. This includes contributions of assets at less than fair value, peppercorn leases and volunteer services.

Going concern

At 30 September 2018, the company's current liabilities (\$1,633,130) exceed its current assets (\$346,108) by \$1,287,022. Notwithstanding this deficiency, the financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the extinguishment of liabilities in the ordinary course of business.

The directors of the Club have considered the going concern assumption appropriate with consideration to the following:

- The Club continues to generate cash from operating activities.
- It is not anticipated that employee entitlements of \$152,538 will be extinguished by 30 September 2019.
- The Club has access to unused credit and standby facilities with its financier to meet short-term working capital requirements.
- At 30 September 2017, the Club breached the interest cover covenant relating to its borrowings. This breach was reported to the Club's financier. The financier confirmed in writing this breach occurred by virtue of the inclusion of depreciation expense in the calculation of this covenant and no action would be taken in respect of this breach. Notwithstanding this confirmation, the Club has classified its borrowings with the financier as current in accordance with Australian Accounting Standards as the Club did not have an unconditional right to defer settlement at balance date.
- The excess of current liabilities over current assets has been an ongoing consideration for the company. The directors have proactively worked to reduce this deficiency over the last twelve months. Initiatives include rationalising operating expenses, improving debtor management; and reviewing human resource strategies.

Note 2. Significant accounting policies (continued)

It is with full consideration of the factors noted above that the financial statements have been prepared on a going concern basis.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has conducted would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Membership fees

Membership fees are recognised as income in the period which they are collected as there is no right for refund.

Poker machine revenue

Poker machine revenue is stated net of payouts.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rent

Rent revenue is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the company is a tax exempt institution in terms of subsection 50-10 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Note 2. Significant accounting policies (continued)

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment

Land is shown at fair value, based on periodic, at least every 3 to 5 years, valuations by external independent valuers. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Increases in the carrying amounts arising on revaluation of land is credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Buildings are shown at cost.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Leasehold improvements	3-10 years
Plant and equipment	3-7 years
Plant and equipment under lease	2-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Intangible assets

Poker machine entitlements

Poker machine entitlements are recorded at cost and have been recorded as intangible assets in the balance sheet. They are considered to have an indefinite useful life as the legislation does not specify a lifespan for the entitlements, and therefore the entitlements are not amortised.

Note 2. Significant accounting policies (continued)

Wyong Golf Club Limited has assessed the poker machine entitlements for indications of impairment. The recoverable amount has been determined based on value in use. Cash flow projections are based on net poker machine clearances and a useful economic life for the physical machines attached to the licences. The 10 year bond rate has been used to discount the cash flows to present value. No impairment loss has been identified.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Note 2. Significant accounting policies (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Provision for impairment of Inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Fair value measurement hierarchy

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

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

Impairment of intangible assets

Intangibles have been considered as having an indefinite useful life and are not amortised. Wyong Golf Club has assessed the poker machine entitlements for indicators of impairment. The recoverable amount has been determined based on value in use. Cash flow projections are based on net poker machine clearances and a useful economic life for the physical machines attached to the licence. The 10 year bond rate has been used to discount the cash flows to present value.

Tax exemption

The Directors are of the opinion that the company is exempt from income tax pursuant to Section 50-45 of the Income Tax Assessment Act 1997.

Wyong Golf Club Limited
Notes to the financial statements
30 September 2018

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Employee benefits provision

As discussed in note 2, 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.

Classification of borrowings

The loan facilities are subject to annual review. The facilities have been renegotiated with NAB with expiry date of 31 May 2025.

Note 4. Restatement of comparatives

Reclassification

Certain comparative figures have been reclassified to conform to the current year's presentation.

Note 5. Revenue

	2018	2017
	\$	\$
<i>Sales revenue</i>		
Bar revenue	1,311,326	1,272,848
Gaming revenue	1,697,295	1,588,124
Keno commission	69,175	55,087
TAB commission	11,440	17,929
Functions and room hire revenue	153,739	-
Green fees and course revenue	546,265	534,347
Membership income	410,277	378,222
Raffles and promotions	147,241	108,545
	<u>4,346,758</u>	<u>3,955,102</u>
<i>Other revenue</i>		
Cart hire and golf cart fees	107,405	80,893
Interest received	-	267
Rent received	49,416	22,751
Competition fees	70,454	61,295
Other revenue	113,262	83,785
	<u>340,537</u>	<u>248,991</u>
Revenue	<u>4,687,295</u>	<u>4,204,093</u>

Note 6. Other income

	2018	2017
	\$	\$
Net gain on disposal of property, plant and equipment	<u>32,912</u>	<u>12,653</u>

Wyong Golf Club Limited
Notes to the financial statements
30 September 2018

Note 7. Current assets - cash and cash equivalents

	2018	2017
	\$	\$
Cash at bank and on hand	<u>145,389</u>	<u>224,659</u>

Note 8. Current assets - trade and other receivables

	2018	2017
	\$	\$
Sundry debtors	<u>84,228</u>	<u>77,637</u>

Note 9. Current assets - inventories

	2018	2017
	\$	\$
Bar stock	36,247	36,047
Course supplies	<u>9,087</u>	<u>9,426</u>
	<u>45,334</u>	<u>45,473</u>

Note 10. Current assets - other current assets

	2018	2017
	\$	\$
Prepayments	60,929	7,115
Deposits	2,320	2,320
Borrowing costs	<u>7,908</u>	<u>9,128</u>
	<u>71,157</u>	<u>18,563</u>

Wyong Golf Club Limited
Notes to the financial statements
30 September 2018

Note 11. Non-current assets - property, plant and equipment

	2018 \$	2017 \$
Land - at independent valuation	1,750,000	1,750,000
Clubhouse - at cost	3,938,815	3,722,606
Less: Accumulated depreciation	<u>(1,903,976)</u>	<u>(1,824,335)</u>
	2,034,839	1,898,271
Course reconstruction and improvements - at cost	1,962,330	1,952,883
Less: Accumulated depreciation	<u>(1,005,673)</u>	<u>(955,839)</u>
	956,657	997,044
Plant and equipment - at cost	4,449,258	4,103,381
Less: Accumulated depreciation	<u>(2,996,442)</u>	<u>(2,940,240)</u>
	1,452,816	1,163,141
Redevelopment WIP - at cost	28,875	-
	<u>6,223,187</u>	<u>5,808,456</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land \$	Clubhouse \$	Course reconstruction \$	Plant & equipment \$	Redevelopment WIP \$	Total \$
Balance at 1 October 2017	1,750,000	1,898,271	997,044	1,163,141	-	5,808,456
Additions	-	216,211	9,445	587,731	28,875	842,262
Disposals	-	-	-	(5,736)	-	(5,736)
Depreciation expense	-	<u>(79,643)</u>	<u>(49,832)</u>	<u>(292,320)</u>	-	<u>(421,795)</u>
Balance at 30 September 2018	<u>1,750,000</u>	<u>2,034,839</u>	<u>956,657</u>	<u>1,452,816</u>	<u>28,875</u>	<u>6,223,187</u>

Valuations of land

The basis of the valuation of land is fair value. The land was last revalued on 18 August 2017 based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land being valued. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

Note 12. Non-current assets - intangibles

	2018 \$	2017 \$
Poker machine entitlements - at cost	85,100	85,100
Software - at cost	57,519	30,275
Less: Accumulated amortisation	<u>(11,591)</u>	<u>(964)</u>
	45,928	29,311
	<u>131,028</u>	<u>114,411</u>

Wyong Golf Club Limited
Notes to the financial statements
30 September 2018

Note 12. Non-current assets - intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Poker machine entitlements \$	Software \$	Total \$
Balance at 1 October 2017	85,100	29,311	114,411
Additions	-	27,244	27,244
Amortisation expense	-	(10,627)	(10,627)
Balance at 30 September 2018	<u>85,100</u>	<u>45,928</u>	<u>131,028</u>

Note 13. Current liabilities - trade and other payables

	2018 \$	2017 \$
Trade payables	247,107	191,044
Sundry creditors and accruals	157,496	157,299
GST payable	38,940	57,782
	<u>443,543</u>	<u>406,125</u>

Note 14. Current liabilities - borrowings

	2018 \$	2017 \$
Bank loans	747,576	613,659
Hire purchase liability	289,952	134,153
Less unexpired charges	(16,215)	(12,119)
Credit cards	6,736	-
Insurance premium funding	-	5,535
	<u>1,028,049</u>	<u>741,228</u>

Note 15. Current liabilities - employee benefits

	2018 \$	2017 \$
Annual leave	77,097	93,276
Long service leave	75,441	100,185
	<u>152,538</u>	<u>193,461</u>

Wyong Golf Club Limited
Notes to the financial statements
30 September 2018

Note 16. Current liabilities - other

	2018 \$	2017 \$
Rental bond received	<u>9,000</u>	<u>9,000</u>

Note 17. Non-current liabilities - borrowings

	2018 \$	2017 \$
Hire purchase liability	255,839	178,939
Less unexpired charges	<u>(18,463)</u>	<u>(9,350)</u>
	<u>237,376</u>	<u>169,589</u>

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	2018 \$	2017 \$
Bank loans	747,576	613,659
Hire purchase liability	545,791	313,092
Less unexpired charges	<u>(34,678)</u>	<u>(21,469)</u>
	<u>1,258,689</u>	<u>905,282</u>

Assets pledged as security

The loans are secured by first mortgages over the company's land and buildings. The lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, revert to the lessor in the event of default.

Note 18. Non-current liabilities - employee benefits

	2018 \$	2017 \$
Long service leave	<u>6,211</u>	<u>10,086</u>

Note 19. Equity - reserves

	2018 \$	2017 \$
Revaluation reserve	<u>1,720,000</u>	<u>1,720,000</u>

Wyong Golf Club Limited
Notes to the financial statements
30 September 2018

Note 19. Equity - reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Asset revaluation reserve \$	Total \$
Balance at 1 October 2016	1,570,000	1,570,000
Revaluation - gross	150,000	150,000
	<u>1,720,000</u>	<u>1,720,000</u>
Balance at 30 September 2017	1,720,000	1,720,000
Balance at 30 September 2018	<u>1,720,000</u>	<u>1,720,000</u>

Note 20. Equity - retained surpluses

	2018 \$	2017 \$
Retained surpluses at the beginning of the financial year	3,039,710	3,382,310
Surplus/(deficit) after income tax expense for the year	63,896	(342,600)
	<u>3,103,606</u>	<u>3,039,710</u>

Note 21. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2018 \$	2017 \$
Aggregate compensation	<u>258,725</u>	<u>258,818</u>

Note 22. Commitments

Lease commitments - operating

Committed at the reporting date but not recognised as liabilities, payable:

	2018 \$	2017 \$
Within one year	63,994	34,308
One to five years	111,692	35,616
	<u>175,686</u>	<u>69,924</u>

Note 23. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 21.

Wyong Golf Club Limited
Notes to the financial statements
30 September 2018

Note 23. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	2018 \$	2017 \$
Other transactions: Directors' benefits received as approved at the Annual General Meeting and equally shared by all directors:		
Annual Dinner for Directors and their spouses, Sub Committees and their spouses and volunteers and their spouses	3,665	3,580
Refreshments after committee meetings	8,811	6,354
A related party of a director, Mr. S. McLellan, was an employee of Wyong Golf Club Limited during the year until 13 May 2018. The employee benefits paid for the period were:	12,987	34,974
A Director (Mr. K. Vaughan, appointed 12 February 2018), is the owner of Lakes Printers. WGC purchased supplies from Lakes Printers for:	2,936	-

Reserved car parking spaces are equally shared by Directors.

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2018 \$	2017 \$
Current receivables:		
Loan receivable from staff members	-	250
Current payables:		
Staff Christmas savings payable to staff members	-	10,970
Reverse vending machine collections for staff	1,167	-

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 24. Credit and standby arrangement with banks

	2018 \$	2017 \$
Commercial bill facility	794,416	866,681
Amount utilised	(747,576)	(613,659)
Bank overdraft	100,000	100,000
Asset finance leasing	500,000	500,000
Amount utilised	(387,840)	(270,048)
Available facility	<u>259,000</u>	<u>582,974</u>

Wyang Golf Club Limited
Notes to the financial statements
30 September 2018

Note 24. Credit and standby arrangement with banks (continued)

	2018	2017
Other credit arrangements		
TAB bank guarantee	5,000	5,000
Business credit card	10,000	10,000
	<u>15,000</u>	<u>15,000</u>

Note 25. Events after the reporting period

No matter or circumstance has arisen since 30 September 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 26. Core and non-core property

In accordance with provisions under section 41J(2) of the Registered Clubs Act, the Directors have classified the following assets as core property of the Company:

- Land at Pacific Highway, Wyong
- Clubhouse
- Car park
- Golf course and improvements

There has been no non-core property identified by the Company.

Note 27. Company details

The registered office of the company and principal place of business is:

Wyang Golf Club Limited
Pacific Highway
Wyang NSW 2259

Wyong Golf Club Limited
Directors' declaration
30 September 2018

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 September 2018 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Ian Spielvogel
Director

27 November 2018