

MOREE GOLF CLUB LIMITED
ABN 94 000 852 200

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

<u>Contents</u>	<u>PAGE</u>
Directors' Report	1
Auditors' Independence Declaration	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statement	9
Directors' Declaration	20
Independent Auditors' Report	21

Your directors present their report on the company for the financial year ended 31 July 2016.

Principal Activities

The company's principal activities is to provide sporting facilities and licensed club premises to its members and guests for the playing, encouragement and promotion of golf within the Moree and district community.

These principal activities assist in achieving the short term and long term objectives of the company by:

- providing sporting facilities for the members and the community.
- providing entertainment, dining, gaming and social facilities for members and the community.
- providing turnover, cash flow and profit to meet the financial objectives of the company.

Short and Long Term Objectives of the Company

The company has identified the following short term objectives:

- to provide services to members commensurate with industry needs and regulatory requirements.
- to repay the funds borrowed for the 2016 kitchen refurbishment within the next financial year
- to encourage more members to use club sporting facilities.
- to meet financial viability and accountability requirements.
- to provide a workplace that is compliant with industry standards and the Fair Work Act.

The company has identified the following long term objectives:

- to ensure a sustainable club.
- to continue to be financially secure.
- to grow the company operations in accordance with member interests.

Strategies

The company has adopted the following strategies in order to achieve these objectives:

- the monitoring of the ongoing business and strategic plan that identifies the future for the club and the initiatives that will need to be implemented to promote the club.
- the preparation of an annual budget for financial performance and the regular review of the company performance against the budget by management and directors.
- the review of the company compliance with work health and safety and compliance with employment law including the Fair Work Act.

The company has adopted the following strategies in order to achieve these long term objectives:

- the preparation of a business and strategic plan to identify the opportunities and strengths of the company to provide a sustainable industry
- the preparation of long term budgets that consider the member service needs, infrastructure needs, service delivery, employment costs and maintaining prudent levels of working capital and liquidity in investment of funds surplus to current needs

Performance Measurement

The company uses the following key performance indicators to measure performance:

- Deficit, after income tax expense, for the financial year was \$217,339.
- Cash flow from operating activities for the financial year was \$130,891
- Membership for the financial year was 1,705.
- The company has complied with all Work, Health and Safety, Employment and Environmental requirements.

DIRECTORS REPORT
FOR THE YEAR ENDED 31 JULY 2016

Directors Information

Directors

The names of the directors in office at any time during, or since the end of, the year and the period that each director has been in office:

Directors Name	Special Responsibilities	Period as Director
D Amos	President	Appointed 27 October 2004
D Chomley	Treasurer	Appointed 30 October 2008
L Goodman	Director	Appointed 30 November 2010
D Cox	Director	Appointed 30 October 2008 Resigned 21 August 2015
G Taunton	Director	Appointed 26 February 2010
S Brooker	Director	Appointed 30 November 2010
K Wharton	Director	Appointed 17 December 2012
D Newnham	Director	Appointed 17 March 2011
A King	Director	Appointed 30 November 2015
P Burey	Director	Appointed 24 November 2014

Company Secretary

Scot McLeod was appointed to the position of Company Secretary in May 2015. Scot has been employed within the club industry as a Club Manager since 2003.

Meetings of Directors

During the financial year, 12 meetings of directors were held and the attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
D Amos	12	11
D Chomley	12	12
L Goodman	12	10
D Cox	2	1
G Taunton	12	10
S Brooker	12	11
K Wharton	12	12
D Newnham	12	12
A King	8	6
P Burey	12	11

MOREE GOLF CLUB LIMITED
ABN 94 000 852 200

DIRECTORS REPORT
FOR THE YEAR ENDED 31 JULY 2016

Membership Details

The Moree Golf Club Limited is a public company limited by guarantee and no shares or options are issued. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the company.

Membership Class	Number of Members	Individual Members Contribution on winding up of Company	Total Members Contribution on winding up of Company
Golfing members	443	\$ 50	\$ 22,150
Female social members	632	\$ 50	\$ 31,600
Male social members	630	\$ 50	\$ 31,500
Total	1,705	\$ 50	\$ 85,250

Auditors' Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to these financial statements.

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



Director



Director

Dated: 19 December 2016

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATION ACT 2001
TO THE DIRECTORS OF
MOREE GOLF CLUB LIMITED**

ABN 94 000 852 200

I declare that, to the best of my knowledge and belief, during the financial year to 31 July 2016 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.

CROWE HORWATH CENTRAL NORTH



Kylie Ellis
Registered Company Auditor (ASIC RAN 483424)
149 Otho Street
INVERELL NSW
2360

Dated: 19 December 2016

MOREE GOLF CLUB LIMITED
ABN 94 000 852 200

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2016

	Note	2016 \$	2015 \$
Sales revenue	2	892,192	930,265
Cost of goods sold	3	<u>(416,809)</u>	<u>(437,740)</u>
Gross profit		<u>475,383</u>	<u>492,525</u>
Other revenue	2	1,340,233	1,433,517
Administration expense		(160,713)	(166,985)
Advertising and promotional expenses		(156,869)	(158,453)
Depreciation and amortisation expenses	3	(229,308)	(247,197)
Employee benefits expense		(756,556)	(707,600)
Finance costs	3	(18,332)	(31,746)
Occupancy expenses		(622,022)	(577,722)
Other expenses		<u>(89,155)</u>	<u>(112,374)</u>
Deficit before income tax expense attributable to members		(217,339)	(76,035)
Income tax expense	1(b)	<u>-</u>	<u>-</u>
Deficit after income tax expense		<u>(217,339)</u>	<u>(76,035)</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive loss for the year attributable to members		<u>(217,339)</u>	<u>(76,035)</u>

MOREE GOLF CLUB LIMITED
ABN 94 000 852 200

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	64,917	133,000
Trade and other receivables	5	12,638	15,820
Inventories	6	30,889	38,722
Other current assets	7	44,723	44,159
TOTAL CURRENT ASSETS		153,167	231,701
NON CURRENT ASSETS			
Property, plant and equipment	8	3,556,580	3,677,450
Investment property	9	164,174	166,702
Intangible assets	10	430,441	430,441
TOTAL NON CURRENT ASSETS		4,151,195	4,274,593
TOTAL ASSETS		4,304,362	4,506,294
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	240,713	126,821
Borrowings	12	187,966	220,218
Employee benefits	13	65,799	42,203
Other liabilities	14	96,782	96,727
TOTAL CURRENT LIABILITIES		591,260	485,969
NON CURRENT LIABILITIES			
Borrowings	12	76,105	142,865
Employee benefits	13	-	9,124
Other liabilities	14	84,000	98,000
TOTAL NON CURRENT LIABILITIES		160,105	249,989
TOTAL LIABILITIES		751,365	735,958
NET ASSETS		3,552,997	3,770,336
EQUITY			
Retained surpluses		3,552,997	3,770,336
TOTAL EQUITY		3,552,997	3,770,336

The accompanying notes form part of these financial statements.

MOREE GOLF CLUB LIMITED
ABN 94 000 852 200

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2016

	Retained Surpluses \$	Total \$
Balance at 1 August 2014	3,846,371	3,846,371
Deficit after income tax expense	<u>(76,035)</u>	<u>(76,035)</u>
Balance at 31 July 2015	<u>3,770,336</u>	<u>3,770,336</u>
Deficit after income tax expense	<u>(217,339)</u>	<u>(217,339)</u>
Balance at 31 July 2016	<u>3,552,997</u>	<u>3,552,997</u>

MOREE GOLF CLUB LIMITED
ABN 94 000 852 200

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit from ordinary activities after income tax expense		(217,339)	(76,035)
Adjustments for:			
Non cash flows in profit from ordinary activities:			
Depreciation and amortisation		229,308	247,197
Profit on sale of fixed assets		(5,948)	-
Changes in Assets and Liabilities:			
Decrease/(increase) in trade and other receivables		3,182	(4,480)
Decrease/(increase) in inventories		7,833	(8,370)
(Increase)/decrease in prepaid expenses		(564)	1,159
Increase/(decrease) in creditors and accruals		113,892	37,282
Increase/(decrease) in provisions		14,472	(39,079)
Increase/(decrease) in other liabilities		(13,945)	8,263
Income tax paid	1(b)	-	-
Net cash provided by operating activities		<u>130,891</u>	<u>165,937</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		7,322	11,899
Purchase of property, plant and equipment		<u>(107,283)</u>	<u>(143,593)</u>
Net cash used in investing activities		<u>(99,961)</u>	<u>(131,694)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		<u>(99,013)</u>	<u>(37,432)</u>
Net cash used in financing activities		<u>(99,013)</u>	<u>(37,432)</u>
Net decrease in cash held		(68,083)	(3,189)
Cash at the beginning of the financial year		<u>133,000</u>	<u>136,189</u>
Cash at the end of the financial year	4(a)	<u>64,917</u>	<u>133,000</u>

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements cover Moree Golf Club Limited as an individual entity. Moree Golf Club Limited is a public company limited by guarantee, incorporated and domiciled in Australia.

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, as appropriate for not-for-profit oriented entities.

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. The amounts presented in the financial statements have been rounded to the nearest dollar.

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 1 (o).

The financial statements were authorised for issue by the directors on 19 December 2016.

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.

(a) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvements in those goods.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Rent revenue from investment properties is recognised when the right to receive the income has been established in line with the lease.

Other revenue is recognised when the right to receive the income has been established.

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

(b) Income Tax

No provision for income tax has been raised as the entity considers itself exempt from paying income tax under Div 50 of the Income Tax Assessment Act 1997.

(c) Current and non-current classification

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

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in 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 exchange 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 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.

(d) Cash and Cash Equivalents

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

(e) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Note 1(i) for further discussion on the determination of impairment losses.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value on a first in first out basis.

(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 losses.

Property

Freehold land and buildings are shown at cost less depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining the recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings and Improvements	2 - 5%
Plant & Equipment, Furniture & Fittings	5 - 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount.

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

(h) Intangibles

Water Licences

The water licences held by the club are recorded at cost. The water licences are subject to annual impairment testing to the higher of fair value less related costs to sell and value in use.

(i) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value of its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the receivable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for intangible assets with indefinite lives.

(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) 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 rate method.

(l) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year 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 not satisfy vesting requirements.

(m) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the company will be able to continue their trading activities. The company has recognised a deficit after income tax of \$217,339 and positive net operating cash flows of \$130,891 for the year ended 31 July 2016 and as at that date, current liabilities exceed current assets by \$438,093

In considering the current liability and asset deficiency it is noted that the company has ready access to preapproved finance facilities of \$64,812 and that a contingent asset of up to a limit of \$100,000 is available (refer note 15). The company presents an amount of employee benefits owing as current of \$187,966 which is considered highly unlikely to be settled within a 12 month period. Furthermore, an amount of \$96,782 of other liabilities exists which is being amortised over a number of years and therefore does not represent a liability requiring physical payment.

In the unlikely event that the above results in a negative outcome, then the going concern basis may not be appropriate. No allowance for such circumstances has been made in the financial report.

(o) 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.

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 indefinite life intangible assets

The company assesses impairment of indefinite life intangible 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.

Employee benefits provision

As discussed in note 1 (l), 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.

(p) New, revised or amending Accounting Standards and Interpretations adopted

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

There were no new standards this year that had a significant impact on the company. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

	Note	2016 \$	2015 \$
Note 2: Revenue			
Sales revenue:			
Sale of goods		<u>892,192</u>	<u>930,265</u>
		<u>892,192</u>	<u>930,265</u>
Other revenue:			
Gaming income		732,789	823,594
Golf course income		357,188	332,279
Green fees		51,055	73,212
Interest received from other persons		6	6
Membership subscriptions		32,972	26,403
Profit on disposal of property, plant and equipment		5,948	-
Rental revenue		15,317	16,684
Sponsorship and donations		32,003	38,073
Water sales		19,600	24,440
Other Income		93,355	98,826
		<u>1,340,233</u>	<u>1,433,517</u>
Total revenue		<u>2,232,425</u>	<u>2,363,782</u>

Note 3: Deficit Before Income Tax Expense

(a) Significant expenses:

Advertising and promotional	150,469	158,453
Austar costs	5,280	14,645
Bad debts	14,719	26,780
Cost of sales	416,809	437,740
Depreciation expense	229,308	247,197
Directors expenses	1,321	884
Finance costs - external	18,332	31,746
Fuel & Oil	17,415	16,695
Insurance	59,555	60,765
Other expenses	45,049	61,940
Printing, postage and stationery	13,069	11,042
Professional costs	75,998	77,537
Provision for employee entitlements	14,473	(39,079)
Repairs and maintenance	245,407	255,063
Salary and wages	667,778	680,907
Sky/Tvn costs	21,411	19,095
Superannuation	61,376	58,492
Till variance	3,087	5,578
Utility expenses	101,969	119,089
Water effluent	130,765	48,040

(b) Auditors remuneration:

- audit or review of the financial statements:		
- audit	16,900	15,350
- other services	4,130	1,690

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

	Note	2016 \$	2015 \$
Note 4: Cash and Cash Equivalents			
Cash on hand		64,917	49,612
Cash at bank		<u>-</u>	<u>83,388</u>
		<u>64,917</u>	<u>133,000</u>
A floating charge over cash and cash equivalents has been provided for certain debt. Refer to Note 14 for further detail.			
(a) Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents		64,917	133,000
Bank overdraft	12	<u>(1,476)</u>	<u>-</u>
		<u>63,441</u>	<u>133,000</u>
Note 5: Trade and Other Receivables			
CURRENT			
Trade receivables		9,941	13,123
Less: Provision for impairment		<u>(406)</u>	<u>(406)</u>
		<u>9,535</u>	<u>12,717</u>
Other receivables		<u>3,103</u>	<u>3,103</u>
		<u>12,638</u>	<u>15,820</u>
Note 6: Inventories			
CURRENT			
Stock on Hand, at cost:			
Bar		<u>30,889</u>	<u>38,722</u>
		<u>30,889</u>	<u>38,722</u>
Note 7: Other Assets			
CURRENT			
Prepayments		44,553	43,989
Other current assets		<u>170</u>	<u>170</u>
		<u>44,723</u>	<u>44,159</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

Note	2016 \$	2015 \$
Note 8: Property, Plant & Equipment		
Land, Buildings and Improvements (at cost)		
Freehold land	<u>240,000</u>	240,000
Buildings	<u>2,904,320</u>	2,881,919
Less: Accumulated depreciation	<u>(594,757)</u>	(527,046)
	2,309,563	2,354,873
Land, buildings and improvements	<u>599,578</u>	599,578
Less: Accumulated depreciation	<u>(120,705)</u>	(112,109)
	478,873	487,469
Total Land and Buildings	<u>3,028,436</u>	3,082,342
Plant and Equipment (at cost)		
Plant and equipment	<u>2,399,410</u>	2,328,671
Less: Accumulated depreciation	<u>(1,871,266)</u>	(1,733,563)
Total Plant and Equipment	<u>528,144</u>	595,108
Total Property, Plant and Equipment	<u>3,556,580</u>	3,677,450

(a) Movements in carrying amounts

	Land and Buildings \$	Plant and Equipment \$	Total \$
Balance at the beginning of the year	3,082,342	595,108	3,677,450
Additions	22,401	84,882	107,283
Disposals	-	(1,373)	(1,373)
Depreciation expense	<u>(76,307)</u>	<u>(150,473)</u>	<u>(226,780)</u>
Carrying amount at the end of the year	<u>3,028,436</u>	<u>528,144</u>	<u>3,556,580</u>

(b) There is a registered mortgage over all properties owned by the company as well as a registered equitable mortgage over the assets of the club including working capital.

(c) No impairment has been recognised in respect of plant and equipment.

Note 9: Investment property

Investment property (at cost)	<u>191,114</u>	191,114
Less: Accumulated depreciation	<u>(26,940)</u>	(24,412)
Total Land and Buildings	<u>164,174</u>	166,702

(a) Movements in carrying amounts

Balance at the beginning of the year	<u>166,702</u>	169,102
Additions	-	-
Disposals	-	-
Depreciation expense	<u>(2,528)</u>	(2,400)
Carrying amount at the end of the year	<u>164,174</u>	166,702

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

	Note	2016 \$	2015 \$
Note 10: Intangible Assets			
Water licence		<u>430,441</u>	<u>430,441</u>
		<u>430,441</u>	<u>430,441</u>

Water Licence

The water licence is assessed as having an indefinite useful life. The measurement and recognition criteria is outlined in note 1 to the financial statements

The directors believe that the carrying amount of the water licence is not impaired and annual impairment testing will be conducted at each reporting date.

Note 11: Trade and Other Payables

CURRENT

Unsecured liabilities;

Trade payables		168,190	60,876
GST payable		14,833	41,483
Members draws		6,400	-
Poker machine jackpots		23,437	-
Sundry payables and accrued expenses		<u>27,853</u>	<u>24,462</u>
Total Trade and Other Payables		<u>240,713</u>	<u>126,821</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

	Note	2016 \$	2015 \$
Note 12: Borrowings			
CURRENT			
Secured liabilities:			
Bank Overdraft		1,476	-
Credit card		-	2,545
Bank loan		62,928	62,928
Hire purchase liability		<u>123,562</u>	<u>154,745</u>
		<u>187,966</u>	<u>220,218</u>
NON-CURRENT			
Secured liabilities:			
Bank loan		25,386	42,870
Hire purchase liability		<u>50,719</u>	<u>99,995</u>
		<u>76,105</u>	<u>142,865</u>
Total Borrowings		<u>264,071</u>	<u>363,083</u>
(a) Total current and non-current secured liabilities:			
Bank loan		88,314	105,798
Lease liability		<u>174,281</u>	<u>254,740</u>
		<u>262,595</u>	<u>363,083</u>
(b) The Westpac Bank holds a mortgage over 2 Greenbah Rd Moree and 158 Heber St Moree, plus a General Security Agreement (FFC) over all current and future assets of the Club.			
The amount recorded as expected to be repaid in next 12 months is the actual payments required between 1 August 2015 - 31 July 2016 per the loan contract.			
(c) The unused portion of approved finance facilities are:			
Bank loan		288	40,281
Bank overdraft		48,524	50,000
Credit card		<u>16,000</u>	<u>13,455</u>
		<u>\$ 64,812</u>	<u>\$ 103,736</u>
Note 13: Employee Benefits			
CURRENT			
Provision for employee benefits		<u>65,799</u>	42,203
		<u>65,799</u>	<u>42,203</u>
NON CURRENT			
Provision for employee benefits		-	9,124
		<u>-</u>	<u>9,124</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

	Note	2016 \$	2015 \$
Provision for employee benefits			
A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.			
Note 14: Other Liabilities			
CURRENT			
Subscriptions received in advance		77,912	71,954
Sponsorship in advance		-	7,000
Lease income in advance		18,870	17,773
		<u>96,782</u>	<u>96,727</u>
NON-CURRENT			
Lease income in advance		84,000	98,000
		<u>84,000</u>	<u>98,000</u>

Note 15: Capital Commitments, Contingent Assets and Contingent Liabilities

(a) Finance Lease Commitments

Payable - minimum lease payments:

- not later than 12 months		123,562	154,745
- between 12 months and five years		50,719	99,995

Minimum lease payments	12	<u>\$ 174,281</u>	<u>\$ 254,740</u>
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The company entered into a 5 year agreement with Telstra to upgrade the phone system. The above represents payments owing for this facility.

(b) Capital Expenditure Commitments

The company had committed to the purchase of a Ticket in Ticket Out (TITO) system for the gaming system as at 31 July 2016 to the value of \$51,700.

(c) Contingent Asset

Following previously disclosed cash handling anomalies identified during 2014 audit procedures, specifically in relation to ATM reconciliation procedures the matter was lodged with NSW Police for investigation. The Club is awaiting the outcome of this ongoing investigation and cannot comment further at this point in time whilst matter remains under investigation.

The Club holds an insurance policy covering fraud and misappropriation for amounts up to a limit of \$100,000. Intention to pursue a claim was advised to club's insurer Calliden, who have acknowledged same, and this will be progressed further once the outcome of the police investigation has been determined and their report provided.

At this time the Board believes it has sound claims to recover identified losses plus associated investigation costs under this policy.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

Note	2016 \$	2015 \$
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Note 16: Events After the End of the Reporting Period

Following the end of the reporting period, the company has entered into a new finance facility with Westpac Banking Corporation to install a Ticket In Ticket Out System (TITO) system in the gaming machines. This new facility has a facility limit of \$51,700.

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

Note 17: Related Party Transactions

Key Management Personnel

The totals of remuneration paid to key management personnel (KMP) during the year are as follows:

Key management personnel compensation	95,542	171,259
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Other 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.

Transactions with related parties were:

KG & D Amos of which Director D Amos is associated with	-	1,793
Tauroma Farming of which Director G Taunton is associated with	19,600	24,440

D Chomley works for Westpac Bank which provided the club with banking facilities.

Note 18: Company Details

The club is incorporated and domiciled in Australia as a company limited by guarantee.

The registered office and principal place of business is:

2 Greenbah Road
 MOREE NSW 2400

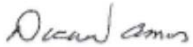
MOREE GOLF CLUB LIMITED
ABN 94 000 852 200

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 31 JULY 2016

The directors of the company declare that:

1. 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;
2. the attached financial statements and notes give a true and fair view of the company's financial position as at 31 July 2016 and of its performance for the financial year ended on that date; and
3. 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 by:



Director



Director

Dated: 19 December 2016

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
MOREE GOLF CLUB LIMITED**

ABN 94 000 852 200

Report on the financial report

We have audited the accompanying financial report of Moree Golf Club Limited, which comprises the statement of financial position as at 31 July 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been provided to the directors of Moree Golf Club Limited, would be in the same terms if given to the directors as at the time of this auditors' report.

Audit Opinion

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

- (a) giving a true and fair view of the company's financial position as at 31 July 2016 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards Reduced Disclosure Requirements as described in Note 1 and the Corporations Regulations 2001.

Emphasis of Matter: Inherent Uncertainty regarding Going Concern

Without qualifying our audit opinion, we draw attention to Note 1(n) in the financial report, which discloses that the company incurred an operating deficit of \$217,339 for the year ended 31 July 2016, and as at that date the current liabilities exceeded the current assets by \$438,093. These conditions, along with other matters set out in Note 1(n), indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business or for the balances disclosed in the financial report.

CROWE HORWATH CENTRAL NORTH



Kylie Ellis
Registered Company Auditor (ASIC RAN 483424)
149 Otho Street
INVERELL NSW 2360

Dated: 23 December 2016